

SF1264 - 0 - "Legislative Commission on Cyber Security"

Chief Author: **Paul Anderson**
 Committee: **State Government Finance and Policy and Elections**
 Date Completed: **02/27/2019**
 Agency: **Legislature**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	10	10	10	10	10
Total	-	10	10	10	10	10
Biennial Total			20			20

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	10	10	10	10	10
Total	-	10	10	10	10	10
	Biennial Total		20	20		20
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund						
Expenditures	-	44	46	47	47	47
Absorbed Costs	-	(34)	(36)	(37)	(37)	(37)
Total	-	10	10	10	10	10
	Biennial Total		20	20		20
2 - Revenues, Transfers In*						
General Fund						
Total	-	-	-	-	-	-
	Biennial Total		-	-		-

Bill Description

The bill creates a Legislative Commission on Cybersecurity (LCCS) to provide oversight of the state's cyber security measures by reviewing the policies and practices of state agencies and may recommend changes to policy and law. The LCCS will consist of eight members; four senators and four representatives. The Legislative Coordinating Commission (LCC) must provide administrative support to the LCCS. The LCCS must meet at least two times in 2019 and then a minimum of three times per calendar year thereafter. The commission sunsets Dec 31, 2028.

Assumptions

1. The LCCS will meet within the Capitol complex a total of five times each fiscal year beginning FY20. The fiscal note is based on costs of all meetings being conducted during interims.
2. The bill does not provide for payment of per diems or for the reimbursement of expenses of legislators serving on the LCCS. However, members could request reimbursement from the House and Senate for expenses of engaging in legislative activity. This fiscal note is based on the assumption that the members will be paid per diems and seek reimbursement for their expenses.
3. Legislative member meeting participation cost include the following per member per interim meeting costs: per diem (\$86 senators, \$66 representatives), \$88 round trip mileage (152 round trip mile average), and lodging for half of the legislative members (\$150/night senators, \$150/night representatives).
4. This note does not include any additional cost that non-legislative agencies may incur for interaction with staff and/or participation in meetings as requested by the LCCS.
5. For this note we assume that no additional meetings of legislative finance committees will be held outside of session to address any issues related to the work of the LCCS.
6. Senate Counsel, Research and Fiscal Analysis will provide support of a 0.10 FTE composite of staff time per fiscal year (approximately 200 hours) beginning FY20. House Research Department and House Fiscal Analysis Department will also provide support of a 0.10 FTE composite per fiscal year (approximately 200 hours) beginning FY20. For this fiscal note we assume existing staff will be utilized and cost may be absorbed, although that will depend on the priorities of the legislature and staff time required for competing projects.
7. The LCC will provide a 0.10 FTE composite of administrative and fiscal staff support per fiscal year (approximately 200 hours) beginning FY20. For this fiscal note we assume existing staff will be utilized and cost may be absorbed, although that will depend on the priorities of the legislature and staff time required for competing

projects.

Expenditure and/or Revenue Formula

Discussion: A range of projected costs is provided dependent on the expectations of the work of the LCCS.

The low end of the spectrum (Scenario A) is a commission that is supported with only the existing legislative staff. The House and the Senate will each provide research and fiscal staff support to the commission as described in assumption 5 and 6. The LCC will provide administration and fiscal staff support as described in assumption 7. For the House, Senate and LCC, existing staff may be used and associated cost will be absorbed. The reassignment will be made at the expense of other functions depending on the priorities of the Legislature. Commission members will receive compensation and reimbursement of expenses for their meeting participation as detailed in assumption 1, 2 and 3. With this level of staff support, the commission staff likely could hold hearings and take testimony but do relatively little of in-depth research and analysis.

The following tables summarizes the projected cost of this minimal level of staff support and with those associated staff costs absorbed by the House, Senate and LCC. Member meeting participation is shown as new cost. Although we have presented a range of cost depending on the scope of commission work expectations, the cost for this scenario has been entered in the fiscal note system table.

Member Meeting Participation Cost

Cost Category	FY19	FY20	FY21	FY22	FY23
Senate Member Mtg Participation Cost	0	5,000	5,000	5,000	5,000
House Member Mtg Participation Cost	0	5,000	5,000	5,000	5,000
Total Member Mtg Participation Cost	0	10,000	10,000	10,000	10,000

Staff Support Cost

Cost Category	FY19	FY20	FY21	FY22	FY23
Senate Counsel, Research & Fiscal Analysis Staff Support Cost (.10 FTE)	0	12,000	13,000	13,000	13,000
House Research & Fiscal Analysis Staff Support Cost (.10 FTE)	0	12,000	13,000	13,000	13,000
LCC Admin & Fiscal Staff Support Cost (.10 FTE)	0	10,000	10,000	11,000	11,000
Total Staff Support Cost	0	34,000	36,000	37,000	37,000
Staff Cost Absorbed by the Senate	0	(12,000)	(13,000)	(13,000)	(13,000)
Staff Cost Absorbed by the House	0	(12,000)	(13,000)	(13,000)	(13,000)
Staff Cost Absorbed by the LCC	0	(10,000)	(10,000)	(11,000)	(11,000)
Total Staff Support Cost Absorbed	0	(34,000)	(36,000)	(37,000)	(37,000)
Net Staff Support Cost	0	0	0	0	0

Summary of Total Cost

Cost Category	FY19	FY20	FY21	FY22	FY23
LCCS Member Meeting Participation Cost	0	10,000	10,000	10,000	10,000

Total Staff Support Cost	0	34,000	36,000	37,000	37,000
Total Cost	0	44,000	46,000	47,000	47,000
Total Absorbed Cost (Staff Support Cost)	0	(34,000)	(36,000)	(37,000)	(37,000)
Net Total Cost	0	10,000	10,000	10,000	10,000

On the high end of the spectrum (Scenario B), the LCC will hire a 1.0 FTE fiscal/research analyst in July, 2019 (FY20) to provide in-depth dedicated research and analysis to the LCCS. Compensation cost for the analyst will include salary, FICA cost and employer contribution for health insurance and Unclassified retirement plan (fringe cost). The build-out of rented office space will need to be arranged and office equipment will need to be procured. The LCCS will meet five times per FY beginning FY20. Commission members will be reimbursed for meeting participation cost. With its own staff, the LCCS will be able to conduct its own research and fiscal analysis, and proactively engage with state agencies and other organizations to analyze practices and policies. With the LCCS having dedicated staff, the need for the House and Senate to provide fiscal/research support will be diminished to a projected .05 FTE from each body each fiscal year (approximately 100 hours). The associated costs will be absorbed. The LCC will provide .05 FTE administrative and fiscal support (approximately 100 hours) and will absorb the cost.

The following tables summarize the projected cost for this level of dedicated staff support:

Member Meeting Participation Cost

Cost Category	FY19	FY20	FY21	FY22	FY23
Senate LCCS Member Mtg Participation Cost	0	5,000	5,000	5,000	5,000
House LCCS Member Mtg Participation Cost	0	5,000	5,000	5,000	5,000
Total Member Mtg Participation Cost	0	10,000	10,000	10,000	10,000

Staff Support Cost

Cost Category	FY19	FY20	FY21	FY22	FY23
LCCS Research Analyst (1.0 FTE)	0	113,000	116,000	119,000	122,000
Senate Counsel, Research & Fiscal Analysis Staff Support Cost (.05 FTE)	0	6,000	6,000	6,000	7,000
House Research & Fiscal Analysis Staff Support Cost (.05 FTE)	0	6,000	6,000	6,000	7,000
LCC Admin & Fiscal Staff Support Cost (.05 FTE)	0	5,000	5,000	5,000	5,000
Total Support Staff Cost	0	130,000	133,000	136,000	141,000
Staff Cost Absorbed by the Senate	0	(6,000)	(6,000)	(6,000)	(7,000)
Staff Cost Absorbed by the House	0	(6,000)	(6,000)	(6,000)	(7,000)
Staff Cost Absorbed by the LCC	0	(5,000)	(5,000)	(5,000)	(5,000)
Total Staff Support Cost Absorbed	0	(17,000)	(17,000)	(17,000)	(19,000)
Net Total Staff Support Cost	0	113,000	116,000	119,000	122,000

Operation Cost

Cost Category	FY19	FY20	FY21	FY22	FY23
Office Space Rent & Build-Out	0	8,000	4,000	4,000	4,000
Equipment	0	3,000	0	0	0
General Operation Cost (software, printing, supplies, staff travel)	0	2,000	2,000	2,000	2,000
Total Operational Cost	0	13,000	6,000	6,000	6,000

Summary of Total Cost

Cost Category	FY19	FY20	FY21	FY22	FY23
LCCS Member Meeting Participation Cost	0	10,000	10,000	10,000	10,000
Total Staff Support Cost	0	130,000	133,000	136,000	141,000
Total Operations Cost	0	13,000	6,000	6,000	6,000
Total Cost	0	153,000	149,000	152,000	157,000
Total Staff Support Cost Absorbed	0	(17,000)	(17,000)	(17,000)	(19,000)
Net Total Staff Support Cost	0	136,000	132,000	135,000	138,000

New FTEs

FTE Category	FY19	FY20	FY21	FY22	FY23
LCCS Research Analyst	0.00	1.00	1.00	1.00	1.00
Total New FTE	0.00	1.00	1.00	1.00	1.00

Long-Term Fiscal Considerations

The cost would be ongoing until the sunset date of the LCCS.

The cost provided in this fiscal note is a low cost assumption. Cybersecurity is a complex issue and can require a large dedication of resources for collecting, reviewing and analyzing information, policies and procedures of state agencies. Depending on the workload demands and legislative priorities, the staffing level for the Senate, House and LCC identified in the assumptions may not be sufficient and a reassessment of staff resources would be needed.

Local Fiscal Impact

N/A

References/Sources

Patrick McCormack, House of Representatives

Bill Marx, House of Representatives
Barb Juelich, House of Representatives
Tom Bottern, Minnesota Senate
Eric Nauman, Minnesota Senate
Betty Meyer, Minnesota Senate
Cal Ludeman Minnesota Senate
Greg Hubinger, Legislative Coordinating Commission

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