

Enrolled
House Bill 2049

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Joint Legislative Committee on Information Management and Technology)

CHAPTER

AN ACT

Relating to cybersecurity; creating new provisions; repealing ORS 276A.326 and 276A.329; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

OREGON CYBERSECURITY
(Definitions)

SECTION 1. Definitions. As used in this section and sections 3, 7 and 10 of this 2023 Act:

- (1) “Education service district” means a district created under ORS 334.010 that provides regional educational services to component school districts.**
- (2) “Library” means a public agency that provides free and equal access to library and information services that are suitable for persons of all ages.**
- (3) “Local government” means a city or county.**
- (4) “Public body” has the meaning given that term in ORS 174.109.**
- (5) “Regional government” means:**
 - (a) A metropolitan service district formed under ORS chapter 268.**
 - (b) An intergovernmental entity created by an intergovernmental agreement under ORS 190.010.**
- (6) “School district” has the meaning given that term in ORS 330.003.**
- (7) “Special district” means a district as defined in ORS 198.010.**

(Oregon Cybersecurity Advisory Council)

SECTION 2. ORS 276A.326 is repealed and section 3 of this 2023 Act is enacted in lieu thereof.

SECTION 3. Oregon Cybersecurity Advisory Council. (1) The Oregon Cybersecurity Advisory Council is established within the Oregon Cybersecurity Center of Excellence. The council consists of 21 members appointed as follows:

- (a) The Governor, after consultation with the State Chief Information Officer and the director of the Oregon Cybersecurity Center of Excellence or the director’s designee, shall appoint 15 voting members.**
- (b) The Speaker of the House of Representatives shall appoint one nonvoting member who is a member of the House of Representatives.**

(c) The President of the Senate shall appoint one nonvoting member who is a member of the Senate.

(d) The Secretary of State shall appoint one ex officio, nonvoting member to represent the Secretary of State.

(e) The State Treasurer shall appoint one ex officio, nonvoting member to represent the State Treasurer.

(f) The Attorney General shall appoint one ex officio, nonvoting member to represent the Attorney General.

(g) The Director of the Oregon Department of Emergency Management shall appoint one ex officio, nonvoting member to represent the Oregon Department of Emergency Management.

(2)(a) The voting members of the council shall consist of:

(A) One member who represents Indian tribes, as defined in ORS 97.740;

(B) One member who represents the Association of Oregon Counties;

(C) One member who represents the League of Oregon Cities;

(D) One member who represents the Special Districts Association of Oregon;

(E) One member who represents regional governments;

(F) One member who represents the Oregon Association of Education Service Districts;

(G) One member who represents the Oregon School Boards Association;

(H) One member who represents the Coalition of Oregon School Administrators;

(I) One member who represents public universities listed in ORS 352.002;

(J) One member who represents community colleges;

(K) One member who represents the office of Enterprise Information Services;

(L) One member who represents a critical infrastructure sector in Oregon as defined by the Cybersecurity and Infrastructure Security Agency of the United States Department of Homeland Security;

(M) One member who represents cyber-related industries in Oregon;

(N) One member who represents a public sector information technology association in Oregon; and

(O) One member who represents a private sector information technology or telecommunications association in Oregon.

(b) A majority of the council's voting members must be geographically diverse representatives of public universities listed in ORS 352.002, local governments, regional governments, special districts, education service districts, school districts or libraries.

(3) The council shall elect one voting member of the council to serve as chairperson and one voting member of the council to serve as vice chairperson.

(4)(a) A majority of the voting members of the council constitutes a quorum for the transaction of business.

(b) Official action by the council requires the approval of a majority of the voting members of the council.

(5)(a) The term of office of each voting member of the council is four years, but a member serves at the pleasure of the Governor.

(b) Before the expiration of the term of a voting member, the Governor, after consultation with the State Chief Information Officer and the director of Oregon Cybersecurity Center of Excellence or the director's designee, shall appoint a successor whose term begins on July 1 following the appointment. A voting member is eligible for reappointment.

(c) If there is a vacancy for any cause, the Governor, after consultation with the State Chief Information Officer and the director of Oregon Cybersecurity Center of Excellence or the director's designee, shall make an appointment to become immediately effective for the unexpired term.

(6) The nonvoting legislative members of the council shall serve two-year terms and are eligible for reappointment.

(7) The council shall meet at times and places specified by the call of the chairperson or a majority of the voting members of the council.

(8) Members of the council who are not members of the Legislative Assembly are not entitled to compensation, but the Oregon Cybersecurity Center of Excellence may reimburse a member of the council who is not a member of the Legislative Assembly for actual and necessary travel and other expenses incurred in performing the member's official duties, in the manner and amounts provided for in ORS 292.495, from funds appropriated to the Higher Education Coordinating Commission for purposes of the council.

(9) Members of the council who are members of the Legislative Assembly are entitled to compensation and expense reimbursement as provided in ORS 171.072.

(10) The council may:

(a) Adopt rules, policies and procedures necessary for the operation of the council.

(b) Establish subcommittees, advisory committees or other work groups necessary to assist the council in performing its duties.

(c) Appoint additional nonvoting members to the council.

(11) All agencies of state government, as defined in ORS 174.111, are directed to assist the council in the performance of the council's duties and, to the extent permitted by laws relating to confidentiality, shall furnish information and advice the council considers necessary to perform the council's duties.

SECTION 4. Initial terms. Notwithstanding the term of office specified in section 3 of this 2023 Act, of the voting members appointed to the Oregon Cybersecurity Advisory Council under section 3 of this 2023 Act:

(1) One-third shall serve for a term ending July 1, 2025.

(2) One-third shall serve for a term ending July 1, 2026.

(3) The remaining voting members shall serve for a term ending July 1, 2027.

SECTION 5. Transfer. (1) The duties, functions and powers of the office of Enterprise Information Services relating to the Oregon Cybersecurity Advisory Council are imposed upon, transferred to and vested in the Oregon Cybersecurity Center of Excellence, established under section 7 of this 2023 Act.

(2)(a) The State Chief Information Officer shall deliver to a representative of Portland State University, on behalf of the Oregon Cybersecurity Center of Excellence, all records and property within the jurisdiction of the officer that relate to the duties, functions and powers transferred by this section.

(b) A representative of Portland State University, on behalf of the Oregon Cybersecurity Center of Excellence, shall take possession of the records and property described in paragraph (a) of this subsection.

(c) The Governor shall resolve any dispute between the office of Enterprise Information Services and the Oregon Cybersecurity Center of Excellence relating to transfers of records and property under this subsection, and the Governor's decision is final.

(3)(a) The unexpended balances of amounts authorized to be expended by the office of Enterprise Information Services for the biennium beginning July 1, 2023, from revenues dedicated, continuously appropriated, appropriated or otherwise made available for the purpose of administering and enforcing the duties, functions and powers transferred by this section are transferred to and are available for expenditure by Portland State University, on behalf of the Oregon Cybersecurity Center of Excellence for the biennium beginning July 1, 2023, for the purpose of administering and enforcing the duties, functions and powers transferred by this section.

(b) The expenditure classifications, if any, established by Acts authorizing or limiting expenditures by the office of Enterprise Information Services remain applicable to expenditures by Portland State University on behalf of the Oregon Cybersecurity Center of Excellence.

(Oregon Cybersecurity Center of Excellence)

SECTION 6. ORS 276A.329 is repealed and section 7 of this 2023 Act is enacted in lieu thereof.

SECTION 7. Oregon Cybersecurity Center of Excellence. (1) The Oregon Cybersecurity Center of Excellence is established at Portland State University. The center shall operate under the joint direction and control of Portland State University, Oregon State University and the University of Oregon. A director shall be appointed to oversee the center pursuant to procedures set forth in the charter developed and adopted under subsection (5) of this section.

(2) The purpose of the center is to supplement the activities of the State Chief Information Officer regarding cybersecurity in this state by coordinating, funding or providing:

(a) Awareness, education and training about cybersecurity and cybersecurity-related issues for public, private and nonprofit sectors;

(b) Cybersecurity workforce development programs in coordination with:

(A) Public universities listed in ORS 352.002;

(B) Community colleges operated under ORS chapter 341; and

(C) Science, technology, engineering and mathematics and career and technical education programs;

(c) Research about cybersecurity education and training methodologies;

(d) Research and development of cybersecurity technologies, tools, policies and processes; and

(e) Cybersecurity-related goods and services to Oregon public bodies, with priority given to local governments, regional governments, special districts, education service districts, school districts and libraries.

(3) The center shall:

(a) Serve as the statewide advisory body to the Legislative Assembly, Governor and State Chief Information Officer on cybersecurity and cybersecurity-related issues for local governments, regional governments, special districts, education service districts, school districts and libraries.

(b) Provide to public, private and nonprofit sectors in this state information and recommend best practices concerning cybersecurity, cyber resilience and recovery measures, including legal, insurance and other topics.

(c) Coordinate the sharing of information related to cybersecurity threats, risks, warnings and incidents, and promote public awareness and shared, real-time situational awareness among public, private and nonprofit sector entities.

(d) Provide cybersecurity assessment, scanning and analysis, monitoring and incident response services to public bodies, with priority given to public bodies with the greatest need for services, including local governments, regional governments, special districts, education service districts, school districts and libraries.

(e) Collaborate with public bodies to coordinate cybersecurity efforts with ongoing information technology modernization and resilience projects.

(f) Identify and participate in appropriate federal, multistate, regional, state, local or private sector programs and efforts that support or complement the center's purpose.

(g) Pursue and leverage federal sources of cybersecurity and cyber resilience funding to achieve state goals related to cybersecurity and cyber resilience.

(h) Manage and award funds distributed to the center for cybersecurity and cyber resilience initiatives.

(i) Encourage the development of Oregon's cybersecurity workforce by, at a minimum:

(A) Identifying gaps and needs in workforce programs.

(B) Fostering the growth and development of cybersecurity workforce development programs and career and technical education in school districts, community colleges operated under ORS chapter 341, and public universities listed in ORS 352.002.

(C) Assisting in curriculum review and standardization and providing recommendations to improve programs.

(D) Fostering industry involvement in internships, mentorship and apprenticeship programs and experiential learning programs.

(E) Building awareness of industry and career opportunities to recruit students into cyber-related educational tracks.

(4)(a) Portland State University, Oregon State University and the University of Oregon shall enter into an operating agreement for administering the center, including the provision of administrative and staff support and facilities.

(b) A public university listed in ORS 352.002, or a community college operated under ORS chapter 341, not listed in paragraph (a) of this subsection may join the operating agreement and provide administrative and staff support and facilities. The process for joining the operating agreement shall be described in the operating agreement or the charter developed under subsection (5) of this section.

(5) Portland State University, Oregon State University and the University of Oregon, in consultation with the Oregon Cybersecurity Advisory Council, shall develop and adopt a charter to serve as the governing document for the center. The charter must contain provisions regarding the center's operations, budget and any funds administered by the center and the procedures for appointing the director to oversee the center. Portland State University, Oregon State University and the University of Oregon shall annually review and, as necessary, update the charter.

(6) The center shall, in consultation with the council:

(a) Develop and update every four years a strategic plan, including goals and objectives, for the center.

(b) Develop and submit a report on the center's strategic goals and objectives, operations and funding requests for continued operations and funds administered by the center, to the Governor and to the appropriate committees of the Legislative Assembly, in the manner required by ORS 192.245, by February 1 of each odd-numbered year. The report must identify any grants, donations, gifts or other forms of conveyances of land, money, real or personal property or other valuable thing made to the state or the center for carrying out the purposes of the center.

(c) Provide a statewide forum for discussing and resolving cybersecurity issues.

(7)(a) All agencies of state government are directed to assist the center in the performance of the center's duties and, to the extent permitted by laws relating to confidentiality, shall furnish information and advice the center considers necessary to perform the center's duties.

(b) As used in this subsection, "state government" has the meaning given that term in ORS 174.111, except that "state government" does not include the Secretary of State or State Treasurer.

SECTION 8. Center operating fund. (1) The Oregon Cybersecurity Center of Excellence Operating Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Oregon Cybersecurity Center of Excellence Operating Fund must be credited to the fund.

(2) Moneys in the fund shall consist of:

(a) Amounts donated to the fund;

(b) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly; and

(c) Other amounts deposited in the fund from any source.

(3) Moneys in the fund are continuously appropriated to the Higher Education Coordinating Commission for distribution to the Oregon Cybersecurity Center of Excellence for the purposes of carrying out the functions and operations of the center.

(4) The center shall submit to the Governor and to the appropriate committees of the Legislative Assembly, in the manner provided under ORS 192.245, a biennial report that summarizes the balance of the fund, lists the deposits into and expenditures from the fund and provides such other details as necessary regarding the operation of the fund.

SECTION 9. Cybersecurity workforce development fund. (1) The Oregon Cybersecurity Workforce Development Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Oregon Cybersecurity Workforce Development Fund must be credited to the fund.

(2) Moneys in the fund shall consist of:

(a) Amounts donated to the fund;

(b) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly; and

(c) Other amounts deposited in the fund from any source.

(3) Moneys in the fund are continuously appropriated to the Higher Education Coordinating Commission for distribution to the Oregon Cybersecurity Center of Excellence for the purposes of making targeted investments in workforce development programs designed to accelerate the growth, qualifications and availability of Oregon's cybersecurity workforce.

(4) The center shall submit to the Governor and to the appropriate committees of the Legislative Assembly, in the manner provided under ORS 192.245, a biennial report that summarizes the balance of the fund, lists the deposits into and expenditures from the fund and provides such other details as necessary regarding the operation of the fund.

SECTION 10. Cybersecurity grant program fund. (1) The Oregon Cybersecurity Grant Program Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Oregon Cybersecurity Grant Program Fund must be credited to the fund.

(2) Moneys in the fund shall consist of:

(a) Amounts donated to the fund;

(b) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly; and

(c) Other amounts deposited in the fund from any source.

(3) Moneys in the fund are continuously appropriated to the Higher Education Coordinating Commission for distribution to the Oregon Cybersecurity Center of Excellence for the purposes of providing:

(a) Cybersecurity assessment, scanning and analysis, monitoring, incident response and technical assistance and other cybersecurity-related goods and services to Oregon public bodies on a competitive basis with specific emphasis on serving the unmet needs of local governments, regional governments, special districts, education service districts, school districts and libraries.

(b) Matching funds for federal moneys related to cybersecurity received by public bodies.

(4) The center shall adopt standards, objectives, criteria and eligibility requirements for the use of moneys distributed from the fund. In developing criteria and eligibility standards, the center shall take into consideration any requirements of federal programs awarding moneys related to cybersecurity.

(5) The center shall submit to the Governor and to the appropriate committees of the Legislative Assembly, in the manner provided under ORS 192.245, a biennial report that summarizes the balance of the fund, lists the deposits into and expenditures from the fund and provides such other details as necessary regarding the operation of the fund.

(Deadlines)

SECTION 11. The biennial reports described in sections 8, 9 and 10 of this 2023 Act are first due no later than December 31, 2025.

SECTION 12. Section 11 of this 2023 Act is repealed on January 2, 2026.

APPROPRIATIONS

SECTION 13. (1) In addition to and not in lieu of any other appropriation, there is appropriated to the Higher Education Coordinating Commission, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$2,500,000, to be deposited into the Oregon Cybersecurity Center of Excellence Operating Fund established under section 8 of this 2023 Act.

(2) In addition to and not in lieu of any other appropriation, there is appropriated to the Higher Education Coordinating Commission, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$2,150,000, to be deposited into the Oregon Cybersecurity Workforce Development Fund established under section 9 of this 2023 Act.

(3) In addition to and not in lieu of any other appropriation, there is appropriated to the Higher Education Coordinating Commission, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$250,000, to be deposited into the Oregon Cybersecurity Grant Program Fund established under section 10 of this 2023 Act.

CAPTIONS

SECTION 14. The unit and section captions used in this 2023 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2023 Act.

OPERATIVE AND EFFECTIVE DATES

SECTION 15. (1) Sections 1, 3 to 5 and 7 to 11 of this 2023 Act and the repeal of ORS 276A.326 and 276A.329 by sections 2 and 6 of this 2023 Act become operative on October 1, 2023.

(2) The Governor, the State Chief Information Officer, the Oregon Cybersecurity Advisory Council, Portland State University, Oregon State University and the University of Oregon may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the Governor, the State Chief Information Officer, the Oregon Cybersecurity Advisory Council, Portland State University, Oregon State University and the University of Oregon to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the Governor, the State Chief Information Officer, the Oregon Cybersecurity Advisory Council, Portland State University, Oregon State University and the University of Oregon by sections 1, 3 to 5 and 7 to 11 of this 2023 Act and the repeal of ORS 276A.326 and 276A.329 by sections 2 and 6 of this 2023 Act.

SECTION 16. This 2023 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect on its passage.

Passed by House June 13, 2023

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Timothy G. Sekerak, Chief Clerk of House

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Dan Rayfield, Speaker of House

Passed by Senate June 22, 2023

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Rob Wagner, President of Senate

Received by Governor:

.....M,....., 2023

Approved:

.....M,....., 2023

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Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M,....., 2023

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Secretary of State