

PREPARED BY: Bill Biven, Jr.
 DATE PREPARED: March 02, 2023
 PHONE: 402-471-0054

LB 638

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,556,250		\$1,596,500	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,556,250		\$1,596,500	

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

LB638 creates & adopts the Nebraska K-12 Cybersecurity & Data Protection Act.

The Nebraska K-12 Cybersecurity & Data Protection Act will promote & institute protective cybersecurity measures in alignment with best practices which address prevention, mitigation, response, recovery, & establish systematized response relating to cybersecurity & data protection within the Nebraska school system.

The Educational Service Unit Coordinating Council (ESUCC) will establish a cybersecurity team to conduct a statewide needs analysis to determine appropriate cybersecurity measures & work to implement the cybersecurity measures with individual educational service units (ESUs) & schools in a manner that is respectful of each ESUs regional relationship with its member schools.

The ESUCC will annually submit a written report electronically to the Education Committee of the Legislature providing updates on progress in implementing the Nebraska K-12 Cybersecurity & Data Protection Act. The report will include updates on the level of adoption of identified cybersecurity practices in public school districts based on aggregated data from ESUs, & will include recommendations for additional provisions to address & mitigate emerging, cybersecurity threats to schools.

The State Board of Education can adopt & promulgate rules & regulations to carry out the Act. The Commissioner can take any enforcement action under the Commissioner's authority to enforce compliance with the Act.

EXPENDITURES:

The Nebraska Department of Education (NDE) estimates that there will be no fiscal impact for them.

The ESUCC estimates the costs to implement LB638 to be \$1,556,250 for FY23-24 & \$1,596,500 for FY24-25. Those expenses include 7 new FTEs, an online, ongoing training program/software, multi-factor authentication, & estimated costs for response & recover efforts in the event of a security breach.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	638	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY:	Gary Bush	DATE:	3/2/23	PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the estimate provide to the Department of Education. There would a cost to the bill. Funding for this expense is not defined. Funding could be provided by property taxpayers or by the state with General Funds.				

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

2023

LB⁽¹⁾ 638

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Education

Prepared by: ⁽³⁾ Lane Carr Date Prepared: ⁽⁴⁾ 3.2.23 Phone: ⁽⁵⁾ 4024193012

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB638 establishes the Nebraska K-12 Cybersecurity and Data Protection Act to promote and institute cybersecurity measures in Nebraska’s schools.

The bill requires the Educational Service Unit Coordinating Council to establish a cybersecurity team to conduct a statewide needs analysis, and to craft a plan for prompt response to cybersecurity events in public schools.

Requires the annual submission of an annual report to the Education Committee, and allows for the adoption and promulgation of rules by the State Board pertaining to K-12 cybersecurity and data protection.

There would be no fiscal impact on the NDE, and the fiscal impact on the ESUCC cannot be determined at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24 EXPENDITURES</u>	<u>2024-25 EXPENDITURES</u>
	<u>23-24</u>	<u>24-25</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2023

LB⁽¹⁾ 638

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Educational Service Unit Coordinating Council (ESUCC)

Prepared by: ⁽³⁾ Kraig J. Lofquist Date Prepared: ⁽⁴⁾ Mar 2, 2023 Phone: ⁽⁵⁾ 402.953.8456

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$1,556,250		\$1,596,500	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,556,250		\$1,596,500	

Explanation of Estimate:

Seven (7) cyber security positions would be funded by LB 638.

An online, ongoing training program/software designed to protect staff members and database systems from advanced email threats would be purchased and implemented. Data from the program will be used to enhance online security efforts.

The aforementioned cost also includes multi factor authentication (MFA) which also helps to preclude bad actors from entering a system.

Finally, estimated costs for response and recovery efforts are also included in the event of a security breach.

Travel is estimated at \$7,000/ year. Start up equipment (computers, monitors, etc.) is estimated to be \$40,000 for year one, and \$20,000 for year two.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
	<u>7</u>	<u>7</u>	\$1,556,250	\$1,596,500
Benefits.....			Included	Included
Operating.....				
Travel.....			Included	Included
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$1,556,250	\$1,596,500