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Subject: S 334 - Data Breach Bill

Couple points on the latest amendment (that we've seen, anyway) to S.334.

1. The latest amendment creates a new agency (the Commission on Information Technology) that would essentially consist of DSIT, IT Procurement (ITMO), and the new Information Security units. This agency would be run by an Executive Director who would be selected by another new organization – the Joint IT Committee. That Committee would have 7 members, only 2 of which would be appointed by the Governor – and almost all of these folks would be public citizens. So the issues here are:
 - a. This is not consistent with Deloitte's recommendations.
 - b. We would be creating yet another commission, which won't help to improve outcomes or accountability.
 - c. We would be handing control over IT, IT Procurement, and Information Security to a bunch of legislative appointees.
 - d. This is incompatible with the House's Department of Administration bill.
2. If we're going to keep paying for some level of coverage on everyone's behalf for the next couple of years, then should we really create new tax credits and/or deductions at the same time? Are we going to buy these services twice, essentially? The House amendment has language calling for a study/review in 2018. If the decision is that we'll keep buying these services for the entire state in the meantime, when why not just have that study look at whether or not it's appropriate/necessary to create such credits/deductions after the state stops paying for everyone's coverage?
3. This is less important than #1 and #2, but the bill assigns some reporting and administrative requirements to the Department of Revenue. In the long run, it seems like the Department of Consumer Affairs is a better home for monitoring enrollment, etc. The Department of Revenue shouldn't keep those obligations just because the initial breach occurred there.

Thanks.

CLS

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