

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 553

(Senator Simonaire)

Education, Health, and Environmental Affairs

Health and Government Operations

State Government - Security Training - Protection of Security-Sensitive Data

This bill requires each unit of State government to develop a plan to identify unit personnel who handle security-sensitive data and establish annual security training for those employees. Each unit of State government must submit its plan to the Department of Information Technology (DoIT) by December 31, 2018. The bill also requires DoIT, by January 31, 2019, to develop a plan to (1) develop, maintain, and revise security training material that focuses on data protection and integrity and can be used by the Governor and any unit of State government and (2) report specified information to the Governor and specified committees of the General Assembly. **The bill takes effect June 1, 2018.**

Fiscal Summary

State Effect: State expenditures (all funds) increase by approximately \$8.50 for each employee that is required to take the security training. The total cost across all of State government may be as much as \$425,000 annually beginning in FY 2019. DoIT can likely develop the security training program plan and materials using existing resources, as discussed below. Units of State government can submit plans and DoIT can make the required report using existing resources. Reimbursable revenues increase accordingly for DoIT.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: By January 31, 2019, DoIT must report on (1) the number of personnel who handle security-sensitive data identified by each unit of State government and (2) the total additional number of identified training licenses required to implement DoIT's security training plan beyond its existing training license growth projections.

Current Law/Background: DoIT and the Secretary of Information Technology are responsible for (1) developing and enforcing information technology (IT) policies, procedures, and standards; (2) providing technical assistance, advice, and recommendations to any unit of State government; (3) reviewing the annual project plan for each unit of State government to make information and services available over the Internet; (4) developing and maintaining a statewide IT master plan; and (5) adopting and enforcing nonvisual access standards to be used in the procurement of IT by or on behalf of units of State government.

Personal Information Protections Established by Chapter 304 of 2013

State agencies maintain significant volumes of personally identifiable information (such as Social Security numbers) that relate to income taxes, medical assistance program claims histories, criminal backgrounds, public assistance, and driver's licenses.

Chapter 304 of 2013 requires a unit of State or local government (except for the Legislative and Judicial branches of State government) that collects an individual's personal information to implement and maintain reasonable security procedures and practices appropriate to the nature of the information collected and the nature of the unit and its operations. Similarly, a unit that uses a nonaffiliated third party as a service provider (and discloses personal information about an individual) must require that the third party implement and maintain reasonable security procedures and practices.

If a government unit that collects computerized data that contains an individual's personal information discovers (or is notified of) a breach of the security system, the unit must conduct, in good faith, a reasonable and prompt investigation to determine whether the unauthorized acquisition of personal information has resulted in (or is likely to result in) the misuse of the information. If so, the unit (or the nonaffiliated third party, if authorized under a written contract or agreement) generally must notify the individual of the breach. A unit must also provide notice of a breach of security to the Office of the Attorney General, DoIT, and consumer reporting agencies under specified conditions.

State Fiscal Effect:

Development of the Security Training Program

In October 2017, DoIT released a request for proposals (RFP) to provide a Software as a Service application that provides security awareness training for State employees and contractors. The new contract is intended to replace DoIT's previous training program, entitled Security Mentor, which was used by many agencies, because the contract for that program terminated several years ago. Assuming the RFP is successful, there is no additional cost for DoIT to meet the bill's requirements. However, to the extent that the RFP is not successful, DoIT incurs additional costs to develop an in-house security training program to provide to State employees.

Employee Training Costs

This estimate assumes that initial employee security training would take place in fiscal 2019, after each unit of State government submits a plan to DoIT by December 31, 2018, as required by the bill. DoIT operates largely on an enterprise model, so agencies pay for many of the services that DoIT provides, including security training.

The bill broadly defines security-sensitive data as information that is protected against unwarranted disclosure, and the definition likely encompasses activities that most or all State employees take part in on a daily basis (*e.g.*, collecting, maintaining, and accessing names and addresses of the general public or using a private password to access a computer system). Because the bill requires each employee who handles security-sensitive data to receive annual security training, this estimate assumes that all Executive Branch employees must receive the training.

The bill's total effect on each agency depends on whether the agency currently provides security training for its employees and whether this training meets any standards established by DoIT. For an agency that already provides robust security training for all employees, there is likely no fiscal effect because the agency is not required to alter its current practices. For other agencies, it is assumed that they will use the training provided by DoIT.

DoIT estimates a cost of \$8.50 per employee who receives the security training under the RFP discussed above. For many smaller government units, the cost of the training is negligible. For example, the Maryland Department of Disabilities has 28 employees and, therefore, must pay \$238 annually; the Maryland Insurance Administration has 270 employees and, therefore, must pay \$2,295 annually. The training requirement has a more significant effect on larger agencies, such as the Maryland Department of Transportation (MDOT). With close to 11,000 employees, MDOT must pay

\$93,500 annually. Across the Executive Branch, there are approximately 50,000 employees and, therefore, the total cost across all State entities could be as much as \$425,000. Reimbursable revenues for DoIT increase accordingly as some agencies reimburse DoIT for services provided; however, others may pay for the training directly, depending on the security training process that is established.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Information Technology; Maryland Institute for Emergency Medical Services Systems; Maryland Department of Aging; Department of Commerce; Maryland State Department of Education; Maryland Higher Education Commission; University System of Maryland; Maryland Department of Agriculture; Department of Budget and Management; Maryland Department of Disabilities; Department of General Services; Department of Housing and Community Development; Department of Juvenile Services; Department of Labor, Licensing, and Regulation; Department of Natural Resources; Maryland Department of Planning; Department of Public Safety and Correctional Services; Board of Public Works; Department of State Police; Maryland Department of Transportation; Office of Administrative Hearings; State Department of Assessments and Taxation; State Ethics Commission; Maryland Insurance Administration; Department of Legislative Services

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