# First Regular Session Sixty-eighth General Assembly STATE OF COLORADO

# **REVISED**

This Version Includes All Amendments Adopted on Second Reading in the Second House

LLS NO. 11-0324.01 Gregg Fraser

**SENATE BILL 11-062** 

### SENATE SPONSORSHIP

Cadman,

## **HOUSE SPONSORSHIP**

Murray,

**Senate Committees** 

**House Committees** 

Business, Labor and Technology

State, Veterans, & Military Affairs

### A BILL FOR AN ACT

101 CONCERNING THE ADMINISTRATIVE DUTIES OF THE OFFICE OF 102 INFORMATION TECHNOLOGY.

## **Bill Summary**

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://www.leg.state.co.us/billsummaries.)

Sections 2 and 3 of the bill modify the responsibilities of the office of information technology (OIT) in the governor's office with respect to the dissemination of services to the web, the maintenance of information for state agencies, the execution or approval of information technology procurement, and the acquisition and management of the

HOUSE Am ended 2nd Reading

SENATE 3rd Reading Unam ended February 14.2011

SENATE Am ended 2nd Reading Febmary 10, 2011 statewide communications and information infrastructure. **Section 4** of the bill modifies the responsibilities of state agencies regarding their consultation with OIT.

**Section 5** of the bill removes a statutory provision allowing the chief information officer of each state agency who was transferred to the OIT in 2008 to continue to act as the chief information officer for the state agency from which he or she was transferred and a provision relating to the supervision of the officer.

**Section 6** of the bill modifies the definition of "public agency", as that term is used in provisions regarding information security, to include the department of higher education. Currently, the department of higher education is excluded from the definition.

**Sections 8 and 9** of the bill modify the requirements with respect to the information security plans of specified state agencies.

**Section 10** of the bill specifies who is notified in the event of a security incident.

**Section 11** of the bill makes the chief information officer, rather than the executive director of the department of personnel, responsible for developing facilities standards when acting as a telecommunications network provider.

Section 12 of the bill eliminates the telecommunications revolving fund and redirects user fees for telephone and data communications services to the information technology revolving fund. This section of the bill also eliminates a requirement to establish a policy to remain competitive with private industry and bidding requirements for agencies purchasing telephone or data communications services from the private sector.

**Section 15** of the bill modifies provisions relating to the charging of services provided by the general government computer center (GGCC) and also certain requirements for seeking private sector bids. The section also eliminates the computer services revolving fund and redirects user fees for GGCC services to the information technology revolving fund.

**Section 16** of the bill modifies the definition of "data" as that term is used in provisions regarding interdepartmental data protocol.

The remaining sections of the bill remove outdated statutory language or make conforming changes.

- 1 Be it enacted by the General Assembly of the State of Colorado:
- 2 **SECTION 1.** 24-37.5-104 (7) (h) (II), (7) (h) (III), and (7) (h)
- 3 (IV), Colorado Revised Statutes, are amended to read:
- 4 24-37.5-104. Transfer of functions change of name -

-2- 062

1	continuity of existence - legislative declaration - rules. (7) (h) On and
2	after July 1, 2010, the enterprise facility shall be funded as follows:
3	(II) For state fiscal year 2011-12, sixty-seven percent by moneys
4	appropriated by the general assembly from the department of state cash
5	fund created in section 24-21-104 (3) (b) and thirty-three percent by
6	moneys appropriated by the general assembly from the computer services
7	INFORMATION TECHNOLOGY revolving fund created ESTABLISHED in
8	section 24-37.5-604 (2) SECTION 24-37.5-112 (1) (a);
9	(III) For state fiscal year 2012-13, thirty-three percent by moneys
10	appropriated by the general assembly from the department of state cash
11	fund created in section 24-21-104 (3) (b) and sixty-seven percent by
12	moneys appropriated by the general assembly from the computer services
13	INFORMATION TECHNOLOGY revolving fund created ESTABLISHED in
14	section 24-37.5-604 (2) SECTION 24-37.5-112 (1) (a); and
15	(IV) For state fiscal year 2013-14 and for each state fiscal year
16	thereafter, one hundred percent by moneys appropriated by the general
17	assembly from the computer services INFORMATION TECHNOLOGY
18	revolving fund <del>created</del> ESTABLISHED in <del>section 24-37.5-604 (2)</del> SECTION
19	24-37.5-112 (1) (a).
20	<b>SECTION 2.</b> 24-37.5-105 (3) (h) and (3) (i), Colorado Revised
21	Statutes, are amended to read:
22	<b>24-37.5-105. Office - responsibilities - rules - repeal.</b> (3) The
23	office shall:
24	<del></del>
25	(h) Oversee and supervise the maintenance of INFORMATION,
26	information technology, and the initiation of any information technology
27	updates or projects for state agencies; and

-3-

1	(i) <u>Initiate</u> OR APPROVE all procurements of information
2	technology resources for state agencies and enter into any agreement or
3	contract in connection with such a procurement on behalf of a state
4	agency OR AGENCIES.
5	<b>SECTION 3.</b> 24-37.5-108 (1) (a) and (1) (c), Colorado Revised
6	Statutes, are amended to read:
7	24-37.5-108. Statewide communications and information
8	infrastructure - establishment - duties. (1) With regard to the
9	statewide communications and information infrastructure, the office shall
10	have the following duties:
11	(a) To review and make recommendations on requirements for
12	ACQUIRE AND MANAGE the statewide communications and information
13	infrastructure based on present and future user applications;
14	(c) To review and make recommendations related to MANAGE THE
15	ongoing use of the statewide communications and information
16	infrastructure;
17	<b>SECTION 4.</b> 24-37.5-109 (1) (a), Colorado Revised Statutes, is
18	amended to read:
19	<b>24-37.5-109. Status of state agencies.</b> (1) State agencies shall:
20	(a) Consult with and advise the office on their information
21	technology systems AND REQUIREMENTS;
22	
23	<b>SECTION 5.</b> 24-37.5-402 (9), Colorado Revised Statutes, is
24	amended to read:
25	24-37.5-402. Definitions. As used in this part 4, unless the
26	context otherwise requires:
2.7	(9) "Public agency" means every state office, whether legislative.

-4- 062

1 executive or judicial, and all of its respective offices, departments, 2 divisions, commissions, boards, bureaus, and institutions. 3 agency" does not include institutions of higher education or the 4 department of higher education OR THE GENERAL ASSEMBLY. 5 **SECTION 6.** 24-37.5-403 (1), (2) (b), and (3), Colorado Revised 6 Statutes, are amended to read: 7 24-37.5-403. Chief information security officer - duties and 8 responsibilities. (1) The governor CHIEF INFORMATION OFFICER shall 9 appoint a chief information security officer who shall serve at the 10 pleasure of the governor CHIEF INFORMATION OFFICER. The SECURITY 11 officer shall report to and be under the supervision of the chief 12 information officer. The SECURITY officer shall exhibit a background and 13 expertise in security and risk management for communications and 14 information resources. In the event the SECURITY officer is unavailable 15 to perform the duties and responsibilities under this part 4, all powers and 16 authority granted to the SECURITY officer may be exercised by the chief 17 information officer. 18 (2) The chief information security officer shall: 19 (b) Promulgate rules pursuant to article 4 of this title containing 20 information security policies, standards, and guidelines; for such agencies 21 on or before December 31, 2006; 22 (3) For the state fiscal year commencing on July 1, 2006, the cost 23 of the services provided by the chief information security officer to public 24 agencies in administering this part 4 shall be paid from federal funds 25 received by the state for such purposes. It is the intent of the general 26 assembly that the cost of the services provided by the chief information 27 security officer to a public agency be adequately funded in fiscal years

-5- 062

1 commencing on and after July 1, 2007, through an appropriation to the 2 public agency to pay for such services. 3 **SECTION 7.** 24-37.5-404 (1), (3), (4), (5), and (6), Colorado 4 Revised Statutes, are amended to read: 5 24-37.5-404. Public agencies - information security plans. 6 (1) On or before July 1 2007 OF EACH YEAR, each public agency shall 7 develop an information security plan utilizing the information security 8 policies, standards, and guidelines developed by the chief information 9 security officer. The information security plan shall provide information 10 security for the communication and information resources that support the 11 operations and assets of the public agency. 12 (3) On or before July 15 <del>2007</del> OF EACH YEAR, each public agency 13 shall submit the information security plan developed pursuant to this 14 section to the chief information security officer for approval. 15 (4) In the event that a public agency fails to submit to the chief 16 information security officer an information security plan on or before July 17 15 <del>2007,</del> OF EACH YEAR or such plan is disapproved by the chief 18 information security officer, the officer shall notify the governor, THE 19 CHIEF INFORMATION OFFICER, and the head and chief information officer 20 of the public agency of noncompliance with this section. If no plan has 21 been approved by September 15 2007 OF EACH YEAR, the CHIEF 22 INFORMATION SECURITY officer shall be authorized to temporarily 23 discontinue or suspend the operation of a public agency's communication 24 and information resources until such plan has been submitted to or is 25 approved by the officer. 26 (5) An information security plan may provide for a phase-in

period not to exceed three years. An implementation schedule for the

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-6- 062

phase-in period shall be included in such a plan. Any phase-in period pursuant to this subsection (5) shall be completed by July 1, 2009.

- (6) On or before July 1, 2008, and on or before July 1 of each subsequent year, the executive director or head of each public agency shall report to the chief information security officer on the development, implementation, and, if applicable, compliance with the phase-in schedule of the public agency's information security plan.
- **SECTION 8.** 24-37.5-404.5 (1), (2) (e), (3), (5), and (6), Colorado Revised Statutes, are amended to read:
  - **24-37.5-404.5. Institutions of higher education information security plans.** (1) On or before July 1 2007, the department of higher education and OF EACH YEAR, each institution of higher education, in coordination with the department OF HIGHER EDUCATION, shall develop an information security plan. The information security plan shall provide information security for the communication and information resources that support the operations and assets of the department and the institution of higher education.
    - (2) The information security plan shall include:
  - (e) A process for detecting, reporting, and responding to security incidents consistent with the information security policy of the institution of higher education. The institutions of higher education, the Colorado commission on higher education, and the chief information security officer shall establish the terms and conditions by which the institutions of higher education and the department of higher education shall report information security incidents to the chief information security officer.
  - (3) On or before July 15 <del>2007</del> OF EACH YEAR, each institution of higher education shall submit the information security plan developed

-7-

1	pursuant to this section to the Colorado commission on higher education
2	for review and comment. The commission shall submit such plans to the
3	chief information security officer.
4	(5) An information security plan may provide for a phase-in
5	period not to exceed three years. An implementation schedule for the
6	phase-in period shall be included in such a plan. Any phase-in period
7	pursuant to this subsection (5) shall be completed by July 1, 2009.
8	(6) On or before July 1, 2008, and on or before July 1 of each
9	subsequent year, the executive director of the department of higher
10	education shall report to the chief information security officer on the
11	development, implementation, and, if applicable, compliance with the
12	phase-in schedule of the information security plan for each institution of
13	higher education.
14	SECTION 9. Part 4 of article 37.5 of title 24, Colorado Revised
15	Statutes, is amended BY THE ADDITION OF A NEW SECTION to
16	<u>read:</u>
17	24-37.5-404.7. General assembly - information security plans.
18	(1) THE GENERAL ASSEMBLY SHALL DEVELOP AN INFORMATION SECURITY
19	PLAN. THE INFORMATION SECURITY PLAN SHALL PROVIDE INFORMATION
20	SECURITY FOR THE COMMUNICATION AND INFORMATION RESOURCES THAT
21	SUPPORT THE OPERATIONS AND ASSETS OF THE GENERAL ASSEMBLY.
22	(2) THE INFORMATION SECURITY PLAN SHALL INCLUDE:
23	(a) PERIODIC ASSESSMENTS OF THE RISK AND MAGNITUDE OF THE
24	HARM THAT COULD RESULT FROM A SECURITY INCIDENT;
25	(b) A PROCESS FOR PROVIDING ADEQUATE INFORMATION SECURITY
26	FOR THE COMMUNICATION AND INFORMATION RESOURCES OF THE
27	GENERAL ASSEMBLY;

-8-

1	(c) INFORMATION SECURITY AWARENESS TRAINING FOR REGULAR
2	EMPLOYEES OF THE GENERAL ASSEMBLY;
3	(d) PERIODIC TESTING AND EVALUATION OF THE EFFECTIVENESS OF
4	INFORMATION SECURITY FOR THE GENERAL ASSEMBLY, WHICH SHALL BE
5	PERFORMED NOT LESS THAN ANNUALLY;
6	(e) A PROCESS FOR DETECTING, REPORTING, AND RESPONDING TO
7	SECURITY INCIDENTS CONSISTENT WITH THE INFORMATION SECURITY
8	POLICY OF THE GENERAL ASSEMBLY. THE GENERAL ASSEMBLY AND THE
9	CHIEF INFORMATION SECURITY OFFICER SHALL ESTABLISH THE TERMS AND
10	CONDITIONS BY WHICH THE GENERAL ASSEMBLY SHALL REPORT
11	INFORMATION SECURITY INCIDENTS TO THE CHIEF INFORMATION SECURITY
12	<u>OFFICER.</u>
13	(f) Plans and procedures to ensure the continuity of
14	OPERATIONS FOR INFORMATION RESOURCES THAT SUPPORT THE
15	OPERATIONS AND ASSETS OF THE GENERAL ASSEMBLY IN THE EVENT OF A
16	SECURITY INCIDENT.
17	(3) On or before July 15 of each year, the director of
18	LEGISLATIVE INFORMATION SERVICES FOR THE GENERAL ASSEMBLY SHALL
19	SUBMIT THE INFORMATION SECURITY PLAN DEVELOPED PURSUANT TO THIS
20	SECTION TO THE LEGISLATIVE SERVICE AGENCY DIRECTORS OF THE
21	GENERAL ASSEMBLY FOR REVIEW AND COMMENT. THE LEGISLATIVE
22	SERVICE AGENCY DIRECTORS SHALL SUBMIT SUCH PLAN TO THE CHIEF
23	INFORMATION SECURITY OFFICER.
24	(4) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO REQUIRE
25	THE GENERAL ASSEMBLY TO ADOPT POLICIES OR STANDARDS THAT
26	CONFLICT WITH FEDERAL LAW, RULES, OR REGULATIONS OR WITH
27	CONTRACTIIAI ARRANGEMENTS COVERNED BY FEDERALI AWS DIJLES OR

-9- 062

1	REGULATIONS.
2	(5) The General assembly shall provide regularized
3	SECURITY AWARENESS TRAINING TO INFORM THE REGULAR LEGISLATIVE
4	EMPLOYEES, ADMINISTRATORS, AND USERS ABOUT THE INFORMATION
5	SECURITY RISKS AND THE RESPONSIBILITY OF EMPLOYEES,
6	ADMINISTRATORS, AND USERS TO COMPLY WITH THE GENERAL ASSEMBLY'S
7	INFORMATION SECURITY PLAN AND THE POLICIES, STANDARDS, AND
8	PROCEDURES DESIGNED TO REDUCE THOSE RISKS.
9	SECTION 10. 24-37.5-405 (2), Colorado Revised Statutes, is
10	amended to read:
11	24-37.5-405. Security incidents - authority of chief information
12	security officer. (2) The chief information security officer shall be
13	authorized to temporarily discontinue or suspend the operation of a public
14	agency's communication and information resources in order to isolate the
15	source of a security incident. The officer shall give notice to the
16	governor, or the lieutenant governor in the event the governor is not
17	available, and the head and chief information officer, AND THE HEAD of
18	the public agency concurrent with such discontinuation or suspension of
19	operations. The officer shall ensure, to the extent possible, the continuity
20	of operations for the communication and information resources that
21	support the operations and assets of the public agency.
22	SECTION 11. Repeal. 24-37.5-406, Colorado Revised Statutes,
23	is repealed as follows:
24	24-37.5-406. Reporting. The chief information security officer
25	shall report to the governor and the office on a quarterly basis concerning
26	the implementation of the provisions of this part 4.
27	SECTION 12. 24-37.5-502 (3), Colorado Revised Statutes, is

-10-

amended to read:

24-37.5-502. Duties and responsibilities. (3) The chief information officer may enter into contracts with any county, city and county, state agency, private school, school district, board of cooperative educational services, or library and may act as a telecommunications network provider between or among two or more counties or state agencies for the purpose of providing teleconferencing facilities and services between or among such entities, including the judicial system of any county, the department of corrections, and the department of human services and any of their facilities. To assure the availability of such network throughout the various state agencies, private schools, school districts, boards of cooperative educational services, libraries, and counties, the executive director of the department of personnel CHIEF INFORMATION OFFICER shall develop a uniform set of standards for facilities to be utilized by the contracting entities.

**SECTION 13.** 24-37.5-505, Colorado Revised Statutes, is amended to read:

24-37.5-505. Service charges - pricing policy - repeal.

(1) (a) Users of the office's telephone and data communication services shall be charged the full cost of the particular service, which shall include the cost of all material, labor, and overhead. Said user charges shall be transmitted to the state treasurer, who shall credit the same to the telecommunications INFORMATION TECHNOLOGY revolving fund which fund is hereby created. The moneys in the revolving fund are subject to annual appropriations by the general assembly to the office for use in acquiring such materials, supplies, labor, and overhead as are required for telephone and data communications related service functions CREATED IN

-11- 062

1	SECTION 24-37.5-112. The revolving fund shall include user charges on
2	public safety radio systems of a state agency or other state entity; except
3	that no municipality, county, city and county, or special district shall be
4	charged user charges on public safety radio systems of a state agency or
5	other state entity.
6	(b) The fund balance of the telecommunications
7	REVOLVING FUND EFFECTIVE THE DAY PRIOR TO THE EFFECTIVE DATE OF
8	THIS PARAGRAPH (b) SHALL BE TRANSFERRED TO THE INFORMATION
9	TECHNOLOGY REVOLVING FUND. THIS PARAGRAPH (b) IS REPEALED,
10	EFFECTIVE JULY 1, 2012.
11	(2) The chief information officer shall establish a policy of
12	remaining competitive with private industry with regard to the cost,
13	timeliness, and quality of the telephone service or data communication
14	functions provided by the office. Agencies interested in purchasing
15	services from the private sector shall work with the office to develop bid
16	specifications, which shall identify all services, requirements, and costs.
17	All bids shall be consistent with the state's long-term telecommunication
18	objectives. An agency may only purchase private services if it has
19	FIRST WORKED WITH THE OFFICE AND THE OFFICE HAS AUTHORIZED THE
20	PURCHASE OF PRIVATE SERVICES.
21	<b>SECTION 14.</b> 24-37.5-602 (2) (b), Colorado Revised Statutes,
22	is amended to read:
23	24-37.5-602. Functions of the GGCC. (2) (b) The chief
24	information officer of Each agency or department of state government,
25	including institutions of higher education, shall ensure compliance with
26	the policies, standards, and guidelines set forth by the office.
27	<b>SECTION 15.</b> 24-37.5-603 (1) (f), Colorado Revised Statutes, is

-12-

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**24-37.5-603.** Powers of the chief information officer - penalty for breach of confidentiality. (1) In order to perform the functions and duties of the GGCC as set forth in this part 6, the chief information officer shall exercise the following powers:

(f) To control the <del>computer services</del> INFORMATION TECHNOLOGY revolving fund pursuant to <del>section 24-37.5-604</del> SECTION 24-37.5-112.

**SECTION 16.** 24-37.5-604, Colorado Revised Statutes, is amended to read:

**24-37.5-604.** Service charges - pricing - repeal. (1) Users of GGCC services shall be charged by the office the full cost of the particular service, which shall include the cost of all material, labor, equipment, software, services, and overhead. Two months prior to NO LATER THAN the November 1 submission date as required by section 24-37-304, the chief information officer shall establish, publish, and distribute billing rates to user entities and other interested entities effective for the following fiscal year. The billing rates shall not be increased during the fiscal year. User charges shall be paid only out of items of appropriation made specifically for the purchase of services from either the office or from an alternative support source approved by the office. Agencies interested in purchasing services from the private sector shall work with the office to develop bid specifications, which shall identify all services, requirements, and costs. All bids shall be consistent with the state's long-term data processing objectives. The bid process shall be completed so as to coincide with the office's rate publication date.

(2) (a) User charges collected under this part 6 shall be transmitted to the state treasurer, who shall credit the same to the computer services

-13-

1	INFORMATION TECHNOLOGY revolving fund which fund is hereby created.
2	The moneys in such fund are subject to annual appropriations by the
3	general assembly to the office for the purpose of acquiring such materials,
4	supplies, labor, equipment, software, services, and overhead as are
5	required by the office to supply the services purchased by users CREATED
6	IN SECTION 24-37.5-112.
7	(b) The fund balance of the computer services revolving
8	FUND EFFECTIVE THE DAY PRIOR TO THE EFFECTIVE DATE OF THIS
9	PARAGRAPH (b) SHALL BE TRANSFERRED TO THE INFORMATION
10	TECHNOLOGY REVOLVING FUND. THIS PARAGRAPH (b) IS REPEALED,
11	EFFECTIVE JULY 1, 2012.
12	(3) The chief information officer shall establish a policy of
13	remaining competitive with the service provided by private industry with
14	regard to the cost, timeliness, and quality of that service provided by the
15	office. Agencies are encouraged to seek competitive bids from the
16	private sector pursuant to subsection (1) of this section. If the office
17	cannot meet the needs of any agency in any one of the said areas, the
18	agency may seek services elsewhere in consultation with the office. AN
19	AGENCY MAY ONLY PURCHASE PRIVATE SERVICES IF IT HAS FIRST WORKED
20	WITH THE OFFICE AND THE OFFICE HAS AUTHORIZED THE PURCHASE OF
21	PRIVATE SERVICES.
22	SECTION 17. 24-37.5-702 (3), Colorado Revised Statutes, is
23	amended to read:
24	24-37.5-702. Definitions. As used in this part 7, unless the
25	context otherwise requires:
26	(3) "Data" means unit records THE REPRESENTATION OF FACTS AS
27	TEXTS, NUMBERS, GRAPHICS, IMAGES, SOUNDS, OR VIDEO. FACTS ARE

-14- 062

1	CAPTURED, STORED, AND EXPRESSED AS DATA.
2	<b>SECTION 18.</b> 24-72-202 (6) (b) (X), Colorado Revised Statutes,
3	is amended to read:
4	24-72-202. <b>Definitions.</b> As used in this part 2, unless the context
5	otherwise requires:
6	(6) (b) "Public records" does not include:
7	(X) The information security plan of a public agency developed
8	pursuant to section 24-37.5-404 or of the department of higher education
9	or an institution of higher education developed pursuant to section
10	24-37.5-404.5;
11	SECTION 19. Safety clause. The general assembly hereby finds,
12	determines, and declares that this act is necessary for the immediate
13	preservation of the public peace, health, and safety.

-15- 062