

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2049 - 2

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Establishes Cybersecurity Center of Excellence at Portland State University to be jointly operated by Portland State University, Oregon State University, and the University of Oregon. Transfers Oregon Cybersecurity Advisory Council from office of Enterprise Information Services to Oregon Cybersecurity Center of Excellence. Increases the number of Council members to 21 members, including 15 voting members and six nonvoting members. Specifies that legislative members of the Council are entitled to compensation and expense reimbursement.

Government Unit(s) Affected:

Higher Education Coordinating Commission, Public Universities, Department of Administrative Services, Office of the Governor, Cities, Counties, School Districts, Special Districts, Legislative Assembly

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
General Fund		
Center of Excellence Operating Fund	\$3,646,942	\$3,803,732
Workforce Development Fund	\$6,193,098	\$7,155,338
Grant Program Fund	\$4,317,100	\$1,292,400
Public Awareness Fund	\$685,400	\$707,700
Total General Fund	\$14,842,540	\$12,959,170
Total Fiscal Impact	\$14,842,540	\$12,959,170

Analysis:

House Bill 2049, as amended by the -2 amendments, establishes the Oregon Cybersecurity Center of Excellence, the Oregon Cybersecurity Center of Excellence Operating Fund, the Oregon Cybersecurity Workforce Development Fund, the Oregon Cybersecurity Grant Program Fund, and the Oregon Cybersecurity Public Awareness Fund. The measure appropriates an unspecified amount of General Fund to the Higher Education Coordinating Commission to be deposited into these four funds.

The Oregon Cybersecurity Center of Excellence will be established at Portland State University and operated under the joint direction and control of three founding universities - Portland State University, Oregon State University, and the University of Oregon. In addition, the universities are directed to establish the Oregon Cybersecurity Advisory Council to serve as an advisory council for the Center of Excellence.

The Center of Excellence is established to coordinate, fund, and provide education, awareness, and training for public, private, and non-profit sectors. The Oregon Cybersecurity Center of Excellence Operating Fund is established to fund the operations of the Center of Excellence. The three founding universities estimate the startup operating costs of the Center to be \$3,646,942 General Fund. This amount includes funding for Center staff.

The Cybersecurity Workforce Development Fund provides grants to Oregon public bodies for workforce development, education, and training programs. The three founding universities estimate startup costs for workforce development efforts to be \$6,193,098 General Fund. This amount includes funding for faculty positions, student stipends, instruction materials, certification scholarships, and funds for the development of cybersecurity certificate programs.

The Oregon Cybersecurity Public Awareness Fund is established for the purposes of raising awareness about the importance of cybersecurity. The three founding universities estimate startup costs for part-time staff and public relations efforts to be \$685,400 General Fund.

The Oregon Cybersecurity Grant Program Fund is established to provide assessment, monitoring, incident response, and competitive grants to government bodies for cybersecurity-related goods and services. A startup amount of \$4,317,100 is estimated as the amount needed to conduct baseline cybersecurity assessments and pilot studies, conduct applied cybersecurity research, develop a cybersecurity resilience plan, establish grant program administration functions, and serve as matching funds for federal grants. \$3.1 million of that amount has been included to serve as potential matching funds for nearly \$12 million in remaining federal funds available to Oregon through the Infrastructure Investment and Jobs Act State and Local Cybersecurity Grant Program through the end of federal fiscal year 2025. The amount required in the 2025-27 biennium to replenish monies available within the Oregon Cybersecurity Grant Program Fund is indeterminate at this time.

Moneys appropriated to the Cybersecurity Grant Program Fund will generally be distributed to public bodies following the submission of grant applications competitively evaluated by the Center through a process outlined in rules. Some moneys in this Fund may also be used as state matching funds for federal moneys related to cybersecurity grants applied for and received by public bodies. In some cases, applications to these federal grant programs may be submitted by the Center directly, or on behalf of another public body. In other cases, the state Chief Information Officer, the state administrative agency designated by the federal agency administering the grant program, or another state official (or designee) may be responsible for applying for various cybersecurity related federal grants on behalf of the state, the Center or another public body. The specific requirements of each federal grant program will govern the specific approach taken to meet grant application, funds distribution, management, and reporting requirements.

The measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its impact to the State's General Fund and the Higher Education Coordinating Commission's biennial budget.