

STAND. COM. REP. NO.

267

Honolulu, Hawaii

FEB 16 2011

RE: S.B. No. 1285

S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Economic Development and Technology, to which was referred S.B. No. 1285 entitled:

"A BILL FOR AN ACT RELATING TO CAPITAL INVESTMENTS,"

begs leave to report as follows:

The purpose and intent of this measure is to include agency-wide technology and computer systems with an estimated useful life of greater than seven years as capital investments to allow their costs to be financed with bond funds and depreciated as capital investments.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Department of Education, and City and County of Honolulu.

Your Committee finds that the State has an immediate and pressing need to upgrade its legacy systems and hardware to ensure reliable, efficient, and effective technology solutions for state agencies and transparency and access to government records and services for the public. The Department of Accounting and General Services has testified that the replacement of the twenty-five year old Financial Accounting Management Information System has been estimated at \$50,000,000, and alternative systems are estimated at the same or a greater cost. With the State facing an \$800,000,000 deficit in the coming biennium, General Fund monies are less likely to be available for long-term, major system replacements.



Your Committee is in agreement that treating these agency-wide technology upgrades as a capital improvement project and allowing general obligation bond financing for these upgrades is one viable solution. Your Committee notes, however, that the competition for bond financing is as rigorous as the quest for General Fund support.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 1285, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1285, 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,

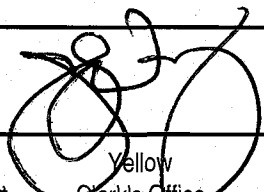


CAROL FUKUNAGA, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Economic Development and Technology
EDT

Bill / Resolution No.:* SB1285	Committee Referral: EDT, WAM	Date: 2/11/11		
<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)	✓			
WAKAI, Glenn (VC)	✓			
BAKER, Rosalyn H.	✓			
SOLOMON, Malama	✓			
SLOM, Sam	✓			
TOTAL	5	0	0	0
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