

Department of Criminal Justice Services
2025 General Assembly Session
State Fiscal Impact Statement

PUBLISHED: 1/20/2025 4:14 PM

ORIGINAL

Bill Number: HB 2038

Patron: Anthony

Bill Title: Insecure uncrewed aircraft systems; prohibition on procurement and use, report.

Bill Summary: Prohibits, beginning on July 1, 2025, any public body from purchasing, leasing, or otherwise procuring an insecure uncrewed aircraft system (UAS), as that term is defined in the bill. The bill further prohibits, beginning on July 1, 2029, any public body from using, whether directly or through work with or on behalf of another public body, an insecure UAS. The bill directs the Virginia Information Technologies Agency (VITA) to establish cybersecurity standards for the certification of secure UAS and maintain a list of approved UAS manufacturers and models on its website.

The bill also requires the Joint Commission on Technology and Science, in collaboration with stakeholders, to review cybersecurity standards and make recommendations every two years to ensure alignment with emerging UAS technologies, evolving cybersecurity threats, the operational and safety needs of public bodies, and public safety priorities within the Commonwealth.

Finally, the bill establishes the Uncrewed Aircraft Replacement Grant Program, to be administered by the Department of Criminal Justice Services, to award grants to aid public bodies with the transition from insecure UAS to secure UAS.

Budget Amendment Necessary: Yes

Items Impacted: 9, 82, 394

Explanation: This bill will create fiscal impacts for the Department of Criminal Justice Services (DCJS), the Joint Commission on Technology and Science (JCOTS), the Virginia Information Technologies Agency (VITA). The Virginia State Police (VSP) and the Virginia Department of Transportation (VDOT) has stated there will be an indeterminate impact on their agencies due to this legislation. There may be a fiscal impact on the Department of Aviation, but at the time this FIS was posted further information on that impact is not available.

Fiscal Summary: This bill will create a new grant program to be administered by DCJS, the Uncrewed Aircraft Replacement (UAR) Grant Program. Under the language of the bill, DCJS would be required to develop guidelines and procedures in order to provide grants to public bodies for the purpose of aiding those entities in the transition from insecure UAS to secure UAS. DCJS would also be required to submit an annual report to the General Assembly. The bill also mandates ongoing personnel expenses to administer the grant. DCJS anticipates ongoing personnel expenses of \$297,250 GF and two (2) FTE. Additional grant monitors may be required depending on the number of grants awarded. DCJS also anticipates \$10,000 GF in ongoing expenses for training and conferences.

Due to this legislation, JCOTS would need to contract for cybersecurity expertise in uncrewed aircraft to provide the oversight prescribed in the legislation. The cost for this contract is estimated to be \$50,000 per year to provide a report and recommendations every two years.

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This bill adds responsibilities to VITA that are not currently covered by existing staff and would require the hiring of two new positions – UAS cybersecurity specialist and statewide UAS compliance officer. The new specialist will be tasked with providing technical expertise on cybersecurity risks, evaluation of UAS, and deliver training on UAS to public bodies. The compliance officer role would be charged with managing the certification process to validate that certain devices have passed the Commonwealth’s cybersecurity standards. Funding requested would cover salary and benefits for the two positions and general funds are preferred as this would not be considered a chargeable service.

This bill could require VSP to replace existing airframes. The number of airframes that will need to be replaced will depend on how it is determined what secure or insecure is, and making a list of acceptable airframes will take time. The grant program created in this bill could offset some one-time costs to replace our foreign made airframes, but it is not clear what ongoing costs this grant program will cover after the initial replacement. The Department currently operates 67 UAS. The approximate cost to replace all those systems, if they are determined to be insecure, would be \$2.6 million. This estimate does not include the cost of pilot retraining nor extra batteries and accessories. Any potential increased costs to VSP are indeterminate at this time.

The Virginia Department of Transportation (VDOT) estimates that there are currently 300 contractors that utilize UAS on VDOT projects. The extent to which these UAS would be determined to be insecure under the proposed legislation is unknown at this time. If such contractors are prohibited from using their existing UAS on VDOT projects, there may be increased costs to VDOT for those projects if the contractor has to either replace the UAS with compliant models or utilize alternative techniques to completing the work. Any potential increased costs to VDOT are indeterminate at this time.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
DCJS	\$0	\$307,250	\$307,250	\$307,250	\$307,250	\$307,250
JCOTS	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
VITA	\$0	\$320,000	\$320,000	\$320,000	\$320,000	\$320,000
VSP	\$0	\$0	\$0	\$0	Up to \$2,600,000	TBD
TOTAL	\$0	\$677,250	\$677,250	\$677,250	\$677,250 to \$3.3 million	\$677,250

Position Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
DCJS	0	2	2	2	2	2
VITA		2	2	2	2	2
TOTAL	0	4	4	4	4	4

Fiscal Analysis: In order to properly administer and monitor the grant program, DCJS anticipates the need for two (2) FTE. One (1) FTE would serve as an UAS and cybersecurity subject matter expert to establish

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appropriate procedures and guidelines for evaluating grant applications consistent with the standards established by VITA. This position would have an annual salary of \$120,000 GF plus \$54,000 in fringe benefits for a total cost of \$174,000 GF. DCJS also anticipates the need for \$10,000 GF in ongoing expenses for trainings and conferences to ensure that the subject matter expert can remain current on cyber security pertaining to UAS and evolving issues. The second FTE would serve as a grant program manager to review grant applications and monitor grants made from the fund. This position would have an annual salary of \$85,000 GF plus \$38,250 in fringe benefits for a total cost of \$123,250. Total ongoing personnel costs - \$297,250 GF annually. Additional grant staff may be required depending on the number of grants awarded.

VITA would require funding for a UAS cybersecurity specialist and a statewide UAS compliance officer. Each of these positions would cost \$160,000 for salary/benefits.

The amounts included in the tables above are not inclusive of any potential amounts awarded to agencies from the Uncrewed Aircraft Replacement Grant Program that is created in this legislation. The level of funding from the Grant Program is currently unknown.

Other: None