



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

TESTIMONY  
OF  
DEAN H. SEKI, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
HOUSE COMMITTEES  
ON  
WATER & LAND  
AND  
OCEAN, MARINE RESOURCES, & HAWAIIAN AFFAIRS  
ON  
March 11, 2013  
S.B. 722, S.D. 2

RELATING TO GOVERNMENT

Chairs Evans, Hanohano and members of the Committees, thank you for the opportunity to testify on S.B. 722, S.D. 2.

The Department of Accounting and General Services (DAGS) supports the intent of S.B. 722, S.D. 2, provided its passage does not replace or adversely impact priorities indicated in the Executive Budget.

DAGS will work with the State agencies toward the creation of an integrated, comprehensive system for the asset management of public lands and State managed facilities. It has been the objective of DAGS to establish a comprehensive and dynamic information system of public facilities held by the State as part of the Enterprise Resource Planning (ERP) project.

The ERP system will enable transactions and activity to interface directly with the asset management system rendering the system dynamic, i.e., updated in real time.

Given that this phase of the ERP project is not planned until fiscal year 2016 assuming all funding is received, DAGS will need to develop an interim solution in order to comply with this legislation. Specifically, DAGS would need to compile all inventory systems currently maintained by each department and agency of the State. Recognizing that each department and agency maintains its records in a different format and in different programs and software, this will likely require significant manual effort and programming. It is also important to recognize that once completed this comprehensive inventory “system” will effectively be a static list with no interfaces to transactions and changes in inventory. All changes will be manually entered. This will render it as a somewhat labor intensive undertaking.

It is our understanding that the software currently being contemplated to be used by DLNR for the physical inventory of land will not support this public facilities inventory requirement. Given that the interim solution will be very time consuming with the lack of specialized software as contemplated in the ERP project, we respectfully request additional funding for asset management software and one position earmarked for this project.

Thank you for the opportunity to testify on this matter.

**lowen1-Kyli**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 09, 2013 11:21 AM  
**To:** waltestimony  
**Cc:** TABRAHAM08@GMAIL.COM  
**Subject:** Submitted testimony for SB722 on Mar 11, 2013 09:30AM

**SB722**

Submitted on: 3/9/2013

Testimony for WAL/OMH on Mar 11, 2013 09:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
TROY ABRAHAM	Individual	Support	No

Comments: i support urgent passage of this bill

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NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES

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Testimony of  
WILLIAM J. AILA, JR.  
Chairperson

Before the House Committees on  
WATER & LAND  
and  
OCEAN, MARINE RESOURCES, & HAWAIIAN AFFAIRS

Monday, March 11, 2013  
9:30 AM  
State Capitol, Conference Room 325

In consideration of  
SENATE BILL 722, SENATE DRAFT 2  
RELATING TO GOVERNMENT

Senate Bill 722, Senate Draft 2 proposes to direct the Department of Accounting and General Services ("DAGS") to expand the scope of the comprehensive information system established pursuant to Act 54, Session Laws of Hawaii 2011 (Act 54), under which the Department of Land and Natural Resources ("Department") is mandated to inventory and maintain the information about the lands of the public trust described in Section 5(f) of the Admission Act and Article XII, Section 4, of the Hawaii State Constitution, to further include public facilities, thereby creating a comprehensive asset management system for state buildings on all state lands. **The Department supports the underlying intent of this bill** and can provide the required information to DAGS about facilities owned by the Department for inclusion in the system.<sup>1</sup> However, **the Department has concerns** with this bill to the extent it (i.e., the design and implementation of an asset management system) may impact or delay the Department's work under Act 54 which primarily dealt with the inventory of lands, trust status, and encumbrances on the land for those other state and county agencies.<sup>2</sup> Furthermore, **the Department has concerns** regarding the ambiguity in the language in SECTION 2 of the bill, amending Act 54, by the addition of Section 2A, subsection (b).

<sup>1</sup> The Department defers to DAGS on the fiscal and staffing impacts on implementing a statewide asset management system. It is likely DAGS would need time and funding in order to implement a statewide asset management system.

<sup>2</sup> SECTION 1 of Act 54 states in part "[t]he legislature finds that the department of land and natural resources has already collected a substantial amount of information about lands that are in the public land trust. The focus of this measure is the further study or review of the trust status of those lands to which [other] state agencies hold title and the disposition of those lands [e.g., encumbered by a lease, or permit to other entities], to verify the accuracy of or make amendments to their trust status as indicated in the department's existing database of public land trust lands."

WILLIAM J. AILA, JR.  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

ESTHER KIA'AINA  
FIRST DEPUTY

WILLIAM M. TAM  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

The Department has already contracted with a vendor to develop the land inventory as mandated by Act 54, and the vendor is working on the development of the comprehensive Public Land Trust Information System. In the event this bill calling for an asset management system cannot be a stand-alone system that can be designed separately and simply be added when completed to the on-going land inventory system being created by Act 54 and instead must be intertwined and redesigned into the on-going land inventory system, then that may likely require an extension of the existing Act 54 contract and the time for the delivery of the inventory product, additional funding, and at a minimum a contract renegotiation with the existing vendor or the termination of the existing contract so that the job can be re-bid with the broader scope envisioned by this bill.

SECTION 2 of this bill proposes to amend Act 54 to include a new Section 2A, subsection (b). This provision requires DAGS to incorporate the proposed inventory of public facilities with the public land trust inventory and the public land trust information system. It also requires that all state agencies **“transfer to the department of accounting and general services all programs and hardware associated with the inventory for purposes of this subsection.”** It is unclear which inventory the agencies are being requested to transfer but if “inventory” is interpreted to include both the public facilities inventory, i.e., buildings and improvements on the land and all land inventory systems, then the Department is concerned that the language of this requirement is overly broad and goes beyond the Act 54 land inventory system for other agencies that currently is in the process of being developed. The phrase “all programs and hardware” could be interpreted to include essential tools utilized by the Department to currently manage lands under its jurisdiction, including the existing State Lands Information Management System (SLIMS) that had been in place prior to the enactment of Act 54. The Department’s Land Division currently relies on SLIMS for land, property and lease management. It is the system currently utilized by the Land Division to manage the 1.3 million acres of land Statewide, and thousand or so leases, easements and other forms or encumbrances and dispositions to other agencies.<sup>3</sup> While the Department does not object to sharing the data contained in SLIMS, it is imperative that the Land Division retain control and ownership of all aspects of the older SLIMS system, including the program, data, and hardware, and therefore SLIMS should not be transferred to DAGS.

As to the Act 54 land inventory system currently being developed primarily for other agencies, if DAGS is a willing recipient, the Department has no objection to transferring and relinquishing all rights and obligations for the Act 54 system and hardware as long as the duties and other responsibilities for implementation and management of the Act 54 land inventory system are likewise transferred.

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<sup>3</sup> SLIMS, implemented over ten years ago, is an outdated client-server system that cannot accommodate the contemplated Asset Management System. The Department is looking into the possibility of requesting an appropriation during the next legislative session to upgrade the system.