MINUTES OF THE HOUSE VISION 2020 COMMITTEE

The meeting was called to order by Chairperson Tom Sloan at 9:00 am on Monday, March 16, 2015, 218-N of the Capitol.

All members were present

Committee staff present:
>   Scott Abbott, Office of Revisor of Statutes
>   Iraida Orr, Legislative Research Department
>   Natalie Teemer-Washington, Legislative Research Department
>   Mary Koles, Kansas Legislative Committee Assistant
>   Renae Jefferies, Office of Revisor of Statutes

Conferees appearing before the Committee:
>   No conferees present

Others in attendance:
>   See Attached List

Informational briefing:
Justin Stowe, Deputy Post Auditor, Legislative Division of Post Audit, briefly summarized recent data breaches: South Carolina's Department of Revenue, cost to date over $100 million dollars; Oregon's breaches and Home Depot's trouble in 2014; Target's breach, December 2013, cost the company nearly $150 million in the second quarter of 2014.

Stowe discussed key findings of the audit report on the state's agency information systems. For example:

- Most state agencies maintain a variety of sensitive data and/or process payments and more than one third share sensitive date with other agencies.
- Most of the state's IT security functions are decentralized.
- The state lacks a complete set of three-year IT plans - a legal requirement - furthermore, these plans have been made public despite containing sensitive security information.
- Reporting security issues poses problems.
- Staff needs education, experience and certifications.

In general, agency officials agreed with the audit's findings and recommendations although funding issues were a concern. (Attachment 1) Committee members received a copy of the Legislative Performance Audit Report R-14-007, *State Agency Information Systems: Sensitive Datasets and IT Security Resources* prepared by the Legislative Division of Post Audit. Following his remarks, questions were asked by Chairman Sloan and Representatives Rooker, Bollier, Francis, and Campbell.

Presentation on: IT Security Strategic Plan
John Byers, Chief Information Security Officer, Kansas Office of Information Technology Services, presented an overview of Kansas' new Security Strategic Plan. Audit findings, he reported, revealed a

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lack of accountability regarding State information resources, a deficit of qualified security personnel, and few quality reporting and centralized organizational structures. In Kansas' decentralized environment, initiating consistency and common standards has been difficult and, he said, increases exposure to cyber threats. Furthermore, Kansas faces a major breach; it is only a question of when, not if.

The Strategic Plan addresses how to fix the problems, a map and strategy for success over the next five years and how much it will cost, are provided. Byers said that developing and maintaining "public trust" must be an important component of the plan. The "fix" calls for consolidation of technology and personnel (only trained, qualified security personnel will be employed) and complete funding of security. Kansas, he reported, and possibly one other state are the only states that do not have a security budget. He said that security used to cost $22.00/user and now only costs $4.00/user.

The plan also calls for the development of a stand-alone Kansas Information Security Office (KISO). Four specific functions are outlined for the KISO and Byers noted several "as needed" support functions are included in the plan: limited assistance to municipalities and counties, educational institutions (K-12), and a more comprehensive relationship between the Regents and the State. Committee members were provided with copy of the State of Kansas: Information Security Strategic Plan 2014. (Attachment 2) Following Byers' presentation, questions were asked by Chairman Sloan and Representatives Campbell, Curtis and others. Lively discussions ensued. At Chairman Sloan's request, Byers provided additional information. (Attachment 3)

Presentation on: IT Security
Rob Arnold, Information Security Officer, University of Kansas, discussed three themes advanced in the Legislative Post Audit report R-14-007, *State Agency Information Systems*:
- structural issues affecting delivery of security functions
- the role of the private sector
- staffing the security function

Structures that support good security outcomes include clear accountability, a response team, measure and report incidents, invest in training and development, and more. A strong focus on reporting, the response time, and an effective response team is the top operational priority today.

Arnold reported that reliance on prevention has proved ineffective. The 2013 Verizon Data Breach Investigative Report pointed out that 66% of breaches are undiscovered by organizations for months or more. Emphasis on a robust response, he asserts, is the current best practice to deter hackers.

Arnold examined private sector involvement in the State's security plan. Developing a plan for Kansas, he stated, that embraces mixed sourcing and mitigates the risks of reliance on outside entities for critical security services will require a careful balancing act. Private sector involvement will require tradeoffs, as security decisions always do.

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Staffing concerns reflect the employment environment more than the State's approach to the staffing function. Risks, he said, arise when a lead security position is unfilled for a long time. The top reason positions go unfilled, he reported, is the inability to offer a competitive salary. A Burning Glass study reported a 74% increase in security job postings, 2007-2013.

Demand today outstrips the supply for highly qualified security talent. KU's staffing advantage, he observed, is the ability to recruit students to the security field. Arnold stated a robust security plan for Kansas needs to address the security staffing challenge from the supply side as well as the demand side. (Attachment 4) Chairman Sloan and Representatives O'Brien, and Ousley commented and asked questions following his presentation.

Chairman Sloan thanked the conferees for their presentations.
The meeting adjourned at 10:20 a.m.
The next meeting will be March 18, 2015.