



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #502

### Cybersecurity (Public Defender)

[LFB 2015-17 Budget Summary: Page 336, #7]

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#### CURRENT LAW

The Office of the State Public Defender (SPD) provides indigent legal defense to clients who qualify for SPD representation. The SPD has 579.85 positions in its employ, which include 6.0 positions performing information technology (IT) functions. In addition to funding for the 6.0 IT positions, the SPD is budgeted \$93,700 GPR annually for software licenses and equipment maintenance agreements and parts.

#### GOVERNOR

Provide \$1,325,600 GPR in 2015-16 and \$653,600 GPR in 2016-17 for network server upgrades, broadband upgrades, workstation security, and IT infrastructure management related to cybersecurity improvements. Funding would be utilized as follows: (a) \$548,000 annually for ongoing charges from the Department of Administration's Division of Enterprise Technology (DET) for network and server management; (b) \$105,600 annually for broadband upgrades; (c) \$326,000 in 2015-16 to support the costs of services provided by DET in 2014-15; and (d) \$346,000 in 2015-16 to support an upgrade of the SPD's IT operating system.

#### DISCUSSION POINTS

1. Under 1999 Wisconsin Act 9 (the 1999-01 biennial budget), the SPD was granted \$760,900 GPR and 6.0 GPR positions annually for maintenance and support of the agency's IT infrastructure. Included in the \$760,900, Act 9 provided the SPD \$93,700 annually for software licenses and equipment maintenance agreements and parts.

2. Under 2009 Act 28 (the 2009-11 biennial budget), the SPD was granted \$174,200 GPR in 2010-11 in order for the SPD to implement a four-year replacement cycle for the agency's computer infrastructure (personal computers, laptops, servers, printers, and software). The agency indicates, however, that due to a 1% budget reduction during the 2009-11 biennium the agency was unable to update its desktop computers until 2011. Further, budget reductions during the 2011-13 biennial budget eliminated ongoing funding provided under 2009 Act 28.

3. As a result, the SPD utilizes 6.0 IT positions, as well as \$93,700 annually for software licenses and equipment maintenance agreements and parts, to support its IT infrastructure. Prior to the summer of 2014, the SPD managed and operated its own wide-area network and local area networks that support 41 locations statewide (38 office locations and three office extension locations), 107 servers, and over 670 networked computers.

4. According to the SPD, current funding levels for software licenses and equipment maintenance agreements and parts prevented the SPD from upgrading its IT network and servers, as well as its broadband network. Rather than providing upgrades, current funding was utilized for ongoing costs such as software licenses and maintenance agreements for printers and hardware. As a result, the majority of the SPD's IT infrastructure (network and servers) aged over 12 years without replacement, and operated software that is no longer vendor-supported. Due to the age of the SPD's IT infrastructure, newer versions of software would not operate on the SPD network or on many of the SPD's servers, resulting in the unavailability of up-to-date security patches. The lack of adequate security patches created security vulnerabilities for both the SPD network and the state network. Further, the agency has been unable to purchase either: (a) network and server penetration testing software that would have alerted SPD IT staff to potential security vulnerabilities; or (b) intrusion detection hardware that would have alerted IT staff to breaches in network and server security.

5. In the summer of 2014, the Department of Administration's Division of Enterprise Technology (DET) determined that the condition of the SPD's IT infrastructure was a security risk to both the SPD and the state and assumed responsibility of the SPD's network and servers. Since assuming responsibility, DET has designed and implemented a new secure network by upgrading networking equipment at the 41 locations and removing outdated servers. The Division has also transported SPD's servers to DET's Femrite Data Center in Madison and assumed the responsibility of monitoring the servers and providing security patching. The SPD indicates that it would like DET to continue to manage its servers and network. The Division estimates that it will charge the SPD \$326,000 in 2014-15 and \$548,000 annually for its IT services. The SPD indicates that it cannot utilize base resources to support the charges from 2014-15.

6. As part of its management of the SPD's servers, DET has begun upgrading the SPD's IT operating system. While under SPD's management, the SPD's servers ran on the Microsoft operating system called Windows XP. Windows XP has not been supported by Microsoft since April, 2014, and therefore, up-to-date security patches are not available. As a result, Windows XP operating systems are vulnerable to viruses and hacking. Due to the security risks associated with the Windows XP operating system, DET has begun upgrading SPD's operating system to Windows 7. According to DET, upgrading the SPD's operating system will result in a one-time charges

totaling \$346,000.

7. In addition to providing server management, DET has begun upgrading the SPD's broadband. According to the SPD, low network performance resulted in staff workload inefficiency, and led to instances where staff attorneys could not listen to or view important audio or video content delivered over the Internet. Further, the SPD's broadband did not provide security protection or security monitoring, leaving sensitive data at risk for cybersecurity attacks. According to DET, the SPD's Internet service provider will charge \$105,600 annually for the broadband upgrade.

8. The SPD indicates that its base IT budget of \$93,700 GPR is not available to support DET's charges due to ongoing software licensing costs and maintenance agreements for printers and hardware. Prior to DET assuming responsibility of the SPD's IT infrastructure, the SPD informed DOA that it would be unable to utilize base resources to support the costs of DET's charges. Despite this fact, DET assumed responsibility of the IT infrastructure in 2014-15 to alleviate security risks to both the SPD and the state.

9. Given the cybersecurity risks that existed with the SPD's IT infrastructure, and that the SPD indicates that it cannot not utilize base resources to cover DET's charges, the Committee could approve the Governor's recommendation to provide the SPD \$1,325,600 GPR in 2015-16 and \$653,600 GPR in 2016-17 [Alternative 1]. Funding would be utilized to reimburse DET for charges for the following services: (a) \$548,000 annually for network and server management; (b) \$105,600 annually for broadband upgrades; (c) \$326,000 in 2015-16 to support network and server management services provided by DET in 2014-15 but not paid for; and (d) \$346,000 in 2015-16 to support the upgrade of SPD's operating system.

10. On the other hand, the Committee could decide to deny the Governor's recommendation and delete funding provided to the SPD to support DET's charges [Alternative 3]. The administration indicates that if funding is not provided, "It's not clear at this time how SPD would receive IT support nor how it would be paid for..." The Division indicates that if it is not reimbursed for its services provided in 2014-15, it will have to increase its charges to other state agencies to recoup the costs. Further, given that the SPD's IT infrastructure became a security risk to both the SPD and the state while managed by the SPD at its current funding levels, this alternative does not seem tenable.

11. Alternatively, given that DET began its work on SPD's IT infrastructure in 2014-15 with knowledge that the SPD would be unable to support the costs, it could be argued that DET should not be reimbursed its services provided in 2014-15. As previously indicated, the bill provides funding to support the following one-time costs for services that began in 2014-15: (a) \$326,000 for network and server management services; and (b) \$346,000 to support the upgrade of the SPD's operating system. While it may be prudent to provide funding to support DET's ongoing management of the SPD's IT infrastructure, it could be argued that it is inappropriate to provide funding for services that DET undertook without the SPD having sufficient budget authority. Therefore, the Committee could decide to reduce the Governor's recommendation by \$672,000 GPR in 2015-16 to account for the services that were provided in 2014-15 [Alternative 2]. The Division indicates that if it is not reimbursed for its services provided in 2014-15, it may have to increase its charges to other state agencies to recoup the costs.

## ALTERNATIVES

1. Approve the Governor's recommendation and provide the Office of the State Public Defender \$1,325,600 GPR in 2015-16 and \$653,600 GPR in 2016-17 for network server upgrades, broadband upgrades, workstation security, and IT infrastructure management related to cybersecurity improvements.

2. Reduce the Governor's request by \$672,000 GPR in 2015-16 to account for the following services that were provided in 2014-15: (a) \$326,000 for network and server management services; and (b) \$346,000 to support the upgrade of the SPD's operating system.

<b>ALT 2</b>	<b>Change to Bill</b>
GPR	- \$672,000

3. Delete provision.

<b>ALT 3</b>	<b>Change to Bill</b>
GPR	- \$1,979,200

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