

STAND. COM. REP. NO.

2300

Honolulu, Hawaii

FEB 12 2010

RE: S.B. No. 2548
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Economic Development and Technology, to which was referred S.B. No. 2548 entitled:

"A BILL FOR AN ACT RELATING TO INFORMATION TECHNOLOGY,"

begs leave to report as follows:

The purpose of this measure is to implement the information technology recommendations of Auditor's Report No. 09-06, by establishing within the Office of the Governor a Chief Information Officer and Information Technology Steering Committee to organize, manage, and oversee statewide information technology governance.

Testimony in support of this measure was submitted by the Hawaii Medical Service Association. Testimony in opposition was submitted by the Department of Accounting and General Services. Comments were submitted by the Judiciary and the High Technology Development Corporation.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has framed this measure to implement the recommendations of the State Auditor in Report No. 09-06, *Audit of the State of Hawaii's Information Technology: Who's in Charge?* (March 2009), which can assist the State of Hawaii in consolidating core information technology (IT) services and realigning key responsibilities to meet public sector operational needs in times of budget cuts and scarce government resources.



Based on the Auditor's January 15, 2010, presentation before your Committee, and presentations from the Chief Information Officers (CIO) from the State Judiciary, University of Hawaii, and City and County of Honolulu that illustrated the importance of high-level CIOs to streamline existing government operations through strategic IT choices, your Committee believes that the Legislature must provide specific guidance to the next administration on the need for a full-time state CIO.

Senate Bill 2548, S.D. 1, in conjunction with S.B. No. 2114, S.D. 1, reflects the Legislature's agreement on the urgent need for a cabinet-level CIO (with responsibilities for overseeing the State's Information and Communications Services Division), as well as the need for a stable funding source for information and communications infrastructure, applications, and services. Your Committee agrees with the January 2010 Report of the Task Force on Reinventing Government that major IT infrastructure, applications, and services should be viewed the same as physical buildings and structures, and funded as capital investments through bond financing.

Moreover, your Committee believes that leveraging the accomplishments and recommendations from other senior-level IT managers in state government - who may be appointed to serve on the Information Technology Steering Committee set forth in Senate Bill No. 2548, S.D. 1 - should assist the new CIO in tackling those areas with the greatest degree of potential for improving services to user stakeholders, efficiencies of scale, and related cost-savings.

Your Committee notes that the Task Force on Reinventing Government also recommended that the CIO supervise the Information and Communication Services Division, which is now under the Department of Accounting and General Services. Your Committee understands that under the current government structure, divisions are attached to departments, and in this measure the CIO is within the Governor's Office. Your Committee has not formally transferred the Division, but has left clarification regarding the Division as part of the responsibilities of the CIO and the Information Technology Steering Committee.


Accordingly, your Committee has amended this measure by:



- (1) Adding supervision and oversight of the Information and Communication Services Division to the duties of the Chief Information Officer;
- (2) Expanding and clarifying the responsibilities of the Information Technology Steering Committee, including assessment of the progress of executive branch departments in meeting state information technology strategic plans; and
- (3) Adding a provision to the effective date that the appointment of the cabinet-level Chief Information Officer shall take effect January 1, 2011.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2548, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2548, S.D. 1, and be referred to the Committee on Ways and Means.

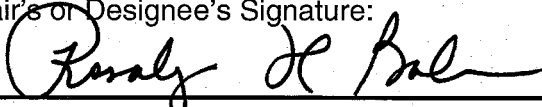
Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Technology,


CAROL FUKUNAGA, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Economic Development and Technology
EDT

Bill / Resolution No.:* SB 2548	Committee Referral: EDT, WAM	Date: 2-5-2010		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
BAKER, Rosalyn H. (VC)	✓			
HEE, Clayton				✓
IGE, David Y.	✓			
SLOM, Sam		✓		
TOTAL	3	1	-	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes