

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON ECONOMIC REVITALIZATION, BUSINESS, AND  
MILITARY AFFAIRS  
ON  
SENATE BILL NO. 2548, S.D. 2

March 11, 2010

RELATING TO INFORMATION TECHNOLOGY

Senate Bill No. 2548, S.D. 2, establishes a Chief Information Officer and Information Technology Steering Committee in the Office of the Governor to organize, manage, and oversee statewide information technology governance. The bill also creates the Shared Services Technology Special Fund with revenues coming from an unspecified per cent of the receipts collected from central services expenses pursuant to Section 36-27, Hawaii Revised Statutes.

As a matter of general policy, this department does not support the creation of any special or revolving fund which does not meet the requirements of Sections 37-52.3 and 37-52.4 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. It is difficult to determine whether there is a clear nexus between the benefits sought and the charges made upon the users or beneficiaries of the program and whether the fund will be self-sustaining.

Written Statement of  
**YUKA NAGASHIMA**  
**Executive Director & CEO**  
High Technology Development Corporation  
before the  
**HOUSE COMMITTEE ON ECONOMIC REVITALIZATION, BUSINESS, &  
MILITARY AFFAIRS**  
Thursday, March 11, 2010  
8:30 AM  
State Capitol, Conference Room 312

In consideration of  
**SB 2548 SD2 RELATING TO INFORMATION TECHNOLOGY.**

Chair McKelvey, Vice Chair Choy, and Members of the House Committee on Economic Revitalization, Business, & Military Affairs.

The High Technology Development Corporation (HTDC) supports the intent of SB 2548 SD2, which implements the information technology (IT) recommendations of Auditor's Report No. 09-06 and establishes within the Office of the Governor, a Chief Information Officer (CIO) and Information Technology Steering Committee to organize, manage and oversee statewide information technology governance. *HTDC, however, shares concerns about the funding mechanism for this cause, and the definition of the administrative expenses which includes items that do not directly pertain to the activities of the CIO.*

With tax revenues down, reduced public workforce and a significant number of recent or near-future retirees, the State is faced with a difficult challenge in having to provide for public services with more demand than ever, and to do so with reduced resources. When the private sector faces this type of a challenge, it looks to IT solutions. Having worked in the IT industry in the private sector, and now working in state government, I can confidently say that review of the State's procedures in the context of how IT can provide better results cheaper and faster, should be, and should have been one of the top internal priorities for state government.

I respectfully offer a few thoughts as the bill makes its way through the legislative process:

- 1. HTDC recommends a language change in Section 2, to amend Chapter 27 (a)(3), from "Develop and implement statewide technology standards" to "Development and implement statewide technology standards where appropriate".**

The recommendation is made to mirror successful practices of the University of Hawaii (UH) where its IT services provide certain services to a certain level, and recommends specific solutions for which documentation and support are made available. However, should a

department or a program choose to use another solution, it can, but is on its own for support. This model is successful because it recognizes the wide variety of needs various UH programs have, and that restricting them to work within certain technology standards would only result in frustrated users and administrators, without any benefit. For example, timing of establishing new standards and new policies will most likely lag from the rapidly changing technology landscape, and it would not be fair to the Dept. of Accounting and General Services, Information and Communication Services Division (ICSD) (and any other agency responsible for enforcing and implementing the IT standards) to become experts in all types of IT solutions for each of the specialized needs (e.g., incubation center management software).

**2. The authority of the Chief Information Officer (CIO) needs to reflect his/her role and responsibilities.**

I appreciate the bill's language describing the CIO's responsibilities to organize, manage AND oversee. If the CIO were to be effective, the position must also be given the authority to coordinate and implement the IT solutions in each of the state government departments. The CIO's ability to work with the department heads, ICSD, and ultimately have authority to implement the solutions within these departments is so paramount to the success of this type of program, that if future versions of the bill do not explicitly define such level of authority for the CIO and retain that clause in the final version of the bill, this initiative will not yield the results this Legislature envisions.

**3. Makeup of the Information Technology Steering Committee should be such that procurement decisions be kept separate or their recommendations be vendor neutral when presenting their findings.**

While government employees selected to be on such a steering committee are well aware of the State code of ethics and not being "married to" a solution being delivered by a specific vendor, private sector individuals on the committee should also be prevented from biases to provide specific solutions based on anything other than the merits of the technical solutions. It may be safer if the private sector appointees are knowledgeable and/or experts in IT areas, but not be a representative of a supplier of particular IT product brands, and prefer appointees who are "vendor/brand-agnostic".

Thank you for the opportunity to submit testimony to support the intent of SB2548 SD2.

# HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

March 11, 2010

The Honorable Angus McKelvey, Chair  
The Honorable Isaac Choy, Vice Chair

House Committee on Economic Revitalization, Business & Military Affairs

**Re: SB 2548 SD2 – Relating to Information Technology**

Dear Chair McKelvey, Vice Chair Choy and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of SB 2548 SD2 which would create the position of Chief Information Officer within the state government with the responsibility to develop and execute the information technology strategic plan.

It is an exciting time for the state of Hawaii with respect to information technology in general and health information in particular. Many entities are striving to become recipients of federal grant monies for planning and projects which will ultimately improve the entire system of health care in the state. As an example, the Hawaii Health Information Exchange will receive ARRA funding to create a statewide information exchange. With the large amount of dollars coming into the state, it will be important to ensure that there is both tracking and coordination of federal health information technology dollars.

We believe that the use of information technology in all fields will continue to expand and ensuring that the state is providing appropriate oversight to these efforts only makes sense. Therefore we support the goals outlined in SB 2548 SD2.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "JD", with a long horizontal flourish extending to the right.

Jennifer Diesman  
Assistant Vice President  
Government Relations