

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 557

(Senator Pugh, *et al.*)

Finance

Economic Matters

Commission on Maryland Cybersecurity Innovation and Excellence

This bill establishes the Commission on Maryland Cybersecurity Innovation and Excellence. The commission must, among other things: (1) review current federal and State laws, standards, and policies for inconsistencies and preemption issues; (2) provide recommendations regarding strategic plans to promote cybersecurity innovation, including attracting private investment, and to recover from attacks on cybersecurity, including clarifying roles of State agencies; and (3) recommend methods of promoting innovation through public-private partnerships, the education system, research and development, and selection of a State agency suitable to implement a pilot program. The University of Maryland University College must provide staff support for the commission. The commission must report interim findings and recommendations to the Governor and the General Assembly by January 1, 2012, and final findings and recommendations by September 1, 2014.

The bill takes effect July 1, 2011, and terminates December 31, 2014.

Fiscal Summary

State Effect: The University of Maryland University College can provide staff support for the commission, including developing required reports within the timeline specified in the bill, with existing resources. Reimbursement of travel and per diem costs for the commission members is assumed to be minimal and can also be absorbed within existing budgeted resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: State law does not specifically address cybersecurity.

Background: In January 2011, DBED released a report titled *CyberMaryland*, which details the State's current cybersecurity assets and discusses strategies to further promote this new industry. DBED interviewed 50 cybersecurity stakeholders in Maryland to assess how best to participate in national cybersecurity activities, reviewed literature and data to benchmark the State's industry, and convened with relevant agencies to coordinate activities in an effort to make Maryland a leader in cybersecurity policy and industry.

According to DBED, Maryland has become an epicenter for cybersecurity technology as the home of the National Security Agency, the Intelligence Advanced Research Projects Activity, the National Institute of Standards and Technology, and the Defense Information Systems Agency headquarters. In addition, Maryland will be the future home of the U.S. Cyber Command headquarters and will host the Department of Defense expansions of the intelligence and communications responsibilities at Fort Meade and at Aberdeen Proving Ground.

According to the *CyberMaryland* report, the global information technology (IT) sector spending was estimated at nearly \$800 billion in 2009, with as much as 20% of the average IT budget allocated to cybersecurity. Although the source of cybersecurity spending has traditionally been from the federal government, DBED estimates that the commercial market will ultimately surpass the public sector. In response to Governor O'Malley's request, DBED is continuing to inventory the State's cybersecurity assets and is working to leverage these resources to promote industry innovation.

State Expenditures: Although the bill specifies a significant number of relatively complex and technical issues that the commission must study and report on, the University of Maryland University College advises that its current staff has sufficient expertise available to assist the members of the commission in completing each of the bill's mandates, including reporting requirements, in a thorough and timely manner. Many of the organizations represented by commission members also possess expertise in cybersecurity and may provide additional support to ensure implementation of the bill.

Additional Information

Prior Introductions: None.

Cross File: HB 665 (Delegate Lee, *et al.*) - Economic Matters.

Information Source(s): University of Maryland University College, Department of Legislative Services

Fiscal Note History: First Reader - February 28, 2011
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