

## Department of Planning and Budget 2016 Fiscal Impact Statement

**1. Bill Number:** SB747

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Wagner

**3. Committee:** Commerce and Labor

**4. Title:** Promotion of cybersecurity in the Commonwealth.

**5. Summary:** Initiates several efforts to promote economic development, research and development, and workforce development of the cybersecurity industry in the Commonwealth. The bill creates two new matching grant funds: one administered by the Innovation and Entrepreneurship Investment Authority for private entities that collaborate with one or more public institutions of higher education on research and development related to cybersecurity and one administered by the Department of Education for public elementary and secondary schools for STEM-related programs. The bill directs the Virginia Economic Development Partnership Authority (VEDP), in consultation with the State Council of Higher Education for Virginia, to develop an online cybersecurity network. VEDP will be aided by an advisory committee consisting of representatives from higher education, the community college system, the Joint Commission on Technology and Science, and the Secretaries of Commerce and Trade, Education, and Technology. Finally, the bill directs the Secretary of Technology to organize and convene a Virginia Cybersecurity Conference to showcase Virginia's leadership in the field of cybersecurity. This bill is a recommendation of the Joint Commission on Technology and Science.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Indeterminate. See Item 8 below.

**8. Fiscal Implications:** The bill creates two nonreverting funds, the Collaborative Cybersecurity Research Fund and the STEM Education Fund. Establishing these two funds will not in itself create a fiscal impact. However, a fiscal impact would result if the General Assembly provides funding to one or both of the funds. At this time the intent of the General Assembly is not known and therefore the fiscal impact is indeterminate.

The bill also directs the Virginia Economic Development Partnership Authority (VEDP) to develop an online cybersecurity network. According to VEDP, the bill's fiscal impact is estimated at \$500,000 the first year and \$300,000 the second year. Funding supports establishing and maintaining a cybersecurity research network website, a position to serve as a central point of contact between state institutions of higher education, community colleges,

and the private sector, and expenses related to an advisory committee that is to be established to assist the Authority develop content for the network.

The bill mandates the Secretary of Technology to organize and convene a Virginia Cybersecurity Conference in 2016. At this time the cost cannot be determined since items such as the venue, sponsorships, number of attendees, attendance fees, speaker honorariums, and catering costs are not known. However, using Michigan's North American International Cyber Summit 2015 as guidance, the conference cost could total close to \$250,000. Michigan offset most of this cost by incorporating a sponsorship package (received \$190,000) and registration fees (about \$58,000).

- 9. Specific Agency or Political Subdivisions Affected:** Virginia Economic Development Partnership Authority, Innovation and Entrepreneurship Investment Authority, Department of Education, various higher education institutions and community colleges, the Joint Commission on Technology and Science, and the Secretaries of Commerce and Trade, Education, and Technology

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** Identical to HB929.