

---

# A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

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

1 PART I

2 SECTION 1. In March 2011, the State launched an initiative  
3 to modernize and transform the State's technology  
4 infrastructure, systems, processes, and procedures. The State  
5 subsequently hired its first full-time chief information officer  
6 in July 2011 to oversee the development and implementation of a  
7 statewide information technology strategic plan. In September  
8 2011, the first phase of the State's modernization initiative  
9 was completed with the publishing of the "Baseline of  
10 Information Management and Technology and Comprehensive View of  
11 State Services" report. The findings and recommendations in  
12 this report provide the basis for the strategic direction that  
13 the State needs to take going forward. The development of the  
14 statewide information technology strategic plan, which will  
15 include a business transformation strategy, is currently under  
16 development and is anticipated to be delivered by the chief  
17 information officer in July 2012.



1           The report explains that the State's budget reductions over  
2 the last decade and lack of centralized governance of  
3 information technology and information resource management have  
4 resulted in minimal integration of business processes between  
5 departments, duplication of efforts and redundant processes, and  
6 aging legacy systems. Further, the State's current level of  
7 investment in information technology and information resource  
8 management is inadequate compared to benchmark standards found  
9 in other states and existing best practices.

10           It is recognized that technology alone cannot address the  
11 State's needs; simply automating obsolete or stove-piped  
12 processes will not lead to better outcomes. What is required is  
13 a re-thinking of the existing business processes throughout  
14 state government, in every department, in order to take full  
15 advantage of the transformation capabilities modern technology  
16 offers. It is the chief information officer's and business  
17 transformation executive's intention to embark upon a  
18 prioritized enterprise-wide re-evaluation of business processes  
19 and their enabling technologies in order to advance Hawaii to a  
20 more agile, responsive, and transparent future state.

21           The re-thinking of business processes and the  
22 transformation of the State's information technology



1 infrastructure and framework will result in increased  
2 efficiencies through greater collaboration and information  
3 sharing, improved effectiveness through eliminating  
4 redundancies, enhanced levels of information security, future  
5 cost savings, and business processes that will more closely  
6 align with the business needs of the State. Additionally, the  
7 new information technology framework that will be documented in  
8 the strategic plan will include an enterprise architecture for  
9 the State and will serve as the basis for annual tactical  
10 operation plans going forward.

11 Funding for the defined initiatives resulting from the  
12 strategic plan cannot be funded until fiscal year 2013-2014, but  
13 there are basic and critical foundational elements that must be  
14 implemented in fiscal year 2012-13 in order for the State to  
15 realize the greatest benefits of the overall transformation  
16 initiative.

17 The purpose of this part is to appropriate moneys for the  
18 business and technology transformation initiative to prepare the  
19 State for the larger transformation activities that will be  
20 defined in the forthcoming information technology strategic  
21 plan.



1 SECTION 2. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ or so  
3 much thereof as may be necessary for fiscal year 2012-2013 to  
4 support the State's business and information technology  
5 transformation initiative by:

- 6 (1) Developing and implementing business process  
7 reengineering and information technology  
8 transformation activities that are required as  
9 foundational elements of the information technology  
10 transformation initiative and are necessary to begin  
11 mitigating the critical challenges the State currently  
12 faces;
- 13 (2) Developing and executing pilot projects that will  
14 increase current operational capabilities; and
- 15 (3) Developing and implementing a governance structure to  
16 ensure alignment of resources to strategic objectives,  
17 reduce and simplify complex procedures and processes,  
18 and realize future cost savings.

19 All projects initiated and implemented shall align to the  
20 information technology strategic plan.

21 SECTION 3. The director of finance is authorized to issue  
22 general obligation bonds in the sum of \$ or so much



1 thereof as may be necessary and the same sum or so much thereof  
2 as may be necessary is appropriated for fiscal year 2012-2013  
3 for the purpose of planning, design, development, and  
4 implementation of an integrated financial and human resource  
5 management system for the State of Hawaii.

6 SECTION 4. The appropriation made for the capital  
7 improvement project authorized by this part shall not lapse at  
8 the end of the fiscal biennium for which the appropriation is  
9 made; provided that all moneys from the appropriation  
10 unencumbered as of June 30, 2014, shall lapse as of that date.

11 SECTION 5. The sums appropriated in sections 2 and 3 of  
12 this Act shall be expended by the office of information  
13 management and technology within the department of accounting  
14 and general services for the purposes of this part.

15 SECTION 6. The office of information management and  
16 technology shall submit a written report to the legislature no  
17 later than twenty days prior to the convening of the regular  
18 session of 2013 regarding the use of funds appropriated in  
19 sections 2 and 3 of this Act, including business processes,  
20 pilot projects, and other projects initiated for the purposes of  
21 the information technology strategic plan.



## 1 PART II

2 SECTION 7. The legislature finds that used state office  
3 equipment with residual value is often discarded in landfills  
4 once it is seen as outdated. There, the equipment harms the  
5 environment generally and avian species in particular.  
6 Simultaneously, many schools and nonprofit organizations need  
7 office equipment and will accept or purchase the used equipment  
8 from the State.

9 The legislature finds that amending chapter 103D, Hawaii  
10 Revised Statutes, to require state departments and agencies to  
11 sell or donate their used equipment with residual value before  
12 disposing of it will be beneficial to schools, nonprofit  
13 organizations, and the environment.

14 This part requires that after used state office equipment  
15 is placed on the disposal list, as required by current  
16 administrative rule, and remains on that list without being  
17 accepted or purchased by a school or nonprofit for a designated  
18 period of time, it be sold to a company for recycling.

19 SECTION 8. Chapter 103D, Hawaii Revised Statutes, is  
20 amended by adding a new section to part XII to be appropriately  
21 designated and to read as follows:



1           "§103D- Required donation or sale before discarding  
2 equipment as solid waste. (a) After June 30, 2013, no state  
3 surplus equipment shall be discarded as solid waste unless it  
4 has been first:

5           (1) Offered for sale or donation to a school, school  
6 district, or nonprofit organization; and

7           (2) Offered for sale through competitive sealed bid,  
8 public auction, established market, or posted prices  
9 to at least one organization or business capable of  
10 refurbishing sellable equipment and removing  
11 salvageable components.

12           (b) The department of accounting and general services, on  
13 behalf of the state procurement office, shall submit a report to  
14 the legislature, no later than twenty days prior to the regular  
15 session of 2015, and each regular session thereafter indicating  
16 the following:

17           (1) The quantity and nature of surplus equipment replaced  
18 or upgraded;

19           (2) The quantity and nature of surplus equipment offered  
20 for sale or donation to schools, school districts, and  
21 nonprofit organizations;



1       (3) The quantity and nature of surplus equipment purchased  
2           or accepted as a donation by schools, school  
3           districts, and nonprofit organizations;

4       (4) The quantity and nature of surplus equipment purchased  
5           by organizations or businesses capable of refurbishing  
6           sellable equipment and removing salvageable  
7           components; and

8       (5) The amount of proceeds generated from the sale of  
9           surplus equipment to schools, school districts,  
10          nonprofit organizations, and organizations and  
11          businesses capable of refurbishing sellable equipment  
12          and removing salvageable components.

13       (c) Proceeds generated from the sale of surplus equipment  
14       shall be deposited pursuant to section 103D-1214.

15       (d) The department of accounting and general services and  
16       the state procurement office may adopt rules, pursuant to  
17       chapter 91, necessary to implement this section."

18       SECTION 9. Section 103D-1201, Hawaii Revised Statutes, is  
19       amended by adding three new definitions to be appropriately  
20       inserted and to read as follows:

21       "Nonprofit organization" means a private, nonprofit, tax-  
22       exempt corporation, association, or organization listed in





1 section 501(c)(3), of the Internal Revenue Code of 1986, as  
2 amended.

3 "School" means any day care center, child care facility,  
4 headstart program, preschool, kindergarten, elementary, or  
5 secondary school, public or private, including any special  
6 school for children in the State.

7 "Surplus equipment" means typewriters, copiers,  
8 calculators, telephones, cell phones, computers, computer  
9 components, printers, and electronic devices typically used in  
10 an office environment that are no longer in use by a department  
11 and are deemed by the department to have residual market value."

12 PART III

13 SECTION 10. New statutory material is underscored.

14 SECTION 11. This Act shall take effect on July 1, 2112.



**Report Title:**

Information Technology Transformation Initiative; State  
Equipment;

**Description:**

Appropriate moneys including by authorizing general obligation  
bonds, for the information technology transformation initiative  
in fiscal year 2012-2013. Requires state departments to attempt  
to sell or donate office equipment to schools, nonprofits, or  
salvage businesses before disposal. Effective July 1, 2112.  
(SB2780 HD1)

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

