

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 1073 - A**

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:**

Directs State Chief Information Officer to appoint Chief Privacy Officer and describes scope of duties of Chief Privacy Officer.

**Government Unit(s) Affected:**

Statewide, Department of Administrative Services, Secretary of State, State Treasurer, Department of Justice

**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
<b>Department of Administrative Services</b>		
Other Funds	\$1,488,521	\$2,488,521
<i>Total Funds</i>	\$1,488,521	\$2,488,521
<i>Positions</i>	3	3
<i>FTE</i>	3.00	3.00
<b>Department of Justice</b>		
General Fund	\$437,933	\$585,174
<i>Total Funds</i>	\$437,933	\$585,174
<i>Positions</i>	1	1
<i>FTE</i>	0.50	1.00
<b>Secretary of State</b>		
General Fund	\$158,345	\$310,280
<i>Total Funds</i>	\$158,345	\$310,280
<i>Positions</i>	1	1
<i>FTE</i>	0.50	1.00
<b>Oregon State Treasurer</b>		
Other Funds	\$150,272	\$340,175
<i>Total Funds</i>	\$150,272	\$340,175
<i>Positions</i>	1	1
<i>FTE</i>	0.42	1.00
<b>Total Fiscal Impact</b>	<b>\$2,235,071</b>	<b>\$3,724,150</b>
<i>Total Positions</i>	6	6
<i>Total FTE</i>	4.42	6.00

**Analysis:**

SB 1073 - A directs the State Chief Information Officer to appoint a Chief Privacy Officer who is to conduct a biennial executive department privacy assessment; develop and conduct privacy trainings for state agencies and employees; develop, in coordination with the Chief Data Officer, privacy principles and best practices for state agencies; coordinate data privacy activities with agency data officers; establish a privacy impact assessment

process for information technology initiatives involving personally identifiable information; act as a resource for local governments and the public through the dissemination of education around the use of personally identifiable information; coordinate with the Chief Data Officer in the integration of privacy principles and practices into existing data strategies, programs and plans; and otherwise oversee state data privacy. The Chief Privacy Officer is to report to biennially to the committee or interim committee on the Legislative Assembly related to information management and technology on the privacy assessment and other privacy updates. The Secretary of State (SOS), Oregon State Treasurer (OST), and Department of Justice (DOJ) are to adopt by rule requirements related to data privacy that are the same or similar to the requirements and rules established in this measure for the executive department.

State agencies are directed to designate an employee to serve as the agency data officer and work in consultation with the Chief Data Officer and Chief Privacy Officer to fulfill privacy-related requirements.

This measure takes effect January 1, 2024.

This measure is anticipated to have no or minimal impact on most agencies statewide, which will be able to designate an existing employee to serve as the agency data officer. Agencies reporting a greater than minimal impact are discussed in more detail below. It should be noted that many smaller agencies do not have specific information technology staffing and may require additional assistance with implementation of data privacy directives. Many smaller state agencies use information technology services provided by the Department of Administrative Services (DAS) and may see increased agency assessments should this measure result in additional work under these contracts.

Depending on the data privacy activities and policies created under the Chief Privacy Officer, there could be a greater than minimal impact for agencies across the state. Agencies will need to request additional staff or funding through the Legislative Emergency Board or a future Legislative Session if this is the case.

#### Department of Administrative Services

The fiscal impact for DAS would be \$1.5 million Other Funds in the 2023-25 biennium and \$2.5 million Other Funds in the 2025-27 biennium. Other Funds are derived from an assessment on state agencies and some of these funds originate as General Fund. These costs include an estimated \$941,153 for personal services, \$47,438 for position-related services and supplies, and \$500,000 for the estimated costs of contracted services to work on program framework and development of the business case for the purchase of privacy-focused software. This fiscal impact statement assumes the same costs in the 2025-27 biennium, with the addition of \$1 million for deployment of the privacy-focused software, subscription, and consulting costs, though DAS will need to request this additional Other Funds expenditure limitation as part of the 2025-27 budget process once the agency has scoped these costs, and the \$1 million figure is considered a placeholder until that time. DAS also anticipates that the data privacy team will grow in future biennia though that will also have to be addressed through the budget process.

To implement this measure, DAS would hire three permanent, full-time positions (each 1.00 FTE in the 2023-25 and 2025-27 biennium), including an Information Technology Administrator 1 to serve as Chief Privacy Officer, and two Operations and Policy Analyst 4 positions to support program development, policy development, and the creation of procedures for privacy at an enterprise level.

Although this measure takes effect January 1, 2024, this fiscal impact statement mirrors Policy Option Package 128 in the 2023-25 Governor's Budget for DAS, which assumes positions are hired July 1, 2023.

#### Department of Justice

DOJ anticipates hiring two new permanent, full-time positions, an Information Technology Manager 2 and an Operations and Policy Analyst 3 (each 0.75 FTE in 2023-25, and 1.00 FTE in 2025-27) to implement a privacy program within DOJ. Costs include \$405,711 for personal services in the 2023-25 biennium, and \$540,947 in the

2025-27 biennium; and \$32,222 and \$44,227 for position-related services and supplies in each biennium, respectively.

#### Secretary of State

To implement this measure, the Secretary of State's (SOS) office would hire one new permanent, full-time Information Technology Manager 1 position (0.50 FTE in the 2023-25 biennium, 1.00 FTE in the 2025-27 biennium). Estimated costs for this position in the 2023-25 biennium include \$144,982 for personal services and \$13,363 for services and supplies; and in the 2025-27 biennium, \$283,554 for personal services and \$27,847 for services and supplies.

The agency notes that the 2023-25 Governor's Budget for SOS includes Policy Option Package 106, which funds an Information Systems Specialist 8 position. If funded, this position could build some program elements for the first year of the biennium before the Information Technology Manager position is hired to implement the data privacy program. Position costs could change for the 2023-25 biennium if this package is not funded.

#### Oregon State Treasurer

To implement this measure, the Oregon State Treasurer's (OST) office would hire one new permanent, full-time Information Technology Manager 1 position (0.42 FTE in the 2023-25 biennium, 1.00 FTE in the 2025-27 biennium). Estimated costs for this position in the 2023-25 biennium include \$118,147 for personal services and \$32,125 for services and supplies; and in the 2025-27 biennium, \$283,554 for personal services and \$56,621 for services and supplies.

The agency notes that the 2023-25 Governor's Budget for OST includes Policy Option Package 101, which funds a Chief Data Officer position. If funded, this position could build some program elements for the first year of the biennium before the Information Technology Manager position is hired to implement the data privacy program. Position costs could change for the 2023-25 biennium if this package is not funded.