

KANSAS PUBLIC EMPLOYEES RETIREMENTS SYSTEM

LEGISLATIVE SUMMARY

2017 Session

Substitute House Bill 2331 (As Amended by House Committee of the Whole)

Summary	<p>House Bill 2331, as introduced, would allow for the creation of the Kansas Information Security Office (KISO). This new office would centralize cybersecurity for all executive branch agencies (including non-cabinet agencies like KPERS).</p> <p>The House Committee amended the bill to include the contents of HB 2359, which establishes a new Kansas Information Technology Enterprise (KITE) as a cabinet-level agency. All state agencies' information technology resources would be consolidated under the KITE, and all non-Regents Executive Branch agency information technology directors and all staff performing information technology functions would report directly to the Executive Branch Chief Information Technology Officer. The legislation seeks to consolidate and transfer all non-Regents Executive Branch IT staff, resources, functions, powers and duties to KITE under the authority of the Executive Branch Chief Information Technology Officer. While representatives have indicated non-cabinet agencies, such as KPERS, are not a priority with respect to such consolidation, the bill does not distinguish between cabinet and non-cabinet agencies.</p> <p>The House Committee of the Whole amended Substitute HB 2331 by exempting KPERS from inclusion in the new policy.</p>
Sponsor:	House Committee on Government, Technology and Security
Location:	Senate Committee on Ways and Means
Cost:	<p>Because KPERS is excluded from Substitute HB 2331, as amended by the House Committee of the Whole, there would be no cost to KPERS.</p> <p>If KPERS were to be included, the cost to run the new KISO is stated to be \$10 million annually. However, it is not known how the costs would be allocated to each executive branch agency or how those costs would compare to KPERS' current expenditures for cybersecurity measures. In addition, the KITE provisions provide the new agency with authority to assess fees for its services. However, it is not known how the costs would be allocated to each executive branch agency or how those costs would compare to KPERS' current expenditures for information technology resources.</p> <p>KPERS identified potential issues that could arise from being a part of the KISO and the KITE. As a Trust Fund, there are several considerations that must be managed in order to ensure that Trust Fund assets are not being used to fund costs associated with other agencies. If assets of the trust fund were to be transferred to KITE, it is likely to be a "prohibited transaction" under IRS rules. In addition, it is not clear to what extent KPERS would retain the authority and flexibility to independently address cybersecurity issues pertinent to its operations if the centralized services do not effectively meet KPERS' needs.</p>
Notes:	<i>SB 204 is a duplicate of HB 2331, as introduced.</i>