



**COMMENTS OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-FIFTH LEGISLATURE, 2010**

ON THE FOLLOWING MEASURE:

S.B. NO. 2548, S.D. 2, RELATING TO INFORMATION TECHNOLOGY.

BEFORE THE:

HOUSE COMMITTEE ON ECONOMIC REVITALIZATION, BUSINESS, AND
MILITARY AFFAIRS

DATE: Thursday, March 11, 2010 **TIME:** 8:30 a.m.

LOCATION: State Capitol, Room 312

TESTIFIER(S): WRITTEN COMMENTS ONLY. For more information, call
Patricia Ohara, Deputy Attorney General, at 586-0618.

Chair McKelvey and Members of the Committee:

The Department of the Attorney General has concerns about this bill regarding the establishment of the chief information officer (CIO) and the information technology steering committee within the Governor's Office. In addition, this bill gives the CIO oversight authority over the information and communications division, which is currently placed in the department of accounting and general services. We believe this violates article V, section 6, of the State Constitution, which requires all executive offices, departments, and instrumentalities of the state government and their powers and duties to be allocated by law among and within one of the principal departments (of which there shall be no more than twenty), and that this allocation shall be done in such a manner as to group the entities according to common purposes and related functions.

Although article V, section 6 explicitly allows "temporary commissions or agencies for special purposes" to be established by law and not required to be placed within a principal department, it does not appear that the information technology steering committee is, or is intended to be, a temporary agency.



**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
HONOLULU, HAWAII 96810-0119**

LATE TESTIMONY

TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
ECONOMIC REVITALIZATION, BUSINESS & MILITARY AFFAIRS
ON
March 11, 2010
S.B. 2548, S.D. 2

RELATING TO INFORMATION TECHNOLOGY

Chair McKelvey and members of the Committee, thank you for the opportunity to testify on S.B. 2548, S.D. 2.

The Department of Accounting and General Services (DAGS) does not support this bill because we believe it is not necessary, and would require costs to implement and maintain for which there are no funds.

DAGS, through its Information and Communication Services Division (ICSD), has been making significant progress on improving the State's IT governance, structure and services since 2007 when we hired a new ICSD Administrator and Assistant Administrator, both having extensive private sector IT experience. We are currently working with other departments on consolidating the management of various IT functions, especially in the areas of shared services, procurement, and enterprise

architecture. We believe there are efficiencies when certain functions are performed on a consolidated basis.

Please note that one way to manage functions on a consolidated basis is to consolidate the funding of IT functions, as well as the approval of expenditures out of that consolidated funding account. DAGS introduced H.B. 1012, "Shared Services Technology Special Fund" and its companion, S.B. 830 last year. DAGS recommends that creation of a Shared Services Technology Special Fund, and placing it under the control of the DAGS will go a long way towards achieving the objectives of S.B. 2548, H.D.2.

This bill's stated objectives can be achieved by splitting the assignment of the CIO's responsibilities between the director of DAGS for Executive Branch policy matters and the Administrator of the ICSD division for implementation and operation, or alternately assigning all of the CIO's responsibilities to the Administrator of the ICSD division. The CIO's in the 50 states are Cabinet positions in some cases and report to a Cabinet level position in others. The main requirement is that the CIO needs the authority to set and implement strategy, standards, and policy.

We appreciate your interest in improving IT for the State and will be happy to keep you apprised of the progress we make as we work towards improving governance, our IT structure and services.

Thank you for the opportunity to testify on this matter.



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

LATE TESTIMONY

Testimony of
Barry Fukunaga
Chief of Staff to the Governor

WRITTEN ONLY

Before the
**HOUSE COMMITTEE ON ECONOMIC REVITALIZATION, BUSINESS, & MILITARY
AFFAIRS**

Thursday, March 11, 2010, 8:30 AM
State Capitol, Room 312

S.B. 2548 S.D.2 RELATING TO INFORMATION TECHNOLOGY

Chair McKelvey, Vice Chair Choi, and members of the Committee:

The Office of the Governor **opposes** S.B. 2548, S.D.2, Relating to Information Technology, which proposes to establish within the office of the Governor a chief information officer and information technology steering committee to organize, manage, and oversee statewide information technology governance. The bill also creates the shared services technology special fund to be funded by an unspecified percentage of central service fees.

We do not believe it appropriate to place a function of this type in the Office of the Governor. This is a comprehensive and detailed undertaking that needs to remain within a principal department of state government (i.e, the Department of Accounting and General Services (DAGS)). Further, DAGS, through its Information and Communication Services Division (ICSD), has been making significant progress on improving the State's IT governance, structure and services.

This bill, as written, also runs afoul of Article V, Section 6 of the Hawaii State Constitution, which provides in part:

All executive and administrative offices, departments and instrumentalities of the state government and their respective powers and duties shall be allocated by law among and within not more than twenty principal departments in such a manner as to group the same according to common purposes and related functions. Temporary commissions or agencies for special purposes may be established by law and need not be allocated within a principal department.

The Attorney General has opined that, Article V, Section 6 of the Hawaii Constitution and HRS Section 26-4, HRS, requires a state office or instrumentality, unless it is for temporary and special purposes, to be placed within a principal department of the state executive branch. Accordingly, by establishing the "information technology steering committee" within the Office of the Governor, the bill runs afoul of the above-stated constitutional provision.

Finally, transferring the responsibility of developing and managing statewide computer technology networks to the Office of the Governor will impose additional costs to implement and maintain, which is not appropriate, even if specially funded by central service fees. In view of the financial difficulties now facing the State of Hawaii, it is not an appropriate time to add functions and responsibilities that can be better undertaken in a department that is already staffed to handle such a role will avoid the additional expenses associated with the transfer of these functions.

We respectfully request that S.B. 2548, S.D.2, be held.

Thank you for the opportunity to provide comments.