

ANALYSIS

Item 17: Department of Emergency Management Cybersecurity and Infrastructure Security

Analyst: John Terpening

Request: Approve, retroactively, the submission of a federal grant application to the U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA), Cybersecurity and Infrastructure Security Agency (CISA), in the amount of \$2,988,945 for a State and Local Cybersecurity Program grant.

Analysis: As part of the Infrastructure Investment and Jobs Act, CISA has posted a funding opportunity for the State and Local Cybersecurity Grant Program (SLCGP). This program is designed to assist states, local governments, rural areas, and territories address cybersecurity risks and threats to information systems. The grant requires states to establish a Cybersecurity Planning Committee that coordinates, develops, and approves a State Cybersecurity Plan. Cybersecurity plans are meant to guide development and deployment of cybersecurity risk and threat reduction capabilities across the state, with the Committee responsible for approving the plan and prioritizing individual projects. The Department of Administrative Services (DAS) Enterprise Information Services (EIS) has already established a Cybersecurity Planning Committee that will develop the Cybersecurity Plan. The Committee includes representatives from state government, local government, special districts, education service districts, and K-12 education organizations. Once a plan is developed, DAS EIS and the Committee will conduct assessments and evaluations to identify gaps that can then be mitigated by funding individual projects through the grant program.

This is a formula grant, with Oregon set to receive \$2,988,945 out of the \$183.5 million available nationwide for federal fiscal year 2022. The Oregon Department of Emergency Management (ODEM) will serve as the State Administrative Agency to apply for and receive the grant funds and would utilize 5% of the available funding for administration of the grant. The grant notice outlines how funding received can be utilized, including using up to the entire amount for development of a Cybersecurity Plan. DAS EIS estimates that development of the plan will cost between \$500,000 and \$1 million, with another \$1.5 million estimated for assessments and evaluations. ODEM intends to pass through the necessary funding to DAS EIS for plan development and assessments.

For this federal fiscal year 2022 grant, there is a 10% match requirement which can be either cash or in-kind; however, the method and source by which the match will be met has not yet been finalized. ODEM intends to work with DAS EIS on meeting the required match through in-kind contributions from the development of the Cybersecurity Plan. At least 80% of the remaining grant award is required to support local entities, with 25% of those funds earmarked to support rural entities (although these amounts may overlap). Once the plan is developed and local projects have been approved by the Committee, distribution to local entities must occur within 45 calendar days of receipt of the funds. ODEM does not have available cash to provide as match and does not intend to accept in-kind match for awards provided to local entities and would require cash matching funds for each project funded via the grant. The cost share cannot be shared across multiple projects being implemented by the same entity.

The Notice of Funding Opportunity for this grant was announced September 16th and the application deadline was November 15, 2022. ODEM provided timely notice to the Legislature on October 18th. The

initial grant is estimated to have a 3-year project period, with additional awards through federal fiscal year 2025; however, each subsequent year the percentage match requirement increases ranging from 20-40% of the grant award for that fiscal year. Each of these future grant opportunities will require ODEM to seek approval from the Legislature at which time DAS EIS and local entities are anticipated to have a plan to meet the necessary match requirements. If the grant is awarded, ODEM will also need to return to the Legislature for additional Federal Funds expenditure limitation.

Recommendation: The Legislative Fiscal Office recommends that the Emergency Board approve the request.

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Oregon Department of Emergency Management
Gibson

Request: Retroactive authorization to apply for one grant totaling \$3.0 million from the U.S. Department of Homeland Security for a State and Local Cybersecurity Grant Program grant.

Recommendation: Approve the request.

Discussion: The Oregon Department of Emergency Management (ODEM) is requesting retroactive authorization to apply for a State and Local Cybersecurity Grant Program (SLCGP) grant issued through the U.S. Department of Homeland Security. The grant is designed to help states close cybersecurity planning and mitigation gaps.

The Department of Homeland Security released information regarding the new grant opportunity in late September, with an application deadline of November 15, 2022. ODEM submitted a 10-day notification of intent to apply for the grant to the Chief Financial Officer and Legislative Fiscal Officer on October 17, 2022, following the required notification process.

ODEM is the State Administrative Agency and, as such, is required to administer the grant funding; however, the department is working closely with the Department of Administrative Services, Enterprise Information Services team to ensure the funding supports a statewide approach to cybersecurity planning.

The grant requires 80 percent of the awarded funding to pass through to local cybersecurity-related projects. Additionally, the grant requires a 10 percent cash or in-kind state match, which will also pass through to each of the individual sub-project grantees.



Oregon

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October 24, 2022

Senator Peter Courtney, President of the Senate
Representative Dan Rayfield, Speaker of the House
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

Nature of Request

The Oregon Department of Emergency Management (ODEM) requests retroactive approval to apply for a State and Local Cybersecurity Grant Program (SLCGP) grant in the amount of \$2,988,945 from the Federal Emergency Management Agency (FEMA) and Cybersecurity and Infrastructure Security Agency (CISA), both components of the Department of Homeland Security. This grant would be used to assist with managing and reducing systemic cyber risk.

The grant deadline was November 15, 2022, which did not allow adequate opportunity to make this request at a meeting of the Emergency Board before the deadline. ODEM submitted a notice of our intent to apply to legislative leadership on October 17, 2022.

Background

The mission of ODEM is lead collaborative statewide efforts, inclusive of all partners and the communities we serve, to ensure the capability to get help in an emergency and to protect, mitigate, prepare for, respond to, and recover from emergencies or disasters regardless of cause. This funding is dedicated to the management and reduction of cyber risks in the state. It comes from the Department of Homeland Security, just like our homeland security grants. Some key points of this program are as follows:

- Award will come through SAA
- Initially the State must develop a plan to address national standards.
 - 100% of the funding can be used for the plan
 - Once the plan is approved there is an 80% passthrough w/45-day timer to locals
- There is a 10% match requirement
- A 5% Management and Administration (M&A) (will be maintained by ODEM)
- Tribes can be subrecipients, but there will be a separate Tribal Cybersecurity program as well

As the State Administrative Agency (SAA) the funding is required to go through ODEM. We are working closely with the Department of Administration (DAS), Enterprise Information Services (EIS) team to ensure a strong statewide approach to the program. DAS will be the applicant for

the state. The funding provided by this grant will allow ODEM to coordinate with the DAS EIS team to develop a statewide Cyber Security Plan and invest in infrastructure enhancements and response capabilities to reduce the states risk to cyber incidents. The state does not currently have a plan that meets the national requirements. DAS will be using a portion of the funds to create the plan that will then allow funding to be distributed to eligible applicants. Until the plan is approved there will be no local pass through. Once the plan is approved the 45-day pass through timeline will begin. We will be working with DAS to establish an application process while we are working on the plan and waiting for approval. ODEM is not keeping any funding related to projects and will not be meeting the match requirement. DAS and any local communities will need to address the match requirements by project.

This grant is 90% funded by FEMA, and a 10% match is required. The match can be hard cash or in-kind. If the agency is allowed to apply for the grant, and the application is accepted by FEMA, and the agency will need to return to the legislature for additional federal funds expenditure limitation.

Action Requested

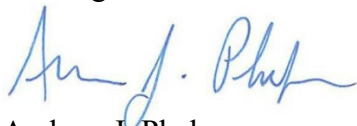
The Oregon Department of Emergency Management requests that the Joint Emergency Board grant retroactive approval for ODEM to apply to for a SLCGP grant in the amount of \$2,988,975 from the Federal Emergency Management Agency (FEMA).

Legislation Affected

None

Thank you for your consideration of this request.

Best regards,



Andrew J. Phelps
Director

Cc: Amanda Beitel, Legislative Fiscal Office
George Naughton, DAS Chief Financial Office
John Terpening, Legislative Fiscal Office
Wendy Gibson, DAS Chief Financial Office
Matt Marheine, ODEM Deputy Director
Michelle Lovejoy, ODEM Chief Financial Officer