



General Assembly

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Governor's Bill No. 949

LCO No. 3994



Referred to Committee on GOVERNMENT ADMINISTRATION
AND ELECTIONS

Introduced by:

SEN. LOONEY, 11th Dist.

SEN. DUFF, 25th Dist.

REP. SHARKEY, 88th Dist.

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***AN ACT IMPROVING DATA SECURITY AND AGENCY
EFFECTIVENESS.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2015*) (a) As used in this section
2 and section 2 of this act:

3 (1) "Contractor" means an individual, business or other entity that is
4 receiving confidential information from a state contracting agency or
5 agent of the state pursuant to a written agreement to perform services
6 for the state.

7 (2) "State agency" means any agency with a department head as
8 defined in section 4-5 of the general statutes.

9 (3) "State contracting agency" means any state agency disclosing
10 confidential information to a contractor pursuant to a written
11 agreement with such contractor for the performance of services for the

12 state.

13 (4) "Confidential information" means any name, number or other
14 information that may be used, alone or in conjunction with any other
15 information, to identify a specific individual including, but not limited
16 to, an individual's name, date of birth, mother's maiden name, motor
17 vehicle operator's license number, Social Security number, employee
18 identification number, employer or taxpayer identification number,
19 alien registration number, government passport number, health
20 insurance identification number, demand deposit account number,
21 savings account number, credit card number, debit card number or
22 unique biometric data such as fingerprint, voice print, retina or iris
23 image, or other unique physical representation. In addition,
24 "confidential information" includes any information that a state agency
25 classifies as confidential or restricted. "Confidential information" does
26 not include information that may be lawfully obtained from publicly
27 available sources or from federal, state, or local government records
28 that are lawfully made available to the general public.

29 (5) "Confidential information breach" means an instance where an
30 unauthorized person or entity accesses confidential information in any
31 manner, including, but not limited to, the following occurrences: (A)
32 Any confidential information that is not encrypted or protected is
33 misplaced, lost, stolen or in any way compromised; (B) one or more
34 third parties have had access to, or taken control or possession of,
35 without prior written authorization from the state, (i) any confidential
36 information that is not encrypted or protected, or (ii) any encrypted or
37 protected confidential information together with the confidential
38 process or key that is capable of compromising the integrity of the
39 confidential information; or (C) there is a substantial risk of identity
40 theft or fraud of the client of the state contracting agency, the
41 contractor, the state contracting agency or the state.

42 (b) Except as provided in section 2 of this act, every agreement that
43 requires a state contracting agency to share confidential information

44 with a contractor shall require the contractor to, at a minimum, do the
45 following:

46 (1) At its own expense, protect from a confidential information
47 breach any and all confidential information that it comes to possess or
48 control, wherever and however stored or maintained, in accordance
49 with current industry standards;

50 (2) Implement and maintain a comprehensive data-security
51 program for the protection of confidential information. The safeguards
52 contained in such program shall be consistent with and comply with
53 the safeguards for protection of confidential information, and
54 information of a similar character, as set forth in all applicable federal
55 and state law and written policies or regulations of the state
56 concerning the confidentiality of confidential information. Such data-
57 security program shall include, but not be limited to, the following: (A)
58 A security policy for contractor employees related to the storage,
59 access and transportation of data containing confidential information;
60 (B) reasonable restrictions on access to records containing confidential
61 information, including the area where such records are kept and
62 secure passwords for electronically stored records; and (C) a process
63 for reviewing policies and security measures at least annually;

64 (3) Limit access to confidential information to authorized contractor
65 employees with legitimate interests related to the purpose for which
66 the data was shared by the state contracting agency or as necessary for
67 the completion of the contracted services;

68 (4) Maintain all data obtained from state contracting agencies: (A) In
69 a secure server that is hosted by the contractor; (B) on secure drives;
70 (C) behind multi-level firewall protections and monitored by intrusion
71 detection software; and (D) where access is restricted to authorized
72 employees; and

73 (5) Require and maintain an appropriate confidentiality agreement
74 from each employee who has access to confidential information.

75 (c) A contractor shall not:

76 (1) Store data on stand-alone computer or notebook hard disks or
77 portable storage devices such as external or removable hard drives,
78 flash cards, flash drives, compact disks or digital video disks; or

79 (2) Copy, reproduce or transmit data except as necessary for the
80 completion of the contracted services.

81 (d) All copies of data of any type, including, but not limited to, any
82 modifications or additions to data that contain confidential
83 information, are subject to the provisions of this section in the same
84 manner as the original data.

85 (e) In the case of a confidential information breach or suspected
86 confidential information breach a contractor shall:

87 (1) Notify the state contracting agency and the Attorney General as
88 soon as practical, but not later than twenty-four hours after the
89 contractor becomes aware of or suspects that any confidential
90 information that the contractor possesses or controls has been subject
91 to a confidential information breach or suspected confidential
92 information breach;

93 (2) Immediately cease all use of the data provided by the state
94 contracting agency or developed internally by the contractor; and

95 (3) Not later than three business days after the notification, submit
96 to the office of the Attorney General and the state contracting agency
97 either (A) a report detailing the breach and a plan to mitigate the
98 effects of the breach and specifying the steps taken to ensure future
99 breaches do not occur, or (B) a report detailing why, upon further
100 investigation, the contractor believes no breach has occurred.

101 (f) Based on the report and, if applicable, the plan provided, the
102 state contracting agency shall decide, in its sole discretion, whether to
103 permit the contractor to recommence use of the data or to cancel the

104 agreement.

105 (g) A contractor shall be liable for any breach of confidential
106 information and may be assessed a civil penalty of up to one thousand
107 dollars for each individual affected by the breach.

108 (h) If the confidential information or personally identifiable
109 information, as defined in 34 CFR 99.3, that has been subject to a
110 confidential information breach consists of education records, the
111 contractor may be subject to a five-year ban from receiving access to
112 such information, imposed either by the United States Department of
113 Education pursuant to 34 CFR 99.67 or by the Department of
114 Education.

115 (i) Nothing in this section shall be construed to supersede a
116 contractor's obligations pursuant to the Health Insurance Portability
117 and Accountability Act of 1996 P.L. 104-191 (HIPAA), the Family
118 Educational Rights and Privacy Act of 1974, 20 USC 1232g, (FERPA) or
119 any other applicable federal or state law.

120 Sec. 2. (NEW) (*Effective July 1, 2015*) The Secretary of the Office of
121 Policy and Management, or the secretary's designee, may require
122 additional protections or waive any requirement of section 1 of this act
123 where the facts and circumstances warrant such additional
124 requirement or waiver after taking into consideration, among other
125 factors, (1) the type of confidential information being shared, (2) the
126 amount of confidential information being shared, (3) the purpose for
127 which the information is being shared, (4) the types of services being
128 contracted for, and (5) alternate measures for security assurance.

129 Sec. 3. Section 4-66 of the general statutes is repealed and the
130 following is substituted in lieu thereof (*Effective from passage*):

131 The Secretary of the Office of Policy and Management shall have the
132 following functions and powers:

133 (1) To keep on file information concerning the state's general
134 accounts;

135 (2) [to] To furnish all accounting statements relating to the financial
136 condition of the state as a whole, to the condition and operation of
137 state funds, to appropriations, to reserves and to costs of operations;

138 (3) [to] To furnish such statements as and when they are required
139 for administrative purposes and, at the end of each fiscal period, to
140 prepare and publish such financial statements and data as will convey
141 to the General Assembly the essential facts as to the financial
142 condition, the revenues and expenditures and the costs of operations
143 of the state government;

144 (4) [to] To furnish to the State Comptroller on or before the
145 twentieth day of each month cumulative monthly statements of
146 revenues and expenditures to the end of the last-completed month
147 together with [(1)] (A) a statement of estimated revenue by source to
148 the end of the fiscal year, at least in the same detail as appears in the
149 budget act, and [(2)] (B) a statement of appropriation requirements of
150 the state's General Fund to the end of the fiscal year itemized as far as
151 practicable for each budgeted agency, including estimates of lapsing
152 appropriations, unallocated lapsing balances and unallocated
153 appropriation requirements;

154 (5) [to] To transmit to the Office of Fiscal Analysis a copy of monthly
155 position data and monthly bond project run;

156 (6) [to] To inquire into the operation of, and make or recommend
157 improvement in, the methods employed in the preparation of the
158 budget and the procedure followed in determining whether the funds
159 expended by the departments, boards, commissions and institutions
160 supported in whole or in part by the state are wisely, judiciously and
161 economically expended and to submit such findings and
162 recommendations to the General Assembly at each regular session,
163 together with drafts of proposed legislation, if any;

164 (7) [to] To examine each department, state college, state hospital,
165 state-aided hospital, reformatory and prison and each other institution
166 or other agency supported in whole or in part by the state, except
167 public schools, for the purpose of determining the effectiveness of its
168 policies, management, internal organization and operating procedures
169 and the character, amount, quality and cost of the service rendered by
170 each such department, institution or agency;

171 (8) [to] To recommend, and to assist any such department,
172 institution or agency to effect, improvements in organization,
173 management methods and procedures and to report its findings and
174 recommendations and submit drafts of proposed legislation, if any, to
175 the General Assembly at each regular session;

176 (9) [to] To consider and devise ways and means whereby
177 comprehensive plans and designs to meet the needs of the several
178 departments and institutions with respect to physical plant and
179 equipment and whereby financial plans and programs for the capital
180 expenditures involved may be made in advance and to make or assist
181 in making such plans;

182 (10) [to] To devise and prescribe the form of operating reports that
183 shall be periodically required from the several departments, boards,
184 commissions, institutions and agencies supported in whole or in part
185 by the state;

186 (11) [to] To require the several departments, boards, commissions,
187 institutions and agencies to make such reports for such periods as said
188 secretary may determine; and

189 (12) [to] To verify the correctness of, and to analyze, all such reports
190 and to take such action as may be deemed necessary to remedy
191 unsatisfactory conditions disclosed by such reports.

192 Sec. 4. (NEW) (*Effective July 1, 2015*) (a) For purposes of this section:

193 (1) "Data" means statistical or factual information that: (A) is
194 reflected in a list, table, graph, chart, or other nonnarrative form that
195 can be digitally transmitted or processed; (B) is regularly created and
196 maintained by or on behalf of an executive agency; and (C) records a
197 measurement, transaction or determination related to the mission of
198 the executive agency or is provided to such agency by any third party
199 as required by any provision of law;

200 (2) "Executive agency" means any agency with a department head,
201 as defined in section 4-5 of the general statutes, a constituent unit of
202 higher education, as defined in section 10a-1 of the general statutes
203 and the Office of Higher Education established by section 10a-1d of the
204 general statutes; and

205 (3) "State agency" means any office, department, board, council,
206 commission, institution, constituent unit of the state system of higher
207 education, technical high school or other agency in the executive,
208 legislative or judicial branch of state government.

209 (b) The Secretary of the Office of Policy and Management shall
210 develop a program to access, link, analyze and share data maintained
211 by executive agencies and to respond to queries from any state agency,
212 and from any private entity or person that would otherwise require
213 access to data maintained by two or more executive agencies. The
214 secretary shall give priority to queries that seek to measure outcomes
215 for state-funded programs or that may facilitate the development of
216 policies to promote the effective, efficient and best use of state
217 resources.

218 (c) The secretary shall establish policies and procedures to:

219 (1) Review and respond to queries to ensure (A) a response is
220 permitted under state and federal law; (B) the privacy and
221 confidentiality of protected data can be assured; and (C) the query is
222 based on sound research design principles; and

223 (2) Protect and ensure the security, privacy, confidentiality and
224 administrative value of data collected and maintained by executive
225 agencies.

226 (d) The secretary shall, in consultation with the Chief Information
227 Officer, develop and implement a secure information technology
228 solution to link data across executive agencies and to develop and
229 implement a detailed data security and safeguarding plan for the data
230 accessed or shared through such solution.

231 (e) The secretary shall request from, and execute a memorandum of
232 agreement with, each executive agency detailing data-sharing between
233 the agency and the Office of Policy and Management. Each such
234 agreement shall authorize the Office of Policy and Management to act
235 on behalf of the executive agency that is a party to such agreement for
236 purposes of data access, matching and sharing and shall include
237 provisions to ensure the proper use, security and confidentiality of the
238 data shared. Any executive agency that is requested by the secretary to
239 execute such an agreement shall comply with such request.

240 (f) The secretary shall notify the applicable executive agency when
241 data within such agency's custody has been requested under
242 subsection (b) of this section.

243 (g) The Office of Policy and Management shall be an authorized
244 representative of the Labor Commissioner or administrator of
245 unemployment compensation under chapter 567 of the general statutes
246 and shall receive upon request by the secretary any information in the
247 Labor Commissioner's possession relating to employment records that
248 may include, but is not limited to: Employee name, Social Security
249 number, current residential address, name and address of the
250 employer, employer North American Industry Classification System
251 code and wages.

252 (h) For the purposes of the Freedom of Information Act, as defined
253 in section 1-200 of the general statutes, the Office of Policy and

254 Management shall not be considered the agency with custody or
255 control of any public records or files that are made accessible to said
256 office pursuant to this section, but shall be considered the agency with
257 custody and control of any public records or files created by the Office
258 of Policy and Management, including, but not limited to, all reports
259 generated by said office in response to queries posed under subsection
260 (b) of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2015</i>	New section
Sec. 2	<i>July 1, 2015</i>	New section
Sec. 3	<i>from passage</i>	4-66
Sec. 4	<i>July 1, 2015</i>	New section

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]