

Department of Legislative Services  
Maryland General Assembly  
2014 Session

FISCAL AND POLICY NOTE

House Bill 1162 (Delegate Hough)  
Health and Government Operations

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Statewide Information Technology Master Plan - Security Policy

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This bill requires that the statewide information technology master plan (ITMP) include a policy that requires a vendor selling an information technology (IT) product or piece of equipment to the State to establish that it is safe from embedded security threats. It also requires the plan to develop steps that establish that a product or piece of equipment is safe from embedded security threats.

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Fiscal Summary

**State Effect:** Although the Department of Information Technology (DoIT) can make the necessary changes to the ITMP with existing resources, ensuring that all IT products purchased and used by the State are free from embedded security threats is either not feasible or cost-prohibitive. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** Meaningful for small businesses that sell IT products to the State. They have to certify that all products are free from embedded security threats, which is not feasible.

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Analysis

**Current Law/Background:** The Secretary of Information Technology must develop a statewide ITMP. With some exceptions, primarily for public institutions of higher education, each unit of State government must develop and submit an information technology plan and annual project plans to the Secretary. IT developed, purchased, and used by State agencies must be consistent with the statewide ITMP.

The fiscal 2014 ITMP reaffirms “three perpetual objectives of consolidation, interoperability, and standardization.”

**State Fiscal Effect:** DoIT and the Office of Information Systems within the Department of Legislative Services advise that the bill’s objectives cannot be met because both the cost and technical aspects of ensuring that a device is free from embedded security threats are prohibitive. Indeed, DoIT advises that the bill “requires standards and assurances that, while [they] may be the goal of most organizations, have not been achieved in the commercial market.” Any effort to achieve those standards, it concludes, would likely double the cost of technology products purchased by the State and require a level of staffing expertise that is not currently available in State government. The State currently spends at least \$102 million annually to purchase IT hardware and software. Enforcement of such a requirement would also require regular inspections and/or an ongoing State presence in manufacturing plants that produce IT equipment and products sold to the State.

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### **Additional Information**

**Prior Introductions:** HB 1276 of 2013 received a hearing in the House Health and Government Operations Committee, but no further action was taken on the bill.

**Cross File:** None.

**Information Source(s):** Board of Public Works, Department of Information Technology, Department of General Services, University System of Maryland, Department of Legislative Services

**Fiscal Note History:** First Reader - February 24, 2014  
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