



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 391** SLS 18RS 362
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | |
|--|-----------------------------------|
| Date: April 23, 2018 2:31 PM | Author: MIZELL |
| Dept./Agy.: Statewide - Office of Technology Services | Analyst: Monique Appeaning |
| Subject: Internet Filters | |

STATE AGENCIES EG INCREASE GF EX See Note Page 1 of 1

To require state agencies to install internet filters to block content which is obscene or sexually harassing and which create a hostile work environment. (8/1/18)

Present law provides for the state chief information officer to manage and direct the Office of Technology Services, with roles, duties, and activities that includes establishing and coordinating all information technology systems and information technology services affecting the management and operations of the executive branch of state government.

Proposed law directs the Office of Technology Services to adopt policies regarding the acceptable use of state owned computers by state employees, to provide technology to block access or exposure to certain internet or online services, and provides for certain exceptions.

| EXPENDITURES | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 5 -YEAR TOTAL |
|---------------------|----------|----------|----------|----------|----------|---------------|
| State Gen. Fd. | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | | | | | | |
| REVENUES | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 5 -YEAR TOTAL |
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

Proposed law will likely not result in an expenditure increase in the Division of Administration - Office of Technology Services (OTS) to adopt policies regarding the acceptable use of state owned computers by state employees to access the internet and online sites that contain or make reference to certain harmful materials. The agency reports that it currently provides the services outlined in proposed law; therefore, it will not result in any additional workload changes for the executive branch entities under its purview.

OTS currently provides web content filtering for the executive branch agencies excluding Higher Education. Web content filtering is a component of the OTS Information Security policy related to acceptable use of state resources. This solution is managed and maintained by the Information Security Team (IST) with support provided by an information security solution vendor. OTS is currently licensed for 39,800 users and 4 physical Web Gateway Appliances, which implement the service at the state's internet connection on the state network. The annual operational costs for these technology platforms and services total \$223,234 (\$5.61 per user), inclusive of hardware maintenance at \$21,200 and software maintenance and subscription at \$183,434.

To the extent elected officials and other entities operate outside the management and operations of OTS, and do not currently utilize filtering services of equal or greater functionality, there may be an expenditure impact to comply with proposed law. The potential expenditure impact is reflected as SGF above in this fiscal note for simplicity, but may be paid from any means of finance. The LFO assumes a similar per user expenditure impact as realized by the executive branch.

Higher Education

Proposed law may result in an indeterminable increase in state expenditures for specific higher education entities. Feedback from one campus indicates that the proposed filtering requirements would be challenging on a college campus and may run counter to higher education's general commitment to open access to information. The campus reported that it would likely experience an estimated cost in excess of \$100k annually to implement. A second campus reports that proposed law would impact its current mail services. Currently, its mail services are provided by Microsoft through the Office 365 product which does not support content level filtering; therefore, this campus would be required to move to another product in order to achieve compliance. The potential expenditure impact is reflected as SGF above in this fiscal note for simplicity, but may be paid from multiple means of finance.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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