

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$10,705,323		\$10,979,130	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$10,705,323		\$10,979,130	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB1302 requires the OCIO to procure tools, hardware, software and services to expand the states cybersecurity defense and response capabilities. The bill states intent to appropriate \$2,000,000 with \$1,000,000 PSL each FY for this purpose.

The bill requires the OCIO to expand cyber risk management activities.

The bill requires the OCIO to develop cybersecurity training for protecting critical infrastructure. The bill states intent to appropriate \$1,000,000 each FY for this purpose. The training must:

- enhance cooperation and build partnerships between industry leaders in Nebraska, the National Guard, international partners, and other government agencies
- require incident response and coordination planning
- be a “live-fire,” joint training in a virtual environment

The bill requires the OCIO to contract with a provider to evaluate the cyber vulnerabilities of vendors contracted to the state, to provide this information to all agencies and political subdivisions and to react accordingly. The bill states intent to appropriate \$4,000,000 each FY for this purpose.

The bill requires the OCIO to provide grants to political subdivisions with the purpose of upgrading critical infrastructure. The bill states intent to appropriate \$2,000,000 with \$500,000 PSL for this purpose.

The bill requires the OCIO to purchase software and tools addressing cybersecurity and to provide these to political subdivisions at no charge. The bill states intent to appropriate \$2,000,000 with \$250,000 PSL for this purpose.

The bill requires the vendors providing goods and services to the OCIO under this act be headquartered in the US and in good standing with Nebraska and be in the “ready stage” in the Federal Risk and Authorization Management Program.

The OCIO estimates a cost of \$10,705,323 in FY 25 and \$10,979,130 in FY26. This estimation appears reasonable. The full explanation is below.

Section	Description	FY2023-2024	FY2024-2025
4	Preparedness		
	Visibility and Asset Management	250,000	250,000
	Expansion of SIEM Capabilities	450,000	450,000
	Increased Detection and Response Capabilities	1,000,000	1,000,000
	Workforce Development Activities	50,000	50,000
5	Annual Training		
	Cybersecurity Readiness Training	900,000	900,000
6	Vendor Security		
	Governance, Cyber Risk and Compliance Tool	200,000	200,000
	Vendor Security Partnership	3,700,000	3,700,000
7	Political Subdivision Program		

	Individual Projects Submitted by political subdivisions	1,750,000	2,000,000
8	Software & Services		
	Proofpoint Cybersecurity Awareness Platform	250,000	250,000
	Incident Monitoring and Incident Response	1,650,000	1,650,000
	Operating Expense Total:	10,200,000	10,450,000
4-7	Salary - State Information Security Officer	77,606	81,847
4-7	Salary - Administrative Programs Officer II	47,188	49,547
4-7	Salary - IT Infrastructure Support Analyst/Senior (3)	181,308	190,371
4-7	Benefits	186,625	207,064
	PSL Total:	492,727	528,829
	Operating Expense and PSL Expense Total:	10,692,727	10,978,829

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1302	AM:	AGENCY/POLT. SUB: Department of Health and Human Services	
REVIEWED BY: Kimberly Burns	DATE: 02/05/2024	PHONE: (402) 471-4171	
COMMENTS: The Department of Health and Human Services' estimate of no fiscal impact as a result of LB 1302 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1302	AM:	AGENCY/POLT. SUB: Nebraska Department of Correctional Services	
REVIEWED BY: Kimberly Burns	DATE: 01/22/2024	PHONE: (402) 471-4171	
COMMENTS: The Nebraska Department of Correctional Services' estimate of no fiscal impact as a result of LB 1302 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1302	AM:	AGENCY/POLT. SUB: City of Kearney	
REVIEWED BY: Kimberly Burns	DATE: 01/22/2024	PHONE: (402) 471-4171	
COMMENTS: No basis to dispute the City of Kearney's assessment of no fiscal impact from LB 1302.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1302	AM:	AGENCY/POLT. SUB: Dept. of Administrative Services – Office of the Chief Information Officer	
REVIEWED BY: Kimberly Burns	DATE: 02/01/2024	PHONE: (402) 471-4171	
COMMENTS: The Department of Administrative Services - Office of the Chief Information Officer's assessment of fiscal impact to carry out the provisions from LB 1302 appears reasonable.			

Please complete ALL (5) blanks in the first three lines.

2024

LB⁽¹⁾ 1302

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Kearney

Prepared by: ⁽³⁾ Taylor Jaeger Date Prepared: ⁽⁴⁾ 1/22/2024 Phone: ⁽⁵⁾ 308-233-3674

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2024

LB⁽¹⁾ 1302

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) Office of the Chief Information Officer (OCIO)

Prepared by: ⁽³⁾ Noah Finlan Date Prepared: ⁽⁴⁾ 1/22/2024 Phone: ⁽⁵⁾ 402-471-4385

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	10,705,323		10,979,130	
CASH FUNDS				
FEDERAL FUNDS				
REVOLVING FUNDS				
TOTAL FUNDS	<u>10,705,323</u>		<u>10,979,130</u>	

Explanation of Estimate:

LB 1302 as proposed would establish new duties and parameters for the Department of Administrative Services - Office of the Chief Information Officer (DAS-OCIO) with regards to cybersecurity. This includes training, a process to provide grants to political subdivisions and any contracted software or services are to be offered to political subdivisions at no charge, etc.

To accomplish the requirements of LB 1302, the procurement of cybersecurity software and hardware would need to be completed and continually maintained resulting in operational expenses of \$10,200,000 and \$10,450,000 for FY24-25 and FY25-26 respectively.

These new duties would require five (5) new FTE's who would be dedicated to cybersecurity and the administration of the program – a State Information Security Officer, an Administrative Programs Officer II and three (3) IT Infrastructure Support Analyst/Seniors.

The estimated cost to DAS-OCIO for these five (5) new FTE's is \$505,322 in FY24-25 and \$529,131 in FY25-26. These costs include estimated FY24-25 and FY25-26 salary and benefits (health insurance is based on the State's share of the highest cost family plan).

Additional ongoing operating costs related to the five (5) new FTE's are OCIO expenses including computer leasing costs, printing/publication, rent/depreciation surcharge, and other supplies. There would also be a one-time cost of \$7,500 (\$1,500 X 5 FTE's = \$7,500) in FY24-25 for set up costs and the purchase of new non-capitalized equipment - monitor, furniture, etc. are included in the Operating Expenses below.

LB 1302 as written does not identify what form the necessary appropriations would be. It is the desire of the DAS-OCIO that any appropriations would be General Funds appropriated to Agency 65 Department of Administrative Services, Division 15 - Office of the Chief Information Officer, Program 172 – IMServices.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2024-25	2025-26
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
State Information Security Officer (G07620)	1	1	79,157	83,115
Administrative Programs Officer II (A09012)	1	1	48,131	50,537
IT Infrastructure Support Analyst/Senior (A07073)	3	3	184,936	194,182
Benefits.....			193,099	201,296
Operating.....			10,200,000	10,450,000
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			10,705,323	10,979,130

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) John Meals

Date Prepared 2-5-2024

Phone: (5) 471-6719

	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

There is no fiscal impact to the Department of Health and Human Services.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2024-2025	2025-2026
		24-25	25-26	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....				\$0	\$0

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2024

LB⁽¹⁾ 1302

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Correctional Services

Prepared by: ⁽³⁾ Lisa Stanton Date Prepared: ⁽⁴⁾ 01/18/2024 Phone: ⁽⁵⁾ (402)479-5702

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

NDCS estimates no fiscal impact as a result of LB 1302.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____