

SENATE BILL REPORT

SB 5662

As Reported by Senate Committee On:
Environment, Energy & Technology, February 7, 2019
Ways & Means, March 1, 2019

Title: An act relating to cloud computing solutions.

Brief Description: Concerning cloud computing solutions.

Sponsors: Senators Palumbo, Carlyle, Rolfes, Mullet, Nguyen, Hobbs, Lias, Pedersen and Braun.

Brief History:

Committee Activity: Environment, Energy & Technology: 1/30/19, 2/07/19 [DPS-WM].
Ways & Means: 3/01/19, 3/01/19 [DP2S, w/oRec].

Brief Summary of Second Substitute Bill

- Requires state agencies to adopt cloud computing solutions for any new information technology or telecommunications investments.
- Requires the Office of the Chief Information Officer to conduct a statewide cloud computing readiness assessment.
- Limits the number of contracts identified to provide cloud computing services or migration support to no more than three contracts per procurement.
- Creates a training program for employees who were displaced as a result of the cloud migration.
- Repeals the mandate for state agencies to migrate to the state data center.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Majority Report: That Substitute Senate Bill No. 5662 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Carlyle, Chair; Palumbo, Vice Chair; Ericksen, Ranking Member; Billig, Brown, Das, Hobbs, Lias, McCoy, Nguyen, Rivers, Short and Wellman.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Angela Kleis (786-7469)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5662 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Braun, Ranking Member; Becker, Billig, Carlyle, Darneille, Hunt, Keiser, Lias, Palumbo, Pedersen, Rivers, Schoesler, Van De Wege, Wagoner, Warnick and Wilson, L..

Minority Report: That it be referred without recommendation.

Signed by Senators Honeyford, Assistant Ranking Member, Capital; Hasegawa.

Staff: Sarian Scott (786-7729)

Background: The Consolidated Technology Services agency, also known as WaTech, supports state agencies as a centralized provider and procurer of certain information technology services. Within WaTech, the Office of the Chief Information Officer (OCIO) has certain primary duties related to information technology for state government, which include establishing statewide enterprise architecture and standards for consistent and efficient operation.

Under current law, state agencies must locate all existing and new servers in the state data center. State agencies with a service requirement that requires servers to be located outside the state data center must receive a waiver from the OCIO.

Summary of Bill (Second Substitute): Cloud Computing Solutions. State agencies must adopt third-party, commercial cloud computing solutions for any new information technology or telecommunications investments unless a waiver is approved by the OCIO. Prior to selecting and implementing a cloud computing solution, state agencies must evaluate certain criteria including security requirements and data portability.

State Agency Cloud Migration Plan. State agencies must submit by December 31, 2020, a cloud migration plan to the OCIO that outlines its technology sourcing strategy and ways it can utilize the cloud to reduce costs.

Statewide Assessment. The OCIO must conduct a statewide cloud computing readiness assessment to prepare for migrating core services to cloud service. The assessment must evaluate certain criteria such as impacts to state agency staffing and additional resources needed to enable sufficient cloud migration support to state agencies.

A summary of the assessment and recommendations for any changes to migration goals must be submitted to the Legislature by June 30, 2020. The OCIO must submit a cloud migration report to the Legislature every six months, with the first report due January 2021.

Procurement Process. WaTech, must oversee and provide technical specifications to the Department of Enterprise Services (DES), who must conduct a competitive procurement

process to identify no more than three contracts per procurement to provide cloud computing services or system migration support. The procurement process must be reopened and contracts renegotiated at a minimum every ten years.

Reporting. State agency directors of human resources must report to the OCIO and the Employment Security Department the impacts on staffing where state employees were displaced as a result of the cloud migration.

Training Program. Subject to the availability of appropriated funds, a training program is created for employees who were displaced as a result of cloud migration.

Exemption. This act does not apply to higher education institutions.

Repeal. The mandate requiring state agencies to migrate to the state data center is repealed.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Second Substitute):

- Makes all provisions subject to appropriations.

EFFECT OF CHANGES MADE BY ENVIRONMENT, ENERGY & TECHNOLOGY COMMITTEE (First Substitute):

- Changes the date state agencies must submit a cloud migration plan to the OCIO from June 30, 2020, to December 31, 2020.
- Specifies that WaTech will oversee and provide technical specifications to DES during the competitive procurement process.
- Makes technical changes.

Appropriation: The bill contains a section or sections to limit implementation to the availability of amounts appropriated for that specific purpose.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill (Environment, Energy & Technology): *The committee recommended a different version of the bill than what was heard.* PRO: The potential benefits of migrating to cloud computing solutions are security and cost savings. Cloud security provides the ability to deploy encryption that makes the cloud environment more secure than the on premise environment. Additionally, the cloud allows you to move faster than the threats. Migrating systems to the cloud can reduce costs because building and maintaining IT infrastructure in data centers is expensive.

OTHER: Legacy systems will not easily align with modern technology. The June 2023 goal is ambitious and will affect costs.

Persons Testifying (Environment, Energy & Technology): PRO: Senator Guy Palumbo, Prime Sponsor; Vicki Christophersen , Internet Association; Michael Mattmiller, Microsoft; John Stephenson, Amazon, Senior Manager, Amazon Web Services.

OTHER: Jim Weaver, WaTech.

Persons Signed In To Testify But Not Testifying (Environment, Energy & Technology):
No one.

Staff Summary of Public Testimony on First Substitute (Ways & Means): *The committee recommended a different version of the bill than what was heard.* OTHER: Our members have concerns about re-training displaced workers due to cloud migration. This is a big move that involves public data. We have concerns about the security of the cloud.

Persons Testifying (Ways & Means): OTHER: Matt Zuvicjh, Washington Federation of State Employees.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.