

STAND. COM. REP. NO.

313

Honolulu, Hawaii

FEB 17 2011

RE: S.B. No. 1287  
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. 1287 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to clarify the responsibilities of the Chief Information Officer by:

- (1) Removing oversight of the Information and Communication Services Division of the Department of Accounting and General Services;
- (2) Establishing a funding amount of \$1,000,000 from special funds for the Shared Services Technology Special Fund;
- (3) Authorizing the Director of Finance to raise funds and accept private donations for the Special Fund; and
- (4) Repealing all Chief Information Officer provisions on June 30, 2013.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Department of Information Technology of the City and County of Honolulu, and Hawai'i Community Foundation.

Your Committee finds that the Administration proposes to implement the provisions related to the Chief Information Officer

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in two phases. The Comptroller has testified that during Phase I, the planning phase, the Chief Information Officer will focus on strategic actions to include the completion of the Information Technology Strategic Plan with the assistance of the Information Technology Steering Committee. The Plan is intended to form the basis for the long-term statewide technology transformation, the operational organizational structure for the Chief Information Officer, consolidated information technology staff, and the required technology budget.

Phase I would be accomplished by designating the percentage of special funds transferred to the Shared Services Technology Special Fund at three percent, or approximately \$1,200,000. These monies will provide for salaries of the Chief Information Officer, senior level support staff, and exempt information technology staff during this planning phase and the percentage may be revised once the Plan is approved.

Phase II, implementation, will commence in 2013 and changes to address reorganization and other requirements will be presented to the Legislature during the 2013 Regular Session.

Your Committee commends the Administration for its timely response to Act 200, Session Laws of Hawaii 2010, and is in agreement with their recommendations for amendments to this measure.

Your Committee has amended this measure accordingly, by:

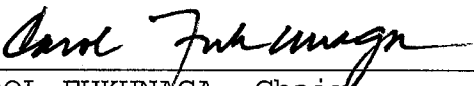
- (1) Retaining oversight of the Information and Communication Services Division by the Chief Information Officer;
- (2) Authorizing the Chief Information Officer to employ persons exempt from chapters 76, 78, and 89, Hawaii Revised Statutes;
- (3) Transferring the Shared Services Technology Special Fund from the Department of Budget and Finance to the Department of Accounting and General Services, specifying that three percent from special funds shall be deposited into the Special Fund, and establishing the Information Technology Steering Committee Trust Account in the Special Fund;



- (4) Authorizing the Chief Information Officer and the Comptroller to raise funds and accept donations for the Special Fund;
- (5) Requiring the Chief Information Officer to submit annual reports to the Governor and the Legislature on activities, programs, and expenditures of all monies received from all sources and deposited into the Information Technology Steering Committee Trust Account of the Shared Services Technology Special Fund;
- (6) Adding an unspecified General Fund appropriation for the operations of the Chief Information Officer and the Information Technology Steering Committee, including employment and training of staff;
- (7) Deleting the June 30, 2013, repeal date; and
- (8) 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. 1287, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1287, 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.:*<br><b>SB1287</b>   | Committee Referral:<br><b>EDT, WAM</b> | Date:<br><b>2/11/11</b> |          |          |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____  |  |                         |          |          |
| The Recommendation is:<br><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  |  |                         | ✓        |          |
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| <b>TOTAL</b>   | <b>4</b>                               | <b>0</b>                | <b>1</b> | <b>0</b> |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |  |                         |          |          |
| Chair's or Designee's Signature:   |  |                         |          |          |
| <b>Distribution:</b> Original             Yellow             Pink             Goldenrod<br>File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy     |  |                         |          |          |

\*Only one measure per Record of Votes