

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 10/20)

Fiscal Year 2023-24	Business Unit 7502	Department California Department of Technology	Priority No. 10
Budget Request Name 7502-037-BCP-2023-GB		Program 6230	Subprogram N/A

Budget Request Description
 Information Security (AB 2135)

Budget Request Summary

Assembly Bill 2135 Information Security was signed into law on September 29, 2022, as Government Code Section 11549.3(f). The California Department of Technology, Office of Information Security requests 7.0 new positions and \$1.495 million in General Fund authority in Fiscal Year 2023-24 and on-going to support the workload implementation of AB 2135.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed N/A	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO N/A	Date N/A

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No. N/A **Project Approval Document:** N/A

Approval Date: N/A

If proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Robyn Perle	Date 10/10/2022	Reviewed By Miles Burnett	Date 10/10/2022
Department Director Liana Bailey-Crimmins	Date 10/10/2022	Agency Secretary Amy Tong	Date 10/10/2022

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE Dept. of Technology

PPBA Danielle Brandon	Date submitted to the Legislature 1/10/2023
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Analysis of Problem

A. Budget Request Summary

Assembly Bill (AB) 2135 Information Security (AB 2135) was signed into law on September 29, 2022, as Government Code Section 11549.3(f). The California Department of Technology (CDT), Office of Information Security (OIS) requests 7.0 new positions and \$1.495 million in General Fund (GF) authority in Fiscal Year (FY) 2023-24 and on-going to support the workload implementation of AB 2135.

B. Background/History

Existing law establishes OIS within the CDT for the purpose of ensuring the confidentiality, integrity, and availability of state systems and applications and to promote and protect privacy as part of the development and operations of state systems and applications to ensure the trust of the residents of this state. The law requires an entity within the executive branch that is under the direct authority of the Governor to implement the policies and procedures issued by the office. The law additionally authorizes the office to conduct, or require to be conducted, an independent security assessment of every state agency, department, or office, as specified. The law authorizes the California Military Department (CMD) to perform an independent security assessment of any state agency, department, or office.

Based upon the recommendation of the California State Auditor contained in Report 2018-611, "Gaps in Oversight Contribute to Weakness in the State's Information Security" released in 2019, the State Legislature introduced AB 2135.

AB 2135, recently enacted, requires these state agencies to perform a comprehensive, independent security assessment every two years and would authorize them to contract with CMD or with a qualified responsible vendor for that purpose. AB 2135 would also require these state agencies to certify annually by February 1st to the President pro Tempore of the Senate and the Speaker of the Assembly that the agency is following all adopted policies, standards, procedures and to include a Plan of Action and Milestones (POAM), as specified. Further, AB 2135 would require that the certification be kept confidential and not be disclosed, except that the information and records would be allowed to be shared, maintaining a chain of custody, with the members of the Legislature and legislative employees, at the discretion of the President pro Tempore of the Senate or the Speaker of the Assembly. Because the required certification would be made under penalty of perjury, the new law would expand the crime of perjury and would thereby impose a state-mandated local program.

C. State Level Consideration

AB 2135 would require state agencies not under CDT's information security purview to adopt and implement information and security and privacy policies, standards, and procedures based on National Institute of Standards and Technology and Federal Information Processing Standards; require those agencies to perform comprehensive independent security assessments every two years; allow those agencies to contract with CMD for those assessments; require the agencies to certify annually by February 1 to the Senate Pro Tempore and Assembly Speaker their compliance and needed corrective actions; and make such certification confidential except to members of the Legislature and legislative employees at the discretion of the Senate Pro Tempore and Assembly Speaker.

AB 2135 aligns with CDT's 2023 Vision Goal 1: Deliver easy-to-use, fast, dependable, and secure public services.

Equity Statement

The second goal and challenge listed in CDT's Strategic Plan (Vision 2023 – California Technology Strategic Plan) is to “Ensure public services are equitable and inclusive.” Achieving this requires focus and work that stretches beyond the myriad languages spoken within the State, requires considerations of access and accessibility, and necessitates that technology be simplified as much as possible. CDT works diligently to ensure all services are provided equitably and are accessible to all Californians. While this request does not directly address matters of equity, diversity, or accessibility, the underlying principles listed above are foundational. Additionally, CDT provides underlying support, and delivers technology, to departments that do address matters of equity such as expanding access to previously marginalized demographics or geographically precluded groups. CDT's Strategic Plan provides the framework for all our service deliveries, and equity is paramount.

D. Justification

OIS does not have the resources necessary to accommodate the influx of requested independent security assessments and audits, or the anticipated requests for state policy and standards guidance, that will be required to implement AB 2135.

The proposed solution is an augmentation of 7.0 positions within Statewide Information Security Oversight and Statewide Security Risk Governance. The focus will be on the pre-audit and post-audit support, as well as training for new entities completing the independent security assessments, audit and POAM development and reporting processes.

To prepare for the influx of entity security assessments, and resulting pre-audit and post-audit support that CDT may be requested to provide to entities who are new to the audit process, CDT requests 7.0 positions as follows:

- 5.0 IT Manager I - positions will reside within Audit Program, Security Risk Governance, and Assessments teams and will fulfil the workload surrounding the additional audits/assessments being requested.
- 2.0 Associate Governmental Program Analyst – These positions will reside within the administrative support team for the increased workload around scheduling, communications, information sharing and the collection and storage of documentation pre and post audit.

E. Outcomes and Accountability

Approving the request for additional resources will allow OIS to provide 3rd party auditors and entities covered under AB-2135 guidance and oversight in aligning audits and assessments with existing OIS standards. These resources could support up to eight (8) engagements with 3rd party auditors or assessors per year.

F. Analysis of All Feasible Alternatives

Alternative #1 - Approve CDT's request for 7.0 new positions and \$1.495 million in ongoing GF authority beginning in FY 2023-24 to conduct additional security assessments that are required under the Legislative parameters of AB 2135. The approved positions and GF authority will also be utilized to provide mission-critical pre-audit and post-audit support on a statewide basis.

PROS:

- The approved positions and GF budget authority will enable OIS to successfully execute the workload as outlined within the statutory language of AB 2135.
- Consistent with the State's 2023 Vision Plan to protect the State's information assets and aligns with the Federal Homeland Security Strategy.
- The successful and timely execution of these security assessments will provide a critical statewide benefit by identifying existing State security vulnerabilities.

CONS:

- Will increase the State's the GF budget authority expenditures.

Alternative #2 - Utilize independent 3rd party vendors to fulfill the statutorily mandated workload duties as outlined under AB 2135.

PROS:

- The AB 2135 Legislative security assessment workload duties would be fulfilled.

CONS:

- As external vendors have historically been a more expensive option, utilizing 3rd party vendors would increase costs to the State.
- Would take much longer for 3rd party vendors to deliver this security solution and would carry a higher degree of risk for successful implementation.
- This alternative would not be consistent with Government Code 19130 to utilize State employees.

Alternative #3 - Do not approve the requested position and GF budget authority to fulfill the new legislative workload outlined under AB 2135.

PROS:

- Would not increase the State's GF budget authority.

CONS:

- The State would be left increasingly vulnerable to potential cybersecurity incidents if additional security assessments are unable to be carried out due to current limitations on existing resources.
- Failing to successfully execute the legislatively required AB 2135 workload would inhibit the State's ability to implement a contemporary defensive network that is necessary to meet industry standard security compliance requirements.
- Failing to execute the workload requirements under AB 2135 would not be consistent or comply with the State's 2023 Vision Plan to protect the State's information assets.

G. Implementation Plan

We have an additional seven (7) licenses through Pluralsight for employees, which allows access to the training and resources needed in support of these new positions.

H. Supplemental Information

N/A

I. Recommendation

Approve CDT's request for 7.0 new positions and \$1.495 million in on-going GF authority beginning in FY 2023-24. The requested positions and GF budget authority will provide a critical statewide benefit by undertaking the proposed security workload as outlined under AB 2135.

BCP Fiscal Detail Sheet

BCP Title: AB 2135 Information Security

BR Name: 7502-037-BCP-2023-GB

Budget Request Summary

FY23

Personal Services						
Positions - Permanent	0.0	7.0	7.0	7.0	7.0	7.0
Total Positions	0.0	7.0	7.0	7.0	7.0	7.0
Salaries and Wages						
Earnings - Permanent	0	790	790	790	790	790
Total Salaries and Wages	\$0	\$790	\$790	\$790	\$790	\$790
Total Staff Benefits	0	426	426	426	426	426
Total Personal Services	\$0	\$1,216	\$1,216	\$1,216	\$1,216	\$1,216
Operating Expenses and Equipment						
5301 - General Expense	0	14	14	14	14	14
5304 - Communications	0	7	7	7	7	7
5320 - Travel: In-State	0	7	7	7	7	7
5322 - Training	0	21	21	21	21	21
5342 - Departmental Services	0	195	195	195	195	195
5346 - Information Technology	0	35	35	35	35	35
Total Operating Expenses and Equipment	\$0	\$279	\$279	\$279	\$279	\$279
Total Budget Request	\$0	\$1,495	\$1,495	\$1,495	\$1,495	\$1,495
Fund Summary						
Fund Source - State Operations						
0001 - General Fund	0	1,495	1,495	1,495	1,495	1,495
Total State Operations Expenditures	\$0	\$1,495	\$1,495	\$1,495	\$1,495	\$1,495
Total All Funds	\$0	\$1,495	\$1,495	\$1,495	\$1,495	\$1,495
	CY	BY	BY+1	BY+2	BY+3	BY+4
Program Summary						
Program Funding						
6230 - Department of Technology	0	1,495	1,495	1,495	1,495	1,495
Total All Programs	\$0	\$1,495	\$1,495	\$1,495	\$1,495	\$1,495

