

SF4874 - 1A - Report on Cybersecurity Incidents Required

Chief Author: **Melissa Wiklund**
 Committee: **State And Local Government And Veterans**
 Date Completed: **4/5/2024 2:57:02 PM**
 Lead Agency: **Minnesota IT Services**
 Other Agencies:
 Minn Management and Budget Public Safety Dept

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	FY2023	FY2024	FY2025	FY2026	FY2027
Minnesota IT Services	-	-	-	-	-
General Fund	-	-	-	-	-
State Total					
General Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Minnesota IT Services	-	-	-	-	-
General Fund	-	-	.5	.5	.5
Total	-	-	.5	.5	.5

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Susan Nelson **Date:** 4/5/2024 2:57:02 PM
Phone: 651-296-6054 **Email:** susan.nelson@lbo.mn.gov

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		FY2023	FY2024	FY2025	FY2026	FY2027
Minnesota IT Services		-	-	-	-	-
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Minnesota IT Services		-	-	-	-	-
General Fund						
Expenditures		-	-	175	75	75
Absorbed Costs		-	-	(175)	(75)	(75)
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Minnesota IT Services		-	-	-	-	-
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

SF4874 - 1A - Report on Cybersecurity Incidents Required

Chief Author: **Melissa Wiklund**
 Committee: **State And Local Government And Veterans**
 Date Completed: **4/5/2024 2:57:02 PM**
 Agency: **Minnesota IT Services**

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	
	FY2023	FY2024	FY2025	FY2026	FY2027
Dollars in Thousands					
General Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	.5	.5	.5
Total	-	-	.5	.5	.5

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Susan Nelson **Date:** 4/5/2024 2:33:25 PM
Phone: 651-296-6054 **Email:** susan.nelson@lbo.mn.gov

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		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund						
Expenditures		-	-	175	75	75
Absorbed Costs		-	-	(175)	(75)	(75)
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
General Fund						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill relates to cybersecurity and requires reporting of cybersecurity incidents impacting public-sector organizations in Minnesota.

The bill defines a cybersecurity incident as "actions taken through the use of an information system or network that result in an actual or potentially adverse effect on an information system, network, and the information residing therein.

Public-sector organizations in Minnesota refers to state agencies, political subdivisions, school districts, charter schools, intermediate districts, cooperative units and public postsecondary education institutions including third-party vendors and contractors utilized by these entities.

Cybersecurity incidents must be reported within 72 hours of when the public agency or government contractor reasonably identifies or believes that a cybersecurity incident has occurred.

Additionally the bill requires an annual report on cybersecurity incidents to the governor and legislative commission on cybersecurity.

Assumptions

The fiscal note outlines the cost of implementing the bill. The implementation will be funded by appropriations received by MNIT in the 2023 legislative session.

Expenditure and/or Revenue Formula

This bill introduces a mandate for reporting to the State cybersecurity incidents that impact public entities. Over recent years, MNIT has enhanced its collaboration with local governments and schools. Although this new legislation is not a prerequisite for ongoing cooperation, it enhances the effectiveness of these collaborative efforts. To support this initiative, additional Full-Time Equivalent (FTE) staff will be necessary. The 2023 legislative session provided additional funding to MNIT for increased collaboration efforts and enhanced vendor risk management efforts. This prior funding, while not explicitly planned for implementation of this law, will be able to meet provide resources needed for implementation.

The enhanced vendor risk management proposal from last session requires modifications to an existing tool that can also

accommodate accepting reports from public entities. The system cost to buy, build and implement this sytem modification is \$100,000. MNIT will also need the time of half an FTE to manage and coordinate the reporting process. MNIT can absorb these costs with existing funding.

Cost breakdown is as follows:

	FY25	FY26	FY27
0.5 Full-Time Equivalent (FTE)	\$75,000	\$75,000	\$75,000
System modification	\$100,000	0	0
Total	\$175,000	\$75,000	\$75,000

Long-Term Fiscal Considerations

None

Local Fiscal Impact

There will be a cost to local entities to provide timely reporting of cybersecurity incidents to MNIT. The exact cost for each local entity will depend on the size of the entity, the frequency of incidents, and their cybersecurity capabilities. As a result, MNIT is unable to determine the precise fiscal impact to local entities.

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Uma Venkat

Phone: 651-201-1218

Date: 4/5/2024 2:30:42 PM

Email: uma.venkat@state.mn.us

SF4874 - 1A - Report on Cybersecurity Incidents Required

Chief Author: **Melissa Wiklund**
 Committee: **State And Local Government And Veterans**
 Date Completed: **4/5/2024 2:57:02 PM**
 Agency: **Minn Management and Budget**

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		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Susan Nelson **Date:** 4/5/2024 2:12:31 PM
Phone: 651-296-6054 **Email:** susan.nelson@lbo.mn.gov

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		FY2023	FY2024	FY2025	FY2026	FY2027
	Total	-	-	-	-	-
	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
	Total	-	-	-	-	-
	Biennial Total			-		-

Bill Description

SF4874-1A is a bill for an act relating to cybersecurity that requires reporting of cybersecurity incidents impacting public-sector organizations in Minnesota. Bill proposes coding for new law in Minnesota Statutes, chapter 16E.

Assumptions

Minnesota Management and Budget (MMB) does not expect direct financial impact related to this bill.

MMB does host sensitive data in IT systems and, due to MMB's responsibilities and oversight role, there is an expectation that MMB may become involved in some situations that arise. MMB expects that current staffing levels will support involvement needed. MMB is not aware of specific resources that need to be dedicated related to implementation of this bill.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact: Ronika Rampadarat 651-201-8115

Agency Fiscal Note Coordinator Signature: Ronika Rampadarat

Phone: 651-201-8115

Date: 4/5/2024 11:26:14 AM

Email: ronika.rampadarat@state.mn.us

SF4874 - 1A - Report on Cybersecurity Incidents Required

Chief Author: **Melissa Wiklund**
 Committee: **State And Local Government And Veterans**
 Date Completed: **4/5/2024 2:57:02 PM**
 Agency: **Public Safety Dept**

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		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 4/4/2024 8:12:24 AM
Phone: 651-284-6543 **Email:** laura.cecko@lbo.mn.gov

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		FY2023	FY2024	FY2025	FY2026	FY2027
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

Requiring reporting of cybersecurity incidents impacting public-sector organizations in Minnesota.

Assumptions

No fiscal impact to the Bureau of Criminal Apprehension. BCA will consult with Department of Information Technology Services as needed.

Expenditure and/or Revenue Formula**Long-Term Fiscal Considerations****Local Fiscal Impact****References/Sources**

Agency Contact: Andrew Evans

Agency Fiscal Note Coordinator Signature: Nicole Mickelson

Phone: 651-201-7045

Date: 4/4/2024 7:46:36 AM

Email: nicole.mickelson@state.mn.us