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# A BILL FOR AN ACT

RELATING TO INFORMATION TECHNOLOGY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The purpose of this Act is to establish a  
2 central office to coordinate information technology policies  
3 throughout state government and to improve information  
4 technology performance and efficiency. Increased information  
5 technology efficiency across state departments and agencies will  
6 permit the State to benefit from substantial cost savings by  
7 implementing a centrally coordinated planning and implementation  
8 process for common information technology systems, software, and  
9 hardware. To serve this purpose, this Act establishes the  
10 office of information technology and position of chief  
11 information officer within the office of the lieutenant  
12 governor, and creates a shared services technology special fund.

13           Participating state departments and agencies shall  
14 contribute to the shared services technology fund so that the  
15 fund may take advantage of bulk purchases and coordinated  
16 multi-department and statewide contracts and agreements to  
17 generate overall cost reductions through economies of scale and  
18 decreased administrative burdens. The chief information officer



1 shall oversee the fund and shall administer shared services  
2 including technology contracts; project and procurement  
3 management; computer security administration; voice and data  
4 communications and messaging services, software, hardware,  
5 infrastructure and support; and data center and disaster  
6 recovery facilities management and services.

7 SECTION 2. Section 26-1, Hawaii Revised Statutes, is  
8 amended to read as follows:

9 "§26-1 Office of the lieutenant governor. (a) Except as  
10 otherwise provided by law, the lieutenant governor is designated  
11 the secretary of state for intergovernmental relations and shall  
12 perform the duties and functions heretofore exercised by the  
13 secretary of Hawaii. The duties and functions shall include [7]  
14 but not be limited to [7] recordation of all legislative and  
15 gubernatorial acts, certification of state documents, and  
16 maintenance of an official file of rules adopted by state  
17 departments as provided in chapter 91. The lieutenant governor  
18 may employ staff as necessary without regard to chapter 76.

19 (b) The lieutenant governor, with the approval of the  
20 governor, may designate some other officer of the government of  
21 the State to authenticate documents on behalf of the lieutenant  
22 governor during the lieutenant governor's temporary absence



1 outside the [~~State~~] state or during the lieutenant governor's  
2 illness whenever the documents require the signature of the  
3 lieutenant governor. The person shall affix the person's own  
4 signature to the document with the words, "for the lieutenant  
5 governor" following and the signature shall be deemed to satisfy  
6 the requirement of the lieutenant governor's signature on the  
7 document. The designation and approval shall be in writing and  
8 shall be filed in the office of the governor and a copy thereof,  
9 certified by the governor, shall be filed with the public  
10 archives. The person so designated shall serve without  
11 additional compensation and the lieutenant governor shall be  
12 responsible and liable on the lieutenant governor's official  
13 bond for all acts done by the person so designated in the  
14 performance of the duties on behalf of the lieutenant governor.

15 (c) Nothing in this section shall be construed to  
16 authorize the person to exercise and discharge the powers and  
17 duties of the office of the governor as provided by the first  
18 paragraph of Article V, section 4, of the Hawaii Constitution  
19 [~~of the State~~]. The person shall not be authorized to exercise  
20 any powers whenever a successor to the lieutenant governor  
21 assumes the duties of the lieutenant governor pursuant to  
22 Article V, section 4, of the Hawaii Constitution.



1 (d) In addition to the functions and duties provided by  
2 law, the lieutenant governor shall assume administrative  
3 responsibility for the office of information practices.

4 (e) The office of the lieutenant governor shall provide  
5 centralized computer information management and processing  
6 services; coordinate the use of all information processing  
7 equipment, software, facilities, and services for all  
8 departments and agencies in the executive branch of the State;  
9 and shall consult and provide support services in the use of  
10 information processing and management technologies to improve  
11 the efficiency, effectiveness, and productivity of state  
12 government programs.

13 There is hereby created within the office of the lieutenant  
14 governor the office of information technology to be headed by  
15 the chief information officer, who shall be appointed by the  
16 lieutenant governor and shall be exempt from chapter 76, to  
17 carry out the purposes of this subsection.

18 The salary of the chief information officer shall be equal  
19 to ninety-five per cent of the director of commerce and consumer  
20 affairs' salary. The chief information officer shall:

21 (1) Serve as the State's chief information officer and  
22 shall report directly to the lieutenant governor;



- 1        (2)    Oversee the development and implementation of a  
2                    standardized information technology policy for all  
3                    departments and agencies of the executive branch of  
4                    the State;
- 5        (3)    Be, by reason of education and experience, qualified  
6                    to carry out the information and executive functions  
7                    of the position created by this subsection;
- 8        (4)    Manage and expend the shared services technology  
9                    special fund created by this subsection;
- 10       (5)    Make rules, pursuant to chapter 91, for the  
11                    administration of this subsection and the functions of  
12                    the chief information officer; and
- 13       (6)    Select and hire additional staff required to carry out  
14                    the purposes of this subsection, subject to chapter  
15                    76.

16        There is created in the state treasury a special fund to be  
17        known as the shared services technology special fund to be  
18        administered and expended by the chief information officer as  
19        specified in this subsection. Five per cent of the receipts  
20        collected from special funds pursuant to section 36-27 and five  
21        per cent of all revenues, fees, and fines deposited into the  
22        compliance resolution fund under subsection 26-9(o) shall be



1 deposited into the shared services technology special fund. Any  
2 law to the contrary notwithstanding, the moneys in the fund  
3 shall be used to fund the operations of the office of  
4 information technology, including the employment and training of  
5 staff and any other activities to carry out the purposes of this  
6 subsection as the chief information officer deems necessary.

7 [~~e~~] (f) The governor shall identify and direct other  
8 duties as necessary to the lieutenant governor."

9 SECTION 3. Section 26-6, Hawaii Revised Statutes, is  
10 amended by amending subsection (b) to read as follows:

11 "(b) The department shall:

- 12 (1) Preaudit and conduct after-the-fact audits of the  
13 financial accounts of all state departments to  
14 determine the legality of expenditures and the  
15 accuracy of accounts;
- 16 (2) Report to the governor and to each regular session of  
17 the legislature as to the finances of each department  
18 of the State;
- 19 (3) Administer the state risk management program;
- 20 (4) Establish and manage motor pools;
- 21 (5) Manage the preservation and disposal of all records of  
22 the State;



1           (6) Undertake the program of centralized engineering and  
2           office leasing services, including operation and  
3           maintenance of public buildings, for departments of  
4           the State;

5           (7) Undertake the functions of the state surveyor;

6           (8) Establish accounting and internal control systems;

7           ~~[(9) Provide centralized computer information management  
8           and processing services, coordination in the use of  
9           all information processing equipment, software,  
10           facilities, and services in the executive branch of  
11           the State, and consultation and support services in  
12           the use of information processing and management  
13           technologies to improve the efficiency, effectiveness,  
14           and productivity of state government programs;]~~ and

15           ~~[(10)]~~ (9) Establish, coordinate, and manage a program to  
16           provide a means for public access to public  
17           information and develop and operate an information  
18           network in conjunction with its overall plans for  
19           establishing a communication backbone for state  
20           government."

21           SECTION 4. Section 26-9, Hawaii Revised Statutes, is  
22           amended as follows:



1           1.    By amending subsection (c) to read:

2           " (c)   The board of acupuncture, board of public  
3   accountancy, board of barbering and cosmetology, boxing  
4   commission, board of chiropractic examiners, contractors license  
5   board, board of dental examiners, board of electricians and  
6   plumbers, elevator mechanics licensing board, board of  
7   professional engineers, architects, surveyors, and landscape  
8   architects, board of massage therapy, Hawaii medical board,  
9   motor vehicle industry licensing board, motor vehicle repair  
10   industry board, board of naturopathic medicine, board of  
11   nursing, board of examiners in optometry, pest control board,  
12   board of pharmacy, board of physical therapy, board of  
13   psychology, board of private detectives and guards, real estate  
14   commission, board of veterinary examiners, board of speech  
15   pathology and audiology, and any board, commission, program, or  
16   entity created pursuant to or specified by statute in  
17   furtherance of the purpose of this section including but not  
18   limited to [~~section 26H-4, or~~] chapters 484, 514A, 514B, and  
19   514E shall be placed within the department of commerce and  
20   consumer affairs for administrative purposes."

21           2.    By amending subsection (f) to read:





1           "(f) The director of commerce and consumer affairs may  
2 appoint a hearings officer or officers not subject to chapter 76  
3 to hear and decide any case or controversy regarding licenses  
4 and the application and enforcement of rules involving any of  
5 the boards, commissions, or regulatory programs within the  
6 department of commerce and consumer affairs. The hearings  
7 officer or officers shall have power to issue subpoenas,  
8 administer oaths, hear testimony, find facts, and make  
9 conclusions of law and a recommended decision; provided that the  
10 conclusions and decisions shall be subject to review and  
11 redetermination by the officer, board, or commission [~~which~~  
12 that would have heard the case in the first instance in the  
13 absence of a hearings officer. The review shall be conducted in  
14 accordance with chapter 91."

15           3. By amending subsection (o) to read:

16           "(o) Every person licensed under any chapter within the  
17 jurisdiction of the department of commerce and consumer affairs  
18 and every person licensed subject to chapter 485A or registered  
19 under chapter 467B shall pay upon issuance of a license, permit,  
20 certificate, or registration a fee and a subsequent annual fee  
21 to be determined by the director and adjusted from time to time  
22 to ensure that the proceeds, together with all other fines,



1 income, and penalties collected under this section, do not  
2 surpass the annual operating costs of conducting compliance  
3 resolution activities required under this section. The fees may  
4 be collected biennially or pursuant to rules adopted under  
5 chapter 91, and shall be deposited into the special fund  
6 established under this subsection. Every filing pursuant to  
7 chapter 514E or section 485A-202(a)(26) shall be assessed, upon  
8 initial filing and at each renewal period in which a renewal is  
9 required, a fee that shall be prescribed by rules adopted under  
10 chapter 91, and that shall be deposited into the special fund  
11 established under this subsection. Any unpaid fee shall be paid  
12 by the licensed person, upon application for renewal,  
13 restoration, reactivation, or reinstatement of a license, and by  
14 the person responsible for the renewal, restoration,  
15 reactivation, or reinstatement of a license, upon the  
16 application for renewal, restoration, reactivation, or  
17 reinstatement of the license. If the fees are not paid, the  
18 director may deny renewal, restoration, reactivation, or  
19 reinstatement of the license. The director may establish,  
20 increase, decrease, or repeal the fees when necessary pursuant  
21 to rules adopted under chapter 91. The director may also  
22 increase or decrease the fees pursuant to section 92-28.



1           There is created in the state treasury a special fund to be  
2 known as the compliance resolution fund to be expended by the  
3 director's designated representatives as provided by this  
4 subsection. Notwithstanding any law to the contrary, all  
5 revenues, fees, and fines collected by the department shall be  
6 deposited into the compliance resolution fund. Unencumbered  
7 balances existing on June 30, 1999, in the cable television fund  
8 under chapter 440G, the division of consumer advocacy fund under  
9 chapter 269, the financial institution examiners' revolving  
10 fund, section 412:2-109, the special handling fund, section  
11 414-13, and unencumbered balances existing on June 30, 2002, in  
12 the insurance regulation fund, section 431:2-215, shall be  
13 deposited into the compliance resolution fund. This provision  
14 shall not apply to the drivers education fund underwriters fee,  
15 sections 431:10C-115 and 431:10G-107, insurance premium taxes  
16 and revenues, revenues of the workers' compensation special  
17 compensation fund, section 386-151, the captive insurance  
18 administrative fund, section 431:19-101.8, the insurance  
19 commissioner's education and training fund, section 431:2-214,  
20 the medical malpractice patients' compensation fund as  
21 administered under section 5 of Act 232, Session Laws of Hawaii  
22 1984, and fees collected for deposit in the office of consumer



1 protection restitution fund, section 487-14, the real estate  
2 appraisers fund, section 466K-1, the real estate recovery fund,  
3 section 467-16, the real estate education fund, section 467-19,  
4 the contractors recovery fund, section 444-26, the contractors  
5 education fund, section 444-29, and the condominium education  
6 trust fund, section 514B-71. Any law to the contrary  
7 notwithstanding, the director may use the moneys in the fund to  
8 employ, without regard to chapter 76, hearings officers and  
9 attorneys. All other employees may be employed in accordance  
10 with chapter 76. Any law to the contrary notwithstanding, the  
11 moneys in the fund shall be used to fund the operations of the  
12 department. The moneys in the fund may be used to train  
13 personnel as the director deems necessary and for any other  
14 activity related to compliance resolution.

15 As used in this subsection, unless otherwise required by  
16 the context, "compliance resolution" means a determination of  
17 whether:

- 18 (1) Any licensee or applicant under any chapter subject to  
19 the jurisdiction of the department of commerce and  
20 consumer affairs has complied with that chapter;
- 21 (2) Any person subject to chapter 485A has complied with  
22 that chapter;



- 1 (3) Any person submitting any filing required by chapter  
2 514E or section 485A-202(a)(26) has complied with  
3 chapter 514E or section 485A-202(a)(26);
- 4 (4) Any person has complied with the prohibitions against  
5 unfair and deceptive acts or practices in trade or  
6 commerce; [~~or~~]
- 7 (5) Any person subject to chapter 467B has complied with  
8 that chapter; or
- 9 (6) Any department or agency of the State is in compliance  
10 with the information technology policy established  
11 pursuant to section 26-1(e);

12 and includes work involved in or supporting the above functions,  
13 licensing[~~r~~] or registration of individuals or companies  
14 regulated by the department, consumer protection, bringing  
15 departments or agencies of the State into compliance with  
16 information technology policies, and other activities of the  
17 department.

18 The director shall prepare and submit an annual report to  
19 the governor and the legislature on the use of the compliance  
20 resolution fund. The report shall describe expenditures made  
21 from the fund including non-payroll operating expenses."



1 SECTION 5. Section 27-41, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3 "(b) The duties of the special advisor shall include but  
4 not be limited to:

5 (1) Developing, coordinating, and implementing short- and  
6 long-range state policies and directions to enhance  
7 the development of high technology industries in  
8 Hawaii;

9 (2) Coordinating all state high technology agencies,  
10 except the office of information technology, while  
11 developing a plan for reorganization or consolidation  
12 of these agencies in the interests of greater  
13 efficiency and cost effectiveness;

14 (3) Advising the private sector in the development of high  
15 technology activities and resources and providing  
16 technical or other assistance to private industry upon  
17 request;

18 (4) Creating, disseminating, and updating a listing of all  
19 high technology assistance programs in the [State]  
20 state and where they can be reached;

21 (5) Pursuing appropriate public-private sector business  
22 partnerships;



- 1 (6) Coordinating the State's promotion and marketing of  
2 the high technology industry, including a review of  
3 current marketing efforts;
- 4 (7) Arranging for the conduct of research through  
5 contractual services with the University of Hawaii or  
6 any agency or other qualified persons;
- 7 (8) Encouraging the development of educational, training,  
8 and career programs in high technology industries; and
- 9 (9) Performing other necessary or desirable functions to  
10 facilitate the intent of this section."

11 SECTION 6. Section 36-27, Hawaii Revised Statutes, is  
12 amended to read as follows:

13 "§36-27 Transfers from special funds for central service  
14 expenses. (a) Except as provided in this section, and  
15 notwithstanding any other law to the contrary, from time to  
16 time, the director of finance, for the purpose of defraying the  
17 prorated estimate of central service expenses of government in  
18 relation to all special funds, except the:

- 19 (1) Special out-of-school time instructional program fund  
20 under section 302A-1310;
- 21 (2) School cafeteria special funds of the department of  
22 education;



- 1 (3) Special funds of the University of Hawaii;
- 2 (4) State educational facilities improvement special fund;
- 3 (5) Convention center enterprise special fund under
- 4 section 201B-8;
- 5 (6) Special funds established by section 206E-6;
- 6 (7) Housing loan program revenue bond special fund;
- 7 (8) Housing project bond special fund;
- 8 (9) Aloha Tower fund created by section 206J-17;
- 9 (10) Funds of the employees' retirement system created by
- 10 section 88-109;
- 11 (11) Unemployment compensation fund established under
- 12 section 383-121;
- 13 (12) Hawaii hurricane relief fund established under chapter
- 14 431P;
- 15 (13) Hawaii health systems corporation special funds and
- 16 the subaccounts of its regional system boards;
- 17 (14) Tourism special fund established under section
- 18 201B-11;
- 19 (15) Universal service fund established under [~~chapter~~
- 20 ~~269,~~] section 269-42;
- 21 (16) Emergency and budget reserve fund under section
- 22 328L-3;





- 1 (17) Public schools special fees and charges fund under  
2 section 302A-1130 [~~(f)~~];
- 3 (18) Sport fish special fund under section 187A-9.5;
- 4 (19) Glass advance disposal fee [~~special fund~~] established  
5 by section 342G-82;
- 6 (20) Center for nursing special fund under section  
7 304A-2163;
- 8 (21) Passenger facility charge special fund established by  
9 section 261-5.5;
- 10 (22) Court interpreting services revolving fund under  
11 section 607-1.5;
- 12 (23) Hawaii cancer research special fund;
- 13 (24) Community health centers special fund;
- 14 (25) Emergency medical services special fund; [~~and~~]
- 15 (26) Rental motor vehicle customer facility charge special  
16 fund established under section 261-5.6 [~~7~~]; and
- 17 (27) Shared services technology special fund under section  
18 26-1(e),

19 shall deduct five per cent of all receipts of all special funds,  
20 which deduction shall be transferred to the general fund of the  
21 State and become general realizations of the State. All  
22 officers of the State and other persons having power to allocate



1 or disburse any special funds shall cooperate with the director  
2 in effecting these transfers. To determine the proper revenue  
3 base upon which the central service assessment is to be  
4 calculated, the director shall adopt rules pursuant to chapter  
5 91 for the purpose of suspending or limiting the application of  
6 the central service assessment of any fund. No later than  
7 twenty days prior to the convening of each regular session of  
8 the legislature, the director shall report all central service  
9 assessments made during the preceding fiscal year.

10 (b) Notwithstanding any other law to the contrary, the  
11 director shall deposit five per cent of all moneys collected  
12 pursuant to subsection (a) into the shared services technology  
13 special fund established pursuant to section 26-1(e)."

14 SECTION 7. Section 36-30, Hawaii Revised Statutes, is  
15 amended by amending subsections (a) and (b) to read as follows:

16 "(a) Each special fund, except the:

17 (1) Transportation use special fund established by section  
18 261D-1;

19 (2) Special out-of-school time instructional program fund  
20 under section 302A-1310;

21 (3) School cafeteria special funds of the department of  
22 education;



- 1 (4) Special funds of the University of Hawaii;
- 2 (5) State educational facilities improvement special fund;
- 3 (6) Special funds established by section 206E-6;
- 4 (7) Aloha Tower fund created by section 206J-17;
- 5 (8) Funds of the employees' retirement system created by
- 6 section 88-109;
- 7 (9) Unemployment compensation fund established under
- 8 section 383-121;
- 9 (10) Hawaii hurricane relief fund established under section
- 10 431P-2;
- 11 (11) Convention [+]center[+] enterprise special fund
- 12 established under section 201B-8;
- 13 (12) Hawaii health systems corporation special funds and
- 14 the subaccounts of its regional system boards;
- 15 (13) Tourism special fund established under section
- 16 201B-11;
- 17 (14) Universal service fund established under [~~chapter~~
- 18 ~~269-~~] section 269-42;
- 19 (15) Emergency and budget reserve fund under section
- 20 328L-3;
- 21 (16) Public schools special fees and charges fund under
- 22 section 302A-1130 [~~-(f)~~];



- 1 (17) Sport fish special fund under section 187A-9.5;
- 2 (18) Center for nursing special fund under section  
3 304A-2163;
- 4 (19) Passenger facility charge special fund established by  
5 section 261-5.5;
- 6 (20) Court interpreting services revolving fund under  
7 section 607-1.5;
- 8 (21) Hawaii cancer research special fund;
- 9 (22) Community health centers special fund;
- 10 (23) Emergency medical services special fund; [and]
- 11 (24) Rental motor vehicle customer facility charge special  
12 fund established under section 261-5.6 [7]; and
- 13 (25) Shared services technology special fund under section  
14 26-1(e),

15 shall be responsible for its pro rata share of the  
16 administrative expenses incurred by the department responsible  
17 for the operations supported by the special fund concerned.

18 (b) Administrative expenses shall include:

- 19 (1) Salaries;
- 20 (2) Maintenance of buildings and grounds;
- 21 (3) Utilities; [and]
- 22 (4) General office expenses [-]; and



1       (5) Implementation of information technology policies  
2       developed by the chief information officer pursuant to  
3       section 26-1(e)."

4       SECTION 8. All rights, powers, functions, and duties of  
5 the department of accounting and general services relating to  
6 the provision of centralized computer information management and  
7 processing services, coordination in the use of all information  
8 processing equipment, software, facilities, and services in the  
9 executive branch of the State, and consultation and support  
10 services in the use of information processing and management  
11 technologies are transferred to the office of information  
12 technology established pursuant to section 26-9(p), Hawaii  
13 Revised Statutes.

14       All officers and employees whose functions are transferred  
15 by this Act shall be transferred with their functions and shall  
16 continue to perform their regular duties upon their transfer,  
17 subject to the State personnel laws and this Act; provided that  
18 any relevant functions performed by the comptroller shall be  
19 transferred to the chief information officer and the position of  
20 comptroller shall remain within the department of accounting and  
21 general services.



1           No officer or employee of the State having tenure shall  
2 suffer any loss of salary, seniority, prior service credit,  
3 vacation, sick leave, or other employee benefit or privilege as  
4 a consequence of this Act, and an officer or employee may be  
5 transferred or appointed to a civil service position without the  
6 necessity of examination; provided that the officer or employee  
7 possesses the minimum qualifications for the position to which  
8 transferred or appointed; and provided that subsequent changes  
9 in status may be made pursuant to applicable civil service and  
10 compensation laws.

11           An officer or employee of the State who does not have  
12 tenure and who may be transferred or appointed to a civil  
13 service position as a consequence of this Act shall become a  
14 civil service employee without the loss of salary, seniority,  
15 prior service credit, vacation, sick leave, or other employee  
16 benefits or privileges and without the necessity of examination;  
17 provided that the officer or employee possesses the minimum  
18 qualifications for the position to which transferred or  
19 appointed.

20           If an office or position held by an officer or employee  
21 having tenure is abolished, the officer or employee shall not  
22 thereby be separated from public employment, but shall remain in



1 the employment of the State with the same pay and classification  
2 and shall be transferred to some other office or position for  
3 which the officer or employee is eligible under the personnel  
4 laws of the State as determined by the head of the department or  
5 the governor.

6 SECTION 9. All appropriations, records, equipment,  
7 machines, files, supplies, contracts, books, papers, documents,  
8 maps, and other personal property heretofore made, used,  
9 acquired, or held by the department of accounting and general  
10 services relating to the functions transferred to the department  
11 of commerce and consumer affairs shall be transferred with the  
12 functions to which they relate.

13 SECTION 10. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15 SECTION 11. This Act shall take effect on July 1, 2010;  
16 provided that the amendments made to sections 36-27 and 36-30,  
17 Hawaii Revised Statutes, by this Act shall not be repealed when  
18 those sections are reenacted on June 30, 2015, by section 34 of  
19 Act 79, Session Laws of Hawaii 2009.



**Report Title:**

Information Technology; Chief Information Officer; Shared Services Technology Special Fund

**Description:**

Transfers responsibilities for developing and implementing statewide technology policies from the Department of Accounting and General Services to the Office of the Lieutenant Governor. Creates the position of Chief Information Officer. Creates and funds the shared services technology special fund. (HB2302 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

