



# Overview of Federal Funds for Cybersecurity

Andrew Erickson, Senate Fiscal Analyst

Helen Roberts, House Fiscal Analyst

# State and Local Cybersecurity Grant Program

- ▶ Authorized by Infrastructure Investment and Jobs Act
- ▶ Purpose - “...to address cybersecurity risks and cybersecurity threats to information systems owned or operated by, or on behalf of, State, local, or Tribal governments.”
- ▶ Total Four-Year Appropriation:
  - ▶ FY2022 - \$200 million
  - ▶ FY2023 - \$400 million
  - ▶ FY2024 - \$300 million
  - ▶ FY2025 - \$100 million

# Allocation and State Match

- ▶ Allocation Formula
- ▶ Suballocations for local governments and rural areas
- ▶ Match requirement increases over time. State share of 10% in first year, then 20% in year two, 30% in year three, and 40% in year four
- ▶ Match requirement is shifted favorably by 10% for multi-entity groups

## **MN's Estimated Allocation**

(based on 2010 Census data)

*FY2022 - \$3.6 million*

*FY2023 - \$7.2 million*

*FY2024 - \$5.4 million*

*FY2025 - \$1.8 million*

# Eligible Uses and Limitations

## ▶ Eligible Uses:

- ▶ Develop, implement, and revise cybersecurity plans
- ▶ Assist with activities that address imminent cybersecurity threats
- ▶ Administrative costs of the grant program (no more than 5% of the grant)

*Further guidance is forthcoming from FEMA/CISA*

## ▶ Grant funds must supplement, not supplant, state spending on cybersecurity and cannot be used to:

- ▶ Meet the state match requirement
- ▶ Satisfy demands of a ransomware attack
- ▶ Acquire land or construct or remodel buildings or other physical facilities

# Cybersecurity Plan

The key of the grant program and forthcoming guidance is the submission of a cybersecurity plan, which must be submitted to the Cybersecurity & Infrastructure Security Agency (CISA) within the Department of Homeland Security.



# Planning Committee

- ▶ States receiving grants must establish a planning committee to:
  - ▶ Assist with the development & implementation of the cybersecurity plan
  - ▶ Approve the cybersecurity plan
  - ▶ Assist with determining funding priorities for the grant
- ▶ Planning Committee membership must include:
  - ▶ Representatives from the state, counties, cities, towns, and institutions of public education and health
  - ▶ Representatives from suburban, rural and high population jurisdictions
  - ▶ No less than half of members with professional experience related to cybersecurity or IT.

# Multi-State Collaborative Grants

- ▶ Two or more states may jointly apply for a grant to address cybersecurity risks and threats to information systems
- ▶ Federal share is more favorable for multi-state grants
- ▶ The federal share can be waived or modified if the multi-state group demonstrates economic hardship
- ▶ Each state is required to submit a cybersecurity plan that describes the divisions of responsibilities and funding, and that provides how each state will work together to implement the plan

# Reporting Requirements

- ▶ Within 1 year of receiving the grant, the state must submit a report to the CISA including:
  - ▶ Implementation progress of the approved cybersecurity plan
  - ▶ If a plan doesn't exist, description of how grant funds were used to develop a cybersecurity plan or improve information systems