
**State Government & Tribal Relations
Committee**

HB 1274

Brief Description: Concerning cloud computing solutions.

Sponsors: Representatives Hackney, Stokesbary, Robertson, Bateman, Springer, Walen, Leavitt, Berg and Slatter.

Brief Summary of Bill

- Requires state agencies to adopt third-party, commercial cloud computing services for any new information technology or telecommunications investments, subject to a waiver.
- Requires state agencies to migrate their existing on-premises applications to third-party, commercial cloud computing solutions by June 30, 2025, subject to a waiver.
- Repeals the requirement to locate all existing and new servers in the state data center.
- Creates a training program for employees who could not be reassigned to other duties within the state agency as a result of the cloud migration, subject to appropriation.

Hearing Date: 1/25/21

Staff: Jason Zolle (786-7124).

Background:

Cloud Computing.

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

The National Institute of Standards and Technology (NIST) within the United States Department of Commerce defined "cloud computing" in a September 2011 publication as "a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction." There are five essential characteristics to cloud computing:

1. On-demand self-service: a consumer can access computing capabilities without human interaction with the service provider.
2. Broad network access: capabilities are available through standard mechanisms like laptops and mobile phones.
3. Resource pooling among multiple consumers: consumers are not assigned unique resources.
4. Rapid elasticity: capabilities are scaled to consumers commensurate with demand.
5. Measured service: resource usage is monitored and reported.

Consolidated Technology Services Agency.

The Consolidated Technology Services agency, also known as Washington Technology Solutions (WaTech), supports state agencies as a centralized provider and procurer of certain information technology (IT) services. Agencies are encouraged to rely on WaTech for services with a business case of broad use, uniformity, scalability, and price sensitivity to aggregation and volume.

Washington Technology Solutions is responsible for: (1) establishing rates and fees for services provided; (2) developing a business plan for services or activities to be contracted; (3) developing plans for the agency's achievement of statewide goals and objectives; and (4) enabling the standardization and consolidation of IT infrastructure across all state agencies to support enterprise-based system development, and improve and maintain service delivery.

Services. Agencies are required to use WaTech to house agency servers or use cloud-based services. The Office of the Chief Information Officer (OCIO) is also required to develop a migration strategy plan to ensure that all state agencies are moving towards WaTech as their central services provider for all utility-based infrastructure services. Utility-based infrastructure services include personal computer and portable device support, servers and server administration, security administration, network administration, telephony, electronic mail (e-mail), and other IT services commonly used by state agencies. Washington Technology Solutions also hosts agency systems on its mainframe.

Cloud Readiness. On January 4, 2021, the OCIO published the Washington State Cloud Readiness Report, which documented the state's existing IT assets, determined agencies' readiness to move assets to the cloud, and calculated the costs and benefits of doing so. The report found that while some agencies have already shifted to cloud-based systems, approximately 90 percent of the state's major business applications are stored on on-premise servers. The OCIO concluded that most agency applications (up to 91 percent) appear to be good candidates for migration to cloud services. The report also highlighted potential

challenges, recommended projects and implementation models, and outlined a State Cloud Migration Plan.

State Data Center.

The State Data Center (SDC) was completed in 2011, and includes four halls, two of which are operating as data centers. State agencies must locate all existing and new servers in the SDC. State agencies with a service requirement that requires servers to be located outside the SDC must receive a waiver from the OCIO.

Summary of Bill:

New Information Technology or Telecommunications Investments.

State agencies are required to adopt third-party, commercial cloud computing services for any new IT or telecommunications investments, unless the agency receives a waiver from the OCIO. "Cloud computing" is defined as in the September 2011 NIST publication. This requirement does not apply to institutions of higher education.

Prior to selecting and implementing a cloud computing service, the agency must evaluate the ability of the service to meet security and compliance requirements, as well as the portability of data if the agency decides to discontinue the service. The OCIO must develop standards and guidelines for the adoption of computing services. The Department of Enterprise Services must conduct competitive procurement processes on behalf of the agency, and all contracts must be renegotiated at least every five years.

A waiver is available if the agency has a service requirement that prohibits the adoption of a cloud computing service. Information on waivers must be submitted to the Legislature each year.

Subject to appropriation, state agency directors of human resources must report annually to the OCIO and the Employment Security Department the impacts on staffing related to state employees who could not be reassigned to other duties within the state agency as a result of the cloud migration. Also subject to appropriation, a training program for such employees is created.

Existing Applications.

By June 30, 2025, state agencies must migrate their existing on-premises applications to third-party, commercial cloud computing solutions, unless the agency receives a waiver from the OCIO. This requirement does not apply to institutions of higher education.

A waiver is available if the agency cannot meet the June 30, 2025, deadline. Waivers must be based on written justification, citing specific service or performance requirements for not using a cloud computing solution. Information on waivers must be submitted to the Legislature each year beginning in 2023.

The requirement to locate all existing and new servers in the SDC is repealed.

Appropriation: None.

Fiscal Note: Requested on January 19, 2021.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.