FINAL BILL REPORT
E2SHB 1274

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Synopsis as Enacted

Brief Description: Concerning cloud computing solutions.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Hackney, Stokesbary, Robertson, Bateman, Springer, Walen, Leavitt, Berg and Slatter).

House Committee on State Government & Tribal Relations
House Committee on Appropriations
Senate Committee on Environment, Energy & Technology

Background:

Cloud Computing.
The National Institute of Standards and Technology (NIST) within the United States Department of Commerce has described "cloud computing" 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

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for services with a business case of broad use, uniformity, scalability, and price sensitivity to aggregation and volume.

The responsibilities of WaTech include: (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 to improve and maintain service delivery.

Services. Agencies are required to either use WaTech to house agency servers or to 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 toward 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, 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:

State agencies may locate new and existing information or telecommunications investments within third-party, commercial cloud computing services, rather than in the state data center.

A task force is established, chaired by the Chief Information Officer, to review the impact on labor of transitioning to third-party cloud computing services and the needs for retraining that would accompany such a shift. Task force membership consists of:

- the Chief Information Officer;
- the Chief Information Security Officer;
- two representatives from the represented employees' bargaining unit for state employees;
- one representative from a company providing third-party cloud computing services;
- one representative from a trade association representing cloud computing providers; and
- one member from the State Board for Community and Technical Colleges.

The task force must report its findings and recommendations to the Governor and the appropriate committees of the Legislature by November 30, 2021.

Votes on Final Passage:

House	96	2
Senate	48	1

Effective: July 25, 2021