



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Presented Before the
House Committee on Finance
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by

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SB 2803, SD1 – RELATING TO PERSONAL INFORMATION

Chair Oshiro, Vice Chair Lee and Members of the Committee:

The University applauds the Legislature's concern for protecting Hawai'i's citizenry from identity theft. However, we oppose several provisions of the current legislation as proposed.

In the spirit of supporting improved protection of personal information held in the public sector, the University offers the following specific comments:

- 1) The University strongly opposes the creation of the Annual Report on Systems with Personal Information (proposed as §487N-C). The very creation of such a report creates significant new risks for Hawai'i's citizens by establishing a convenient "one-stop shop" for interested hackers and criminals who are targeting personal information in Hawai'i. Any perceived value in creating such a report is more than outweighed by the new risks created by a new public record that gives criminals assistance in finding governmental systems that contain personal information.

The University suggests that the current provisions be replaced with more general language that simply specifies that each agency, in support of their internal programs of protection of personal information, shall be responsible to maintain an inventory of all information systems that include personal information. The legislation must ensure that any such inventories remain confidential and fully protected from disclosure notwithstanding any other rules or statutes.

- 2) The University strongly opposes the provisions in Part VII that would require the elimination of all governmental uses of the Social Security Number (SSN) other than where required by law. While we no longer use the SSN as a primary identifier in any of our information systems, the fact remains that the SSN was used as an identifier in the past and is still an important element in establishing identity for legitimate purposes. For example, the University would have no way of establishing the identities of hundreds of thousands of our past students without the use of the

Social Security Number, which was formerly used as the Student ID number.

The Social Security Administration notes that:

"The Privacy Act regulates the use of Social Security numbers by government agencies. When a federal, state, or local government agency asks an individual to disclose his or her Social Security number, the Privacy Act requires the agency to inform the person of the following: the statutory or other authority for requesting the information; whether disclosure is mandatory or voluntary; what uses will be made of the information; and the consequences, if any, of failure to provide the information."

We fully support the requirement for development of alternative unique identifiers and have replaced the SSN's use for this purpose in our student and human resources information systems. We urge that the legislature not frustrate our ability to serve our customers throughout the state with overly restrictive legislation that goes so far beyond federal requirements and Social Security Administration guidelines.

- 3) The University notes that a number of new compliance mandates are established in the current draft without specific funding. The bill recognizes the substantial costs associated with some of these new mandates and invites agencies to prepare budget requests for addressing certain requirements. We request that the bill link compliance mandates with the appropriation and release of the funding for each of the provisions that will create new administrative workload for agencies.

Finally, the University notes that while government agencies, including the University, must protect the personal information with which they are entrusted, a singular focus on governmental protection of personal data is a small part of protecting the public against identity theft. National data tells us that:

- More personal data is lost by the private sector than the public sector;
- Most identity theft is not the result of data breaches; and
- Most losses of personal data do not result in identify theft.

True protection against identity theft will only occur with changes in the credit industry, which is where the crime actually occurs. This is of course a much more difficult target for reform.

Nonetheless, the University takes the protection of the personal information with which we are entrusted very seriously, and is will to work with the Legislature to help craft legislation that will reduce risks for Hawai'i's citizenry.