

# SENATE BILL REPORT

## E2SHB 1274

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As Reported by Senate Committee On:  
Environment, Energy & Technology, March 16, 2021

**Title:** An act relating to cloud computing solutions.

**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).

**Brief History:** Passed House: 2/25/21, 96-2.

**Committee Activity:** Environment, Energy & Technology: 3/11/21, 3/16/21 [DP, DNP, w/oRec].

### Brief Summary of Bill

- Authorizes state agencies to locate information or telecommunications investments within third-party, commercial cloud services.
- Establishes a task force on cloud transition to review impacts on the workforce, retraining needs, and optimal methods to deliver such training.

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## SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

**Majority Report:** Do pass.

Signed by Senators Carlyle, Chair; Lovelett, Vice Chair; Das, Hobbs, Lias, Nguyen, Sheldon, Stanford and Wellman.

**Minority Report:** Do not pass.

Signed by Senator Ericksen, Ranking Member.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Brown, Fortunato and Short.

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*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.*

**Staff:** Angela Kleis (786-7469)

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

Under current law, state agencies, excluding institutions of higher education, must locate all existing and new servers in the state data center (SDC). State agencies with a service requirement that requires servers to be located outside the SDC must receive a waiver from the OCIO. The OCIO, in consultation with the Office of Financial Management, must continue to develop the business plan and migration schedule for moving all state agencies to the SDC.

In 2019, funds were appropriated for the OCIO to conduct a statewide cloud readiness assessment. The report, submitted January 4, 2021, identified findings, such as:

- 91 percent of inventoried IT assets are favorable candidates for the cloud;
- 87 percent of agencies have developed a plan for IT skills modernization to support cloud technologies;
- 40 percent of agencies have not evaluated the impact of cloud migration on the organizational culture, structure, and resources; and
- 86 percent of agencies have no plans in place to reorganize staff workloads to support emerging cloud technologies.

**Summary of Bill:** Rather than servers, state agencies are required to locate all existing and new information or telecommunications investments in the SDC. In addition to the SDC, state agencies are authorized to locate such investments within third-party, commercial cloud computing services.

State agencies with a service requirement that prevents them from locating information or telecommunications investments in the SDC or within third-party, cloud computing services must receive a waiver from the OCIO.

The requirement for the OCIO to develop a migration schedule for moving all state agencies to the SDC is repealed.

A task force on cloud transition is established. The task force must review impacts on the workforce, retraining needs, and optimal methods to deliver such training and report its recommendations to the Governor and Legislature by November 30, 2021.

**Appropriation:** None.

**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:** PRO: The bill is an important step in modernizing state IT systems. State agencies should have the option of using a third, party commercial computing service to meet their specific business needs. Cloud computing services offer enhanced security, flexibility, and significant cost-savings to taxpayers. Onsite servers are expensive. The task force helps address retraining needs of existing workers.

OTHER: In order to align with federal implementation cloud policies, the bill needs clarifying language directing state agencies to comparison shop and pick the deployment model that best meets their specific needs.

**Persons Testifying:** PRO: Representative David Hackney, Prime Sponsor; Omid Ghaffari-Tabrizi, Internet Association; Molly Jones, Washington Technology Industry Association; Sandra Toussaint, AFSCME Council 28/Washington Federation of State Employees.

OTHER: Eric Wenger, Cisco Systems, Inc.; Ann Dunkin, Dell Technologies.

**Persons Signed In To Testify But Not Testifying:** No one.