



General Assembly

**Amendment**

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LCO No. 8358



Offered by:

SEN. LOONEY, 11<sup>th</sup> Dist.

SEN. DUFF, 25<sup>th</sup> Dist.

SEN. CASSANO, 4<sup>th</sup> Dist.

To: Subst. Senate Bill No. 949

File No. 705

Cal. No. 401

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

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

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

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

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

11 (3) "State contracting agency" means any state agency disclosing

12 confidential information to a contractor pursuant to a written  
13 agreement with such contractor for the provision of goods or services  
14 for the state.

15 (4) "Confidential information" means an individual's name, date of  
16 birth, mother's maiden name, motor vehicle operator's license number,  
17 Social Security number, employee identification number, employer or  
18 taxpayer identification number, alien registration number, government  
19 passport number, health insurance identification number, demand  
20 deposit account number, savings account number, credit card number,  
21 debit card number or unique biometric data such as fingerprint, voice  
22 print, retina or iris image, or other unique physical representation,  
23 personally identifiable information subject to 34 CFR 99, as amended  
24 from time to time and protected health information, as defined in 45  
25 CFR 160.103, as amended from time to time. In addition, "confidential  
26 information" includes any information that a state contracting agency  
27 identifies as confidential to the contractor. "Confidential information"  
28 does not include information that may be lawfully obtained from  
29 publicly available sources or from federal, state, or local government  
30 records that are lawfully made available to the general public.

31 (5) "Confidential information breach" means an instance where an  
32 unauthorized person or entity accesses confidential information that is  
33 subject to or otherwise used in conjunction with any part of a written  
34 agreement with a state contracting agency in any manner, including,  
35 but not limited to, the following occurrences: (A) Any confidential  
36 information that is not encrypted or secured by any other method or  
37 technology that renders the personal information unreadable or  
38 unusable is misplaced, lost, stolen or subject to unauthorized access;  
39 (B) one or more third parties have accessed, or taken control or  
40 possession of, without prior written authorization from the state, (i)  
41 any confidential information that is not encrypted or protected, or (ii)  
42 any encrypted or protected confidential information together with the  
43 confidential process or key that is capable of compromising the  
44 integrity of the confidential information; or (C) there is a substantial

45 risk of identity theft or fraud of the client of the state contracting  
46 agency, the contractor, the state contracting agency or the state.

47 (b) Except as provided in section 2 of this act, every written  
48 agreement that authorizes a state contracting agency to share  
49 confidential information with a contractor shall require the contractor  
50 to, at a minimum, do the following:

51 (1) At its own expense, protect from a confidential information  
52 breach any and all confidential information that it comes to possess or  
53 control, wherever and however stored or maintained;

54 (2) Implement and maintain a comprehensive data-security  
55 program for the protection of confidential information. The safeguards  
56 contained in such program shall be consistent with and comply with  
57 the safeguards for protection of confidential information as set forth in  
58 all applicable federal and state law and written policies of the state  
59 contained in the agreement. Such data-security program shall include,  
60 but not be limited to, the following: (A) A security policy for contractor  
61 employees related to the storage, access and transportation of data  
62 containing confidential information; (B) reasonable restrictions on  
63 access to records containing confidential information, including the  
64 area where such records are kept and secure passwords for  
65 electronically stored records; (C) a process for reviewing policies and  
66 security measures at least annually; and (D) an active and ongoing  
67 employee security awareness program that is mandatory for all  
68 employees who may have access to confidential information provided  
69 by the state contracting agency that, at a minimum, advises such  
70 employees of the confidentiality of the information, the safeguards  
71 required to protect the information and any applicable civil and  
72 criminal penalties for noncompliance pursuant to state and federal  
73 law;

74 (3) Limit access to confidential information to authorized contractor  
75 employees and authorized agents of the contractor, for authorized  
76 purposes as necessary for the completion of the contracted services or

77 provision of the contracted goods;

78 (4) Maintain all electronic data constituting confidential information  
79 obtained from state contracting agencies: (A) In a secure server; (B) on  
80 secure drives; (C) behind firewall protections and monitored by  
81 intrusion detection software; (D) in a manner where access is restricted  
82 to authorized employees and their authorized agents; and (E) as  
83 otherwise required under state and federal law;

84 (5) Implement, maintain and update security and breach  
85 investigation procedures that are appropriate given the nature of the  
86 information disclosed and that are reasonably designed to protect the  
87 confidential information from unauthorized access, use, modification,  
88 disclosure, manipulation or destruction;

89 (6) Notify the state contracting agency and the Attorney General as  
90 soon as practical after the contractor becomes aware of or has reason to  
91 believe that any confidential information that the contractor possesses  
92 or controls has been subject to a confidential information breach;

93 (7) Immediately cease all use of the data provided by the state  
94 contracting agency or developed internally by the contractor pursuant  
95 to a written agreement with the state if so directed by the state  
96 contracting agency; and

97 (8) In accordance with the proposed timetable established pursuant  
98 to subdivision (1) of subsection (e) of this section, submit to the office  
99 of the Attorney General and the state contracting agency either (A) a  
100 report detailing the breach or suspected breach, including a plan to  
101 mitigate the effects of any breach and specifying the steps taken to  
102 ensure future breaches do not occur, or (B) a report detailing why,  
103 upon further investigation, the contractor believes no breach has  
104 occurred. Any report submitted under this subdivision shall be  
105 considered information given in confidence and not required by  
106 statute, under subparagraph (B) of subdivision (5) of subsection (b) of  
107 section 1-210 of the general statutes.

108 (c) A contractor shall not:

109 (1) Store data constituting confidential information on stand-alone  
110 computer or notebook hard disks or portable storage devices such as  
111 external or removable hard drives, flash cards, flash drives, compact  
112 disks or digital video disks, except as provided for in the agreement  
113 and including alternate measures of security assurance approved  
114 pursuant to section 2 of this act; or

115 (2) Copy, reproduce or transmit data constituting confidential  
116 information, except as necessary for the completion of the contracted  
117 services or provision of the contracted goods.

118 (d) All copies of data constituting confidential information of any  
119 type, including, but not limited to, any modifications or additions to  
120 data that contain confidential information, are subject to the provisions  
121 of this section in the same manner as the original data.

122 (e) Except as provided in section 2 of this act, every written  
123 agreement that authorizes a state contracting agency to share  
124 confidential information with a contractor shall:

125 (1) Include a proposed timetable for submittal to the office of the  
126 Attorney General and the state contracting agency either (A) a report  
127 detailing the breach or suspected breach, or (B) a report detailing why,  
128 upon further investigation, the contractor believes no breach has  
129 occurred; and

130 (2) Specify how the cost of any notification about, or investigation  
131 into, a confidential information breach is to be apportioned when the  
132 state contracting agency or contractor is the subject of such a breach.

133 (f) The notice required by subsection (b) of this section may be  
134 delayed (1) at the state contracting agency's sole discretion based on  
135 the report and, if applicable, the plan provided, or (2) if a law  
136 enforcement agency or intelligence agency notifies the contractor that  
137 such notification would impede a criminal investigation or jeopardize

138 homeland or national security. If notice is delayed pursuant to this  
139 subsection, notification shall be given as soon as reasonably feasible by  
140 the contractor to the applicable state contracting agency.

141 (g) The Attorney General may investigate any violation of this  
142 section. If the Attorney General finds that a contractor has violated or  
143 is violating any provision of this section, the Attorney General may  
144 bring a civil action in the superior court for the judicial district of  
145 Hartford under this section in the name of the state against such  
146 contractor. Nothing in this section shall be construed to create a private  
147 right of action.

148 (h) If the confidential information or personally identifiable  
149 information, as defined in 34 CFR 99.3, that has been subject to a  
150 confidential information breach consists of education records, the  
151 contractor may be subject to a five-year ban from receiving access to  
152 such information imposed by the State Department of Education, the  
153 Board of Regents for Higher Education, or The University of  
154 Connecticut.

155 (i) The requirements of this section shall be in addition to the  
156 requirements of section 36a-701b of the general statutes, and nothing in  
157 this section shall be construed to supersede a contractor's obligations  
158 pursuant to the Health Insurance Portability and Accountability Act of  
159 1996 P.L. 104-191 (HIPAA), the Family Educational Rights and Privacy  
160 Act of 1974, 20 USC 1232g, (FERPA) or any other applicable federal or  
161 state law.

162 Sec. 2. (NEW) (*Effective July 1, 2015*) The Secretary of the Office of  
163 Policy and Management, or the secretary's designee, may require  
164 additional protections or alternate measures of security assurance for  
165 any requirement of section 1 of this act where the facts and  
166 circumstances warrant such additional requirement or alternate  
167 measure after taking into consideration, among other factors, (1) the  
168 type of confidential information being shared, (2) the amount of  
169 confidential information being shared, (3) the purpose for which the

170 information is being shared, and (4) the types of goods or services  
171 being contracted for.

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

174 The Secretary of the Office of Policy and Management shall have the  
175 following functions and powers:

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

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

181 (3) [to] To furnish such statements as and when they are required  
182 for administrative purposes and, at the end of each fiscal period, to  
183 prepare and publish such financial statements and data as will convey  
184 to the General Assembly the essential facts as to the financial  
185 condition, the revenues and expenditures and the costs of operations  
186 of the state government;

187 (4) [to] To furnish to the State Comptroller on or before the  
188 twentieth day of each month cumulative monthly statements of  
189 revenues and expenditures to the end of the last-completed month  
190 together with [(1)] (A) a statement of estimated revenue by source to  
191 the end of the fiscal year, at least in the same detail as appears in the  
192 budget act, and [(2)] (B) a statement of appropriation requirements of  
193 the state's General Fund to the end of the fiscal year itemized as far as  
194 practicable for each budgeted agency, including estimates of lapsing  
195 appropriations, unallocated lapsing balances and unallocated  
196 appropriation requirements;

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

199       (6) [to] To inquire into the operation of, and make or recommend  
200 improvement in, the methods employed in the preparation of the  
201 budget and the procedure followed in determining whether the funds  
202 expended by the departments, boards, commissions and institutions  
203 supported in whole or in part by the state are wisely, judiciously and  
204 economically expended and to submit such findings and  
205 recommendations to the General Assembly at each regular session,  
206 together with drafts of proposed legislation, if any;

207       (7) [to] To examine each department, state college, state hospital,  
208 state-aided hospital, reformatory and prison and each other institution  
209 or other agency supported in whole or in part by the state, except  
210 public schools, for the purpose of determining the effectiveness of its  
211 policies, management, internal organization and operating procedures  
212 and the character, amount, quality and cost of the service rendered by  
213 each such department, institution or agency;

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

219       (9) [to] To consider and devise ways and means whereby  
220 comprehensive plans and designs to meet the needs of the several  
221 departments and institutions with respect to physical plant and  
222 equipment and whereby financial plans and programs for the capital  
223 expenditures involved may be made in advance and to make or assist  
224 in making such plans;

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

229       (11) [to] To require the several departments, boards, commissions,

230 institutions and agencies to make such reports for such periods as said  
231 secretary may determine; and

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

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

236 (1) "Data" means statistical or factual information that: (A) is  
237 reflected in a list, table, graph, chart, or other nonnarrative form that  
238 can be digitally transmitted or processed; (B) is regularly created and  
239 maintained by or on behalf of an executive agency; and (C) records a  
240 measurement, transaction or determination related to the mission of  
241 the executive agency or is provided to such agency by any third party  
242 as required by any provision of law. "Data" does not include return  
243 and return information, as defined in section 12-15 of the general  
244 statutes;

245 (2) "Executive agency" means any agency with a department head,  
246 as defined in section 4-5 of the general statutes, a constituent unit of  
247 higher education, as defined in section 10a-1 of the general statutes, or  
248 the Office of Higher Education, established by section 10a-1d of the  
249 general statutes; and

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

254 (b) The Secretary of the Office of Policy and Management shall  
255 develop a program to access, link, analyze and share data maintained  
256 by executive agencies and to respond to queries from any state agency,  
257 and from any private entity or person that would otherwise require  
258 access to data maintained by two or more executive agencies. The  
259 secretary shall give priority to queries that seek to measure outcomes  
260 for state-funded programs or that may facilitate the development of

261 policies to promote the effective, efficient and best use of state  
262 resources.

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

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

268 (2) Protect and ensure the security, privacy, confidentiality and  
269 administrative value of data collected and maintained by executive  
270 agencies.

271 (d) The secretary shall, in consultation with the Chief Information  
272 Officer, develop and implement a secure information technology  
273 solution to link data across executive agencies and to develop and  
274 implement a detailed data security and safeguarding plan for the data  
275 accessed or shared through such solution.

276 (e) The secretary shall request from, and execute a memorandum of  
277 agreement with, each executive agency detailing data-sharing between  
278 the agency and the Office of Policy and Management. Each such  
279 agreement shall authorize the Office of Policy and Management to act  
280 on behalf of the executive agency that is a party to such agreement for  
281 purposes of data access, matching and sharing and shall include  
282 provisions to ensure the proper use, security and confidentiality of the  
283 data shared. Any executive agency that is requested by the secretary to  
284 execute such an agreement shall comply with such request.

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

288 (g) The Secretary of the Office of Policy and Management shall be an  
289 authorized representative of the Labor Commissioner or administrator  
290 of unemployment compensation under chapter 567 of the general

291 statutes and shall receive upon request by the secretary any  
 292 information in the Labor Commissioner's possession relating to  
 293 employment records that may include, but need not be limited to:  
 294 Employee name, Social Security number, current residential address,  
 295 name and address of the employer, employer North American  
 296 Industry Classification System code and wages. In addition, the Labor  
 297 Department, upon the request of the Secretary of the Office of Policy  
 298 and Management, shall furnish unemployment compensation wage  
 299 records contained in the quarterly returns required and maintained by  
 300 the Labor Commissioner pursuant to section 31-254 of the general  
 301 statutes, for purposes of this section.

302 (h) For the purposes of the Freedom of Information Act, as defined  
 303 in section 1-200 of the general statutes, the Office of Policy and  
 304 Management shall not be considered the agency with custody or  
 305 control of any public records or files that are made accessible to said  
 306 office pursuant to this section, but shall be considered the agency with  
 307 custody and control of any public records or files created by the Office  
 308 of Policy and Management, including, but not limited to, all reports  
 309 generated by said office in response to queries posed under subsection  
 310 (b) of this section."

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