

ANALYSIS

Item 25: Department of Emergency Management Cybersecurity and Infrastructure Security

Analyst: John Terpening

Request: Increase Federal Funds expenditure limitation by \$2,988,286 for the State and Local Cybersecurity Program grant award.

Analysis: The Oregon Department of Emergency Management (ODEM) is requesting an increase in Federal Funds expenditure limitation in the amount of \$2,988,286 to accommodate the successful awarding of a federal grant from the U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA), Cybersecurity and Infrastructure Security Agency (CISA).

As part of the Infrastructure Investment and Jobs Act, FEMA and CISA provided grant funding designed to support states, local governments, rural areas, and territories in addressing cybersecurity risks and threats to information systems. As the State Administrative Agency for FEMA grants, ODEM received permission to apply for this grant from the Emergency Board in December 2022 and subsequently received the \$2,988,286 as part of the first round of this formula grant.

The grant allows for 5% of the available funding for administration and required a 10% state match, which could be either cash or in-kind; however, FEMA granted a waiver of the state match for this first round of funding. Additionally, some of this initial funding was expected to be used toward the planning and development of the state's Cybersecurity Plan; however, no requests for reimbursement were submitted for this purpose and these monies will now be redirected toward eligible local projects once those have been reviewed. The grant requirements stipulate that at least 80% of funding supports local entities.

Recommendation: The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means recommend including an increase of \$2,988,286 in Federal Funds expenditure limitation for the Department of Emergency Management in a budget reconciliation bill during the 2024 legislative session for the State and Local Cybersecurity Program grant award.

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Oregon Department of Emergency Management
Gehringer

Request: Increase Federal Funds expenditure limitation by \$2,988,286 for the State and Local Cybersecurity Grant Program (SLCGP) grant.

Recommendation: Approve the request during the 2024 Legislative Session.

Discussion: The Oregon Department of Emergency Management (ODEM) was awarded a \$2,988,286 SLCGP grant issued through the Federal Emergency Management Agency and Cybersecurity and Infrastructure Security Agency (CISA), both within the Department of Homeland Security. The grant is designed to help states close cybersecurity planning and mitigation gaps.

House Bill 2049 (2023) transferred the Cybersecurity Advisory Council from the Department of Administrative Services (DAS) to the Oregon Cybersecurity Center of Excellence, which is now funded through the Higher Education Coordinating Commission (HECC) budget. HECC joined ODEM and DAS as a partner on this grant, and the agencies are developing an inclusive process for proposal reviews and funding approvals. With CISA's acceptance of the statewide Cybersecurity Plan, the agencies will begin reviewing sub-grantee proposals to distribute the initial \$3.0 million grant funding to support statewide infrastructure enhancements and cyber incident response capabilities. ODEM is not requesting matching funds for this request.

Legal Reference: Increase Federal Funds expenditure limitation established by chapter 357, section 3(2), Oregon Laws 2023, for the Oregon Department of Emergency Management, Preparedness and Response, by \$2,988,286 for the 2023-25 biennium.



Oregon

Tina Kotek, Governor

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December 4, 2023

Senator Elizabeth Steiner, Co-Chair
Representative Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
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 Federal Fund (FF) limitation for the State and Local Cybersecurity Grant Program (SLCGP) grant in the amount of \$2,988,286. This grant was applied for from the Federal Emergency Management Agency (FEMA) and Cybersecurity and Infrastructure Security Agency (CISA), both components of the Department of Homeland Security (DHS).

Background

The SLCGP grant was initiated by DHS in 2022 to establish appropriate governance structures, including developing Cybersecurity Plans, to improve capabilities to respond to cybersecurity incidents, and ensure continuity of operations. ODEM, in partnership with the Department of Administration (DAS), received permission to apply for the first round of funding and was awarded \$2,988,286 to develop a statewide Cybersecurity Plan and invest in cybersecurity protection, detection and response infrastructure at the state and local level. The final plan was approved by CISA by September 2023.

Action Requested

The Oregon Department of Emergency Management requests Federal Fund limitation increase in the amount of \$2,988,286.

Legislation Affected

None

Thank you for your consideration of this request.

Respectfully,

Michelle Lovejoy

ODEM Chief Financial Officer

Cc: Amanda Beitel, Legislative Fiscal Office
Kate Nass, DAS Chief Financial Office
John Terpening, Legislative Fiscal Office
Zachary Gehringer, DAS Chief Financial Office
Erin McMahon, ODEM Director
Patence Winningham, ODEM Deputy Director