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[SF 539](#) – Cloud Computing Procurement Preference (LSB1409SV)  
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Fiscal Note Version – New

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## **Description**

[Senate File 539](#) relates to cloud computing procurement preferences for the Office of the Chief Information Officer (OCIO). 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 comply with federal authorization or accreditation programs for information technology. The Bill requires 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 allows the OCIO to contract with multiple providers. If the OCIO determines it is not feasible to procure a cloud computing solution, the Bill requires OCIO to submit a report to the General Assembly with the following information:

- An explanation as to why a cloud computing deployment was not feasible.
- A cost-benefit analysis of the on-premises technology upgrades or new applications compared to the cloud computing solution or other information technology-related service.
- Compliance frameworks that require the application to be hosted on premise.

Senate File 539 also 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, including the percentage of cloud-based applications, and recommendations for applications that should migrate to cloud-based applications.

## **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.

## **Assumptions**

- To manage the implementation of annual reporting requirements, feasibility analysis, and review of agency inventories, the OCIO estimates that it may need to hire 3.0 additional full-time equivalent (FTE) positions that include: two Executive Officer 3 positions and one Budget Analyst 2 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.

	<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
<b>Total Salary and Benefits</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>

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 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.

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