

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: 4  
 Bill Version: CSHB 65(FIN)  
 (H) Publish Date: 2/21/08

Identifier (file name): HB065CS(JUD)-DOA-ETS-1-18-08 Dept. Affected: Administration  
 Title: "An Act Relating to Breaches of Security Involving..." RDU: Enterprise Technology Services  
 Component: Enterprise Technology Services  
 Sponsor: Reps. Coghill, Gara  
 Requester: \_\_\_\_\_ Component Number: 2082

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>							
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	275.0		319.0	319.0	319.0	319.0	319.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	1,765.6	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>2,040.6</b>	<b>0.0</b>	<b>319.0</b>	<b>319.0</b>	<b>319.0</b>	<b>319.0</b>	<b>319.0</b>

<b>CAPITAL EXPENDITURES</b>							
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<b>CHANGE IN REVENUES ( )</b>							
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	2,040.6	0.0	319.0	319.0	319.0	319.0	319.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>2,040.6</b>	<b>0.0</b>	<b>319.0</b>	<b>319.0</b>	<b>319.0</b>	<b>319.0</b>	<b>319.0</b>

Estimate of any current year (FY2008) cost: 0.0

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

HB65 has two primary components related to security breaches: 1) Preventative and 2) Remediation. This fiscal note addresses the Preventative component by providing funding to continue the department's efforts to secure the state's networks and data.

For the past three years, the department has been working on strengthening the security components of our network. We have installed Cisco Security Agent (CSA) on desktop computers and servers throughout the state. We are also working to deploy a demilitarized zone (DMZ) that places all of our databases behind two firewalls, with our public-facing servers deployed between the two firewalls. This effort is scheduled to be completed by June 2009 and will involve the coordinated efforts of all state departments.

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 Division: Enterprise Technology Services Date/Time 12/4/2007  
 Approved by: Rachael Petro, Deputy Commissioner Date 12/5/2007  
Department of Administration

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**ANALYSIS CONTINUATION**

The next phase of this security effort is deployment of encryption hardware and software to protect our network as well as legacy data stored and processed on the state's mainframe computer. This fiscal note will provide funding for security enhancements to insure that data used by state agencies to provide services is secure from known types of attack. This will be an ongoing effort as attackers have become more sophisticated over time.

Previous funding for security efforts is as follows:

FY05 Supplemental \$5,002,500  
FY06 Capital Project \$3,537,500  
FY07 Capital Project \$2,000,000  
FY08 Capital Project \$4,400,000