



League of Oregon City Testimony in Support of HB 2049

Co-Chair Nathanson, Co-Chair Woods, and Members of the Joint Information Management and Technology Committee. My name is Nolan Plese, lobbyist at the League of Oregon Cities.

Thank you all for having me here today. As many of you know, the League of Oregon Cities represents 241 cities, ranging from small, medium, to large communities with very diverse constituencies. The League is a proud supporter of HB 2049.

This bill was developed by a wide variety of stakeholders, starting in 2021 and culminating in HB 4155 in 2022. Since then, the workgroup has continued to meet to refine the bill that has become HB 2049.

Cities run public safety departments, critical infrastructure like water, sewer, electric, and much more. Thus, cities access and store considerable amounts of sensitive information, such as addresses, driver's license numbers, credit card numbers, social security numbers, and medical information. At the same time, cities are continuing to move services online, especially since the start of the pandemic; the proliferation of the Internet of Things and smart devices is increasing; and society as a whole is becoming more technologically advanced, which requires constant updating and maintenance of systems. Recently, local government entities in Oregon have been victims of cyber-attacks and that trend is growing.

For these reasons, cybersecurity and IT modernization are a high priority for cities.

Many cities operate under financial constraints, sometimes severe ones, that limit their ability to acquire and implement best practices surrounding cybersecurity technology, policies, and practices. Furthermore, many cities are operating on outdated or legacy systems. Typically, only the largest local governments have fulltime IT staff and the ability to adequately train their employees and purchase the necessary tools to protect their IT infrastructure.

Local governments need the state's help to invest in cybersecurity and IT modernization programs that will benefit all government entities trying to protect the data and information they have been trusted to keep.

Cities need:

- Funding. Cities are in dire need of funds for system upgrades and modernization, whether it be for hardware or software needs;



- Technical Assistance. Potential assistance could include grant writing for federal programs, assistance with cybersecurity response plans or vulnerability assessments; and
- Education and/or training on best practices and other low-cost solutions local governments can implement now.

HB 2049 would fit all of the needs identified above for cities, but also address broader systemic problems facing the state of Oregon when it comes to cybersecurity. HB 2049 and the creation of the Cybersecurity Center of Excellence (CCOE) would:

- Leverages multiple potential funding sources to support the Center and the varying funds created in this bill. This funding can be donated, appropriated or transferred by the Legislative Assembly, and other funding deposited from any source.
- The Center creates partnerships and promotes cybersecurity culture across sectors. No one entity alone will be able to solve all cybersecurity vulnerabilities, but together we can give the most people the best chance to identify, defend against, and recover from cyber threats; and
- HB 2049 Creates a potential source of matching funds for the state to maximize federal funding from State and Local Cybersecurity Grant program. Congress passed the Infrastructure Investment and Jobs Act that contained the State and Local Cybersecurity Grant Program. Under that grant program, the state will be required to pass on 80% of those funds to local governments.
 - While that particular funding cannot be used for the Center's purposes, federal legislation requires that the state provide 10% matching funds to receive the federal funding. HB 2049 would create a location where state funds or other sources of funding can reside that may be used as a match for the federal program.

The Cybersecurity Center of Excellence (CCOE) and the revised Oregon Cybersecurity Advisory Council will bring together sectors to work together on cybersecurity issues they are facing.

- It creates a pipeline for the cybersecurity workforce that benefit local governments and the private sector. Some cities have very small staff and cannot hire full time IT staff or cybersecurity professionals. Other cities would like to hire a full time IT staff or cybersecurity professionals, but they cannot compete with the private sector. The Cybersecurity Center of Excellence, through the leadership of OSU, PSU and UO, will provide technical expertise to local governments through a "teaching hospital model" as students gain hands on cybersecurity experience and prepare for potential roles in the public or private sector after graduation.
- The Center and Cybersecurity grant program fund are created for the purpose of allowing funds to be used by public bodies for cybersecurity assessment, monitoring, incident



response and any technical assistance or other cybersecurity-related goods and services that are needed.

HB 2049 is a critical piece of legislation for local governments, our private sector, and the state. Cyber threats are a constant every day for cities, counties, schools and the state, as well as the private sector and individual citizens. Trying to find a crack in the system to break through.

Government, and especially local governments, are attractive targets for cyber criminals due to the vast amount of sensitive data they hold, and because they are often less prepared for attacks due to their limited budgets and often outdated technology. Some cities turn to insurance as a way to offset the risks, but those premiums are increasingly getting more expensive and out of reach for our smallest cities. As an example, a KGW report showed that Bend Oregon's annual premium jumped 156% between 2021 and 2022.

As you previously heard from the City of Glendale Oregon through their testimony, Dawn Russ highlight the challenges and vulnerabilities that many of our city's face, but especially our smallest communities. Unfortunately, their story is not unique, and I want to point out that any cyber-attack, most especially any successful attack, can paralyze a local government for years. This has a major impact on city services and puts their own constituents at risk.

As noted from Dawn Russ's testimony, the cost to a local government is immense, preventive or reactive.

Hopefully, this helps paint just a small picture of the any challenges that cities face.

HB 2049 couldn't be timelier, and the League of Oregon Cities is proud to support this bill. I want to thank this committee for introducing HB 2049 this session, the workgroup that helped to bring this bill to fruition, including committee staff, and especially Co-chair Nathanson, who has worked tirelessly to bring this concept forward. With that, I would be happy to answer any questions that I can.

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