



[HF 651](#) – Cloud Computing Procurement Preference (LSB1409HV)
Staff Contact: Maria Wagenhofer (515.281.5270) maria.wagenhofer@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 651](#) relates to cloud computing procurement preferences for the Office of the Chief Information Officer (OCIO).

Division I — The Bill requires the OCIO to procure, when feasible, cloud computing solutions and other information technology and related services not hosted on premises by the State from service providers that meet or exceed applicable State and federal laws, regulations, and standards for information technology. The Bill requires the OCIO to contract with multiple providers, establishes that the control and ownership of State data stored with cloud computing service providers is to remain with the State, requires the data to be portable, and requires that cloud computing service providers store State data on servers located within the United States.

The Bill also establishes or amends the following reporting requirements:

- Requires the OCIO to provide a report to the General Assembly by November 1, 2021, that includes a complete inventory of all State information technology applications and recommendations for applications that should migrate to cloud-based applications based on specified criteria.
- Requires the OCIO to create and submit annual reports regarding the cloud computing solutions procured by the Office through cooperative procurement agreements, including the following information:
 - Cost, security, and capacity of the cloud computing solutions.
 - Compatibility of the cloud computing solutions with the associated State information technology applications.
 - Compliance with State and federal laws, regulations, and standards for information technology.
- Amends the OCIO’s quarterly reporting requirement regarding the status of technology upgrades or enhancements for State agencies to be an annual report.

Division II — The Bill requires the OCIO to provide salary data and information regarding expenditures and appropriations to the Department of Management (DOM) and Legislative Services Agency (LSA).

Background

The National Institute of Standards and Technology (NIST) defines cloud computing in [Special Publication 800-145](#) as a “model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources that can be rapidly provisioned and released with minimal management effort or service provider interaction.” The OCIO has reported that many State agencies have migrated to cloud services on a case-by-case basis, including email, human resources, and Web hosting investments.

Under current law, the OCIO is required to submit a quarterly report to the General Assembly regarding the status of technology upgrades or enhancements for State agencies and which agencies are coordinating with the Office. This requirement began on October 1, 2019.

Assumptions

- To manage the implementation of additional reporting requirements and the volume of information the OCIO is required to monitor, the OCIO estimates that it may need to hire 3.0 additional full-time equivalent (FTE) positions: 2.0 Executive Officer 3 FTE positions and 1.0 Budget Analyst 2 FTE position.
- The OCIO’s salary and benefit estimates are based on hiring decisions at the high end of the pay scale for the identified position.

Fiscal Impact

The estimated cost or cost savings from procuring third-party cloud computing solutions cannot be estimated at this time. The OCIO estimates that cloud computing solutions may be cheaper in some circumstances but could significantly increase costs in other circumstances. As a result, the overall aggregate information technology costs cannot be determined.

Table 1 below shows the estimated costs associated with filling the FTE positions on an annual basis, as reported by the OCIO.

Table 1			
OCIO Estimated Personnel Costs FY 2022 - FY 2024			
	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Salary and Benefits			
Executive Officer 3 (2.0 FTEs)	\$ 250,000	\$ 250,000	\$ 250,000
Budget Analyst 2 (1.0 FTE)	100,000	100,000	100,000
Total Salary and Benefits	\$ 350,000	\$ 350,000	\$ 350,000

The total cost reflects the full salary plus benefits for each position and assumes hiring at the high end of the pay grade. Therefore, costs could be expected to vary depending on the type of hire and selected benefit plans.

Sources

Office of the Chief Information Officer
Department of Management

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.