

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 6** HLS 201ES 11
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: July 6, 2020 10:07 AM **Author:** IVEY
Dept./Agy.: Statewide **Analyst:** Alan M. Boxberger
Subject: State Cybersecurity and Information Technology Fund

FUNDS/FUNDING EN SEE FISC NOTE SD EX See Note Page 1 of 1

Establishes the State Cybersecurity and Information Technology Fund and dedicates revenues to the fund (Items #10 and #11)

Proposed law establishes the State Cybersecurity and Information Technology Fund as a special fund in the state treasury. Proposed law authorizes money in the fund to be invested by the treasurer and directs that any interest earned on investment of the fund corpus be reinvested into the fund. Proposed law provides that money appropriated from the fund shall be expended solely for direct, project-related expenses to enhance or upgrade the state's information technology infrastructure or cybersecurity needs. Proposed law provides for the duties of the Joint Legislative Committee on Technology and Cybersecurity.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. This measure establishes the State Cybersecurity and Information Technology Fund, but does not identify or provide for a recurring source of revenue. Proposed law may increase state expenditures to the degree that the legislature appropriates monies into the newly created State Cybersecurity and Information Technology Fund, identifies a recurring revenue source, or monies designated for the fund from donations, gifts, grants or other revenues are deposited.

To the extent monies are appropriated to the fund, these funds will be expended solely for support of projects to enhance or upgrade the state's information technology infrastructure or cybersecurity needs.

Proposed law provides for the duties and powers of the Joint Legislative Committee on Technology and Cybersecurity. To the degree that such a committee might be formed and meet outside of scheduled legislative sessions, the legislature may incur additional per diem and travel expenditures. The legislative member per diem rate is \$161 and the mileage reimbursement rate is \$0.575/mile. The number of members that would serve on the Committee and the frequency of potential meetings is unknown, therefore the potential expenditure impact is indeterminable. Legislative expenditures are paid from the SGF.

Creating a new statutory dedication within the state treasury will result in a marginal workload increase for the Department of Treasury, which can generally be absorbed within existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds. The Treasury performs fund accounting, financial reporting, banking and custodial functions for 404 special funds. When unable to absorb additional workload with existing resources, the treasury anticipates that it will be required to add one T.O. position at a total personal services cost of approximately \$71,000 plus approximately \$2,450 for a one-time purchase of office equipment. These expenditures are assumed to be SGF in this fiscal note.

REVENUE EXPLANATION

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

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Gregory V. Albrecht
Chief Economist