

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 31, 2019

TO: Honorable Dade Phelan, Chair, House Committee on State Affairs

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB2401 by Deshotel (Relating to the requirement that state agency employees complete cybersecurity awareness training.), **As Introduced**

The fiscal implications of the bill are indeterminate, but costs associated with the bill could be significant. The impact would largely be dependent on each agency's current cybersecurity training practices, the number of affected employees at each agency, the frequency with which each agency provides the required training, and the pricing each agency can obtain from an eligible vendor.

The bill would require each state agency to provide each employee who has access to the agency's network or online systems with cybersecurity awareness training. The bill would require that the training be designed, maintained, and administered by a third party vendor based in Texas, that has provided cybersecurity training in Texas for at least five years and has provided training to at least 100,000 people.

The costs associated with implementing the provisions of the bill are dependent on each agency's current cybersecurity training practices, the number of affected employees at each agency, the frequency with which each agency provides the required training, and the pricing each agency can obtain from an eligible vendor. Several agencies provided estimates of the per-employee training costs needed to comply with the requirements of the bill. The reported per-employee costs ranged from \$14.84 at the Health and Human Services Commission (HHSC) to \$30.00 at the Texas Medical Board (TMB). The Department of Information Resources (DIR) estimated that the agency could obtain the training for its employees at a cost of \$25.00 per employee.

This analysis assumes that many agencies could absorb the costs associated with implementing the provisions of the bill within existing resources. However, several agencies indicated that the costs associated with implementing the bill could be significant. The University of Texas system estimated that complying with the provisions of the bill would cost approximately \$4.0 million in General Revenue Funds in the biennium across all system institutions. HHSC estimated a cost of \$1.0 million in General Revenue Funds and \$1.3 million in All Funds in the biennium to comply with the requirements of the bill. TMB reported costs of \$12,510 in General Revenue Funds in the biennium.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources, 362 Texas Lottery Commission, 452 Department of Licensing and Regulation, 481 Board of Professional Geoscientists, 503 Texas Medical Board, 529 Health and Human Services Commission, 601 Department of Transportation, 696 Department of Criminal Justice, 720 The University of Texas System Administration

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