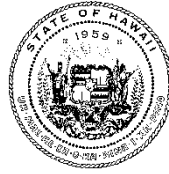


DAVID Y. IGE
GOVERNOR



DOUGLAS MURDOCK
Comptroller

AUDREY HIDANO
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

TESTIMONY OF
DOUGLAS MURDOCK, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
FINANCE
ON
APRIL 22, 2016
S.B. 2807, S.D. 2

RELATING TO ENTERPRISE TECHNOLOGY SERVICES

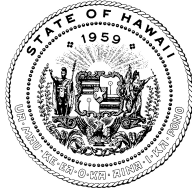
Chair Luke and members of the Committee, thank you for the opportunity to testify on S.B. 2807, S.D. 2. The Department of Accounting and General Services (DAGS) supports the measure.

By consolidating the Office of Information Management and Technology (OIMT) and the Information and Communication Services Division (ICSD), S.B. 2807, S.D. 2 represents an opportunity to improve the delivery of technology services through the consolidation of two programs already led by the Chief Information Officer (CIO) of the State of Hawai`i.

In establishing the CIO position, Act 200, SLH 2010, transferred supervision and oversight of ICSD to the new, governor-appointed position to ensure that operations in statewide information processing and telecommunications services align with statewide governance and strategic plans.

This reorganization will not only facilitate the fulfillment of ICSD's functions and responsibilities but also ensure that current modernization efforts are carried out in a coordinated and "enterprise" fashion.

Thank you for the opportunity to testify on this measure.



OFFICE OF ENTERPRISE TECHNOLOGY SERVICES

P.O. BOX 119, HONOLULU, HI 96810-0119
Ph: (808) 586-6000 | Fax: (808) 586-1922
ETS.HAWAII.GOV

INFORMATION AND COMMUNICATION
SERVICES DIVISION

OFFICE OF INFORMATION MANAGEMENT
AND TECHNOLOGY

Testimony of
TODD NACAPUY
Chief Information Officer, State of Hawai‘i

Before the

HOUSE COMMITTEE ON FINANCE
Friday, April 22, 2016; 2:10 p.m.
State Capitol, Conference Room 308

SENATE BILL NO. 2807, S.D. 2
RELATING TO ENTERPRISE TECHNOLOGY SERVICES

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

I am Todd Nacapuy, Chief Information Officer (CIO) of the State of Hawai‘i, testifying in **strong support** of S.B. No. 2807, S.D. 2, which proposes to create greater efficiency and effectiveness in State government by formally combining into one office the information technology functions now performed by two separate programs presently overseen by the CIO.

With these changes, the Office of Information Management and Technology (OIMT) and the Information and Communication Services Division (ICSD) in the Department of Accounting and General Services (DAGS) will be unified to create, within DAGS, the Office of Enterprise Technology Services (ETS) directed by the CIO.

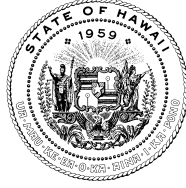
Other language in S.B. No. 2807, S.D. 2., furthers our efforts to strengthen comprehensive IT governance as well as IT security governance.

The bill also includes several housekeeping amendments requested by the Access Hawai‘i Committee and Information Privacy and Security Council, both chaired by the CIO, in support of their legislative mandates.

Thank you for this opportunity to testify in strong support of this measure.

DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA
DIRECTOR

LEONARD HOSHIJO
DEPUTY DIRECTOR

**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813

www.labor.hawaii.gov
Phone: (808) 586-8844 / Fax: (808) 586-9099
Email: dlir.director@hawaii.gov

April 21, 2016

To: The Honorable Sylvia Luke, Chair,
The Honorable Scott Y. Nishimoto, Vice Chair, and
Members of the House Committee on Finance

Date: Friday, April 22, 2016
Time: 2:10 p.m.
Place: Conference Room 308, State Capitol

From: Linda Chu Takayama, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. No. 2807 SD2 Relating to Enterprise Technology Services

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

My name is Linda Chu Takayama and I am the Director of DLIR. We are in strong support of this measure.

S.B. No. 2807, S.D. 2, which proposes to consolidate the Office of Information Management and Technology and the Information and Communication Services Division of the Department of Accounting and General Services, including all related information technology functions, in the Office of Enterprise Technology Services under the direction of the Chief Information Officer (CIO).

Our department has been working closely with CIO Todd Nacapuy and his team to carry out the functions of the new Hawaii Health Insurance Program, as well as on other IT-related modernization initiatives. We look forward to continuing our collaboration with a unified and cohesive "ETS" team.

Thank you for the opportunity to provide input.

DAVID Y. IGE
GOVERNOR



WRITTEN ONLY

WESLEY K. MACHIDA
DIRECTOR

RODERICK K. BECKER
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 2807, S.D. 2**

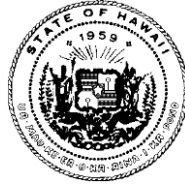
April 22, 2016
2:10 p.m.

RELATING TO ENTERPRISE TECHNOLOGY SERVICES

Senate Bill No. 2807, S.D. 2 consolidates the Office of Information Management and Technology and the Information and Communication Services Division of the Department of Accounting and General Services, including all related information technology functions, in the Office of Enterprise Technology Services under the direction of the Chief Information Officer.

The Department of Budget and Finance supports this measure as it seeks to improve the coordination of IT requirements, costs, and services for all executive branch agencies.

Thank you for the opportunity to testify.



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

April 21, 2016

TO: The Honorable Representative Sylvia Luke, Chair
House Committee on Finance

FROM: Rachael Wong, DrPH, Director

SUBJECT: **SB 2807 SD2 – RELATING TO ENTERPRISE TECHNOLOGY SERVICES**

Hearing: Friday, April 22, 2016; 2:10 p.m.
Conference Room 309, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this administration request.

PURPOSE: The measure consolidates the Office of Information Management and Technology (OIMT) and the Information and Communication Services Division (ICSD) of the Department of Accounting and General Services, including all related information technology functions, in the Office of Enterprise Technology Services (ETS) under the direction of the Chief Information Officer.

The consolidation and reorganization of OIMT and ICSD into the Enterprise Technology Services will facilitate the coordination of statewide modernization efforts of information processing and telecommunications services for the state and result in better implementation of specific enterprise services.

The Patient Protection and Affordable Care Act of 2010 (ACA) was the impetus for the Department of Human Services (DHS) to modernize its legacy systems—that were more than 25 years old—commencing with the development of the Medicaid electronic eligibility application system known as KOLEA. The successful build of the KOLEA application was the first major step in the design and development of the DHS Enterprise System that will

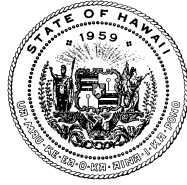
transform the Department's programs, increase access to and streamline services, improve timeliness in delivery, and improve efficiencies.

The Department of Human Services serves nearly one in four residents of the State of Hawai'i and has the largest operating budget of any state department (about \$3.1 billion), which comprises 73% of the State's federal operating funds. The Department also has the fifth largest staff of any department, with over 2,000 employees staffing its four divisions and three administratively attached agencies in 88 offices throughout the state. The Department is transforming its business processing practices to a whole-family, multi-generational approach, 'Ohana Nui, that ties together health, education, early childhood development, and supporting self-sufficiency of Hawaii's families.

Having information technology expertise within the state's own Enterprise Technology Services will assist in improved efficiency and effectiveness as the Department continues to invest in information technology for the state and Hawai'i residents. Upgraded modern systems will improve our staff's ability to process recipients' applications and requests, improve recipients' access to benefits, services, and their own information, improve program compliance, oversight, and security functions, and support staff morale with improved technology comparable to private sector systems.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR OF HAWAII



VIRGINIA PRESSLER, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

WRITTEN
ONLY

**Testimony SUPPORTING SB2807 SD2
RELATING TO ENTERPRISE TECHNOLOGY SERVICES.**

REP. SYLVIA LUKE, CHAIR
HOUSE COMMITTEE ON FINANCE

Hearing Date: April 22, 2016

Room Number: 308

- 1 **Fiscal Implications:** None for the Department of Health.
- 2 **Department Testimony:** The Department of Health (DOH) supports the formal consolidation
- 3 of various business units with the Department of Accounting and General Services as the Office
- 4 of Enterprise Technology Services (ETS), to be directed by the state Chief Information Officer.
- 5 The department endorses the current Senate Draft 2 and looks forward to future collaboration
- 6 with ETS.
- 7 Thank you for the opportunity to testify in support of SB2807 SD2.



The Judiciary, State of Hawai‘i

Testimony to the House Committee on Finance

Representative Sylvia Luke, Chair

Representative Scott Nishimoto, Vice Chair

Friday, April 22, 2016, 2:10 PM

State Capitol, Conference Room 308

WRITTEN TESTIMONY ONLY

by

Kevin Thornton

Director, IT & Systems Department

Bill No. and Title: Senate Bill No. 2807, Senate Draft 2, Relating to Enterprise Technology Services

Purpose: Consolidates the Office of Information Management and Technology and the Information and Communication Services Division of the Department of Accounting and General Services, including all related information technology functions, in the Office of Enterprise Technology Services under the direction of the Chief Information Officer. Takes effect on 7/2/2016. (SD2)

Judiciary's Position:

The Judiciary supports S.B. No. 2807, S.D. 2, which proposes to consolidate the Office of Information Management and Technology and the Information and Communication Services Division of the Department of Accounting and General Services, including all related information technology functions, in the Office of Enterprise Technology Services under the direction of the Chief Information Officer (CIO).

The Judiciary has been working collaboratively with the CIO and his team as part of the CIO Council on modernization initiatives and investments benefiting all of Hawai‘i. We look forward to continuing our collaboration with the new “ETS” team to further improve productivity and efficiency of state government.

Thank you for the opportunity to comment on this measure.



DAVID Y. IGE
GOVERNOR
SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
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Phone Number: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

CATHERINE P. AWAKUNI COLÓN
DIRECTOR
JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

PRESENTATION OF THE
OFFICE OF CONSUMER PROTECTION
TO THE HOUSE COMMITTEE ON FINANCE
THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2016
FRIDAY, APRIL 22, 2016
2:10 P.M.

WRITTEN TESTIMONY ONLY

TESTIMONY ON SENATE BILL NO. 2807, S.D. 2, RELATING TO ENTERPRISE
TECHNOLOGY SERVICES

TO THE HONORABLE SYLVIA LUKE, CHAIR,
AND TO THE HONORABLE SCOTT Y. NISHIMOTO, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs (“DCCA”), Office of
Consumer Protection (“OCP”) supports this Administration bill, Senate Bill No. 2807,
S.D. 2, Relating to Enterprise Technology Services. My name is Stephen Levins and I
am the Executive Director of the OCP.

Senate Bill No. 2807, S.D. 2, among other things consolidates the Office of
Information Management and Technology and the Information and Communication
Services Division of the Department of Accounting and General Services, and adds a
representative from the Department of Commerce and Consumer Affairs to the

Testimony on S.B. No. 2807, S.D. 2
April 22, 2016
Page 2

Information Privacy and Security Council (“Council”). In view of the fact that the proposed amendments would be beneficial to the operations of the Council, the OCP is in support of Senate Bill No. 2807, S.D. 2.

DAVID Y. IGE
GOVERNOR



JAMES K. NISHIMOTO
DIRECTOR

CINDY S. INOUE
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

April 22, 2016

**TESTIMONY TO THE
HOUSE COMMITTEE ON FINANCE**

For Hearing on Friday, April 22, 2016
2:10 p.m., Conference Room 308

By
JAMES K. NISHIMOTO
DIRECTOR, DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT

**Senate Bill 2807, S.D. 2
Relating to Enterprise Technology Services**

CHAIRPERSON LUKE, VICE CHAIR NISHIMOTO AND MEMBERS OF THE HOUSE
COMMITTEE ON FINANCE:

The purpose of S.B. 2807, S.D. 2 is to consolidate the Office of Information Management and Technology and the Information and Communication Services Division of the Department of Accounting and General Services, including all related information technology functions, in the Office of Enterprise Technology Services under the direction of the Chief Information Officer.

The Department of Human Resources Development is in **STRONG SUPPORT** of the provisions in S.B. 2807, S.D. 2 relating to the establishment of the Office of Enterprise Technology Services under the direction of the Chief Information Officer. Establishing the Office of Enterprise Technology Services will clarify the roles, responsibilities, and operating and functional relationships, and will create a more

effective organizational structure that will enhance the efficiency and operations of the State's information technology systems and services.

Thank you for the opportunity to testify on this measure.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 587-2757
Fax: (808) 586-2589

Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
Before the

HOUSE COMMITTEE ON FINANCE

Friday, April 22, 2016

2:10 pm

State Capitol, Conference Room 308

In consideration of

SB 2807, SD2
RELATING TO ENTERPRISE TECHNOLOGY SERVICES.

Chair Luke, Vice-Chair Nishimoto, and Members of the Committee on Finance.

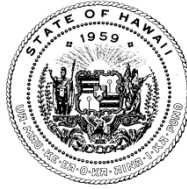
The Department of Business, Economic Development, and Tourism (DBEDT) **supports** SB 2807, SD2, which consolidates OIMT and ICSD into the Office of Enterprise Technology Services (ETS) under the direction of the CIO.

DBEDT has received excellent support from the ETS team on the transition from Lotus Notes to Office 365 and the purchase of an Enterprise License for ESRI software to run the GIS programs in the Office of Planning and other geo-physical mapping projects.

DBEDT particularly appreciates the help ETS staff has provided DBEDT for the Hawaii Broadband Initiative's goal of building a carrier-neutral, open-access cable landing station to increase internet bandwidth and speed for Hawaii businesses.

The integration of the OIMT and ICSD into ETS is an important step in streamlining the governance of the State's IT resources. We look forward to continuing our collaboration with the ETS team.

Thank you for the opportunity to testify.



Testimony by:
FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWIN H. SNIFFEN
DARRELL T. YOUNG

IN REPLY REFER TO:

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

April 22, 2016
2:10 p.m.
State Capitol, Room 308

S.B. 2807, S.D. 2
RELATING TO ENTERPRISE TECHNOLOGY SERVICES

House Committee on Finance

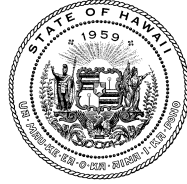
The Department of Transportation (DOT) **supports** this bill which proposes to consolidate the Office of Information Management and Technology and the Information and Communication Services Division of the Department of Accounting and General Services, including all related information technology (IT) functions, in the Office of Enterprise Technology Services under the direction of the Chief Information Officer (CIO). The DOT believes this consolidation is a step in the right direction towards more effective IT enablement within the State, as well as improvements to IT governance.

The DOT continues to work closely with the CIO and his team to further our state's modernization efforts within the DOT.

Thank you for the opportunity to provide testimony.

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

JOSEPH K. KIM
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

To: The Honorable Sylvia Luke, Chair
and Members of the House Committee on Finance

Date: Friday, April 22, 2016

Time: 2:10 P.M.

Place: Conference Room 308, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

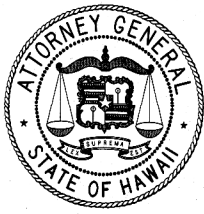
Re: S.B 2807 S.D.2, Relating to Enterprise Technology Services

The Department of Taxation (Department) supports S.B.2807 S.D.2, and offers the following comments for your consideration.

S.B. No. 2807, S.D. 2, proposes to consolidate the Office of Information Management and Technology and the Information and Communication Services Division of the Department of Accounting and General Services, including all related information technology functions, into the Office of Enterprise Technology Services under the direction of the Chief Information Officer (CIO).

The Department has been working closely with CIO Todd Nacapuy and his team on the Tax System Modernization (TSM) project. We look forward to continuing our collaboration on TSM and other initiatives and investments, leveraging technology to improve effectiveness and productivity within state government.

Thank you for the opportunity to provide comments.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-EIGHTH LEGISLATURE, 2016**

ON THE FOLLOWING MEASURE:

S.B. NO. 2807, S.D. 2, RELATING TO ENTERPRISE TECHNOLOGY SERVICES.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Friday, April 22, 2016

TIME: 2:10 p.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): Douglas S. Chin, Attorney General, or
Valri Lei Kunimoto, Deputy Attorney General

Chair Luke and Members of the Committee:

The purpose of this bill is to consolidate the Office of Information Management and Technology and the Information and Communication Services Division of the Department of Accounting and General Services, in the Office of Enterprise Technology Services under the direction of the Chief Information Officer (CIO). The Department supports this measure.

The Department has worked with the CIO Todd Nacapuy and his staff on this bill to clarify the responsibilities of the CIO over the State of Hawaii's technology functions and supports their efforts to increase the efficiency and the functioning of the agency.

Thank you for the opportunity to testify on this matter.

April 22, 2016

Statement of Burt Lum
Member of Transform Hawaii Government Coalition

Testimony Presented Before the
House Finance Committee
Friday, April 22, 2016 at 2:10pm
State Capitol, Conference Room 308

In Consideration of SB 2807 SD2 – Relating to Enterprise Technology Services

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

I am Burt Lum, Executive Director of Hawaii Open Data, and a member of leadership committee of the Transform Hawai'i Government coalition (THG), testifying in **support** of S.B. 2807 S.D.2, consolidating the Office of Information Management and Technology and the Information and Communication Services Division of the Department of Accounting and General Services, and establishing the Office of Enterprise Technology Services under the direction of the Chief Information Officer.

THG members are united in our belief that there are opportunities for improving government for every citizen through every service on every island. Our organization has supported the State of Hawai'i's investments in leveraging technology to improve state government services and access. We believe this measure builds on progress achieved thus far, and further facilitates programs by improving clarity around roles and responsibilities, and by enhancing necessary governance and processes in a more unified, coordinated and "enterprise" fashion. By consolidating these key organizations, we believe this bill represents an opportunity to improve the delivery of technology services throughout the state.

Thank you for this opportunity to testify in support of this important measure.

Burt Lum



Statement of
Robbie Melton
Executive Director & CEO
High Technology Development Corporation
before the
House Committee on Finance
Friday, April 22, 2016
2:10 p.m.
State Capitol, Conference Room 308

In consideration of
SB2807 SD2
RELATING TO ENTERPRISE TECHNOLOGY SERVICES.

Chair Luke, Vice Chair Nishimoto, and Members of the Committee on Finance.

The High Technology Development Corporation (HTDC) **supports** SB2807 SD2 which proposes to consolidate the Office of Information Management and Technology and the Information and Communication Services Division of the Department of Accounting and General Services, including all related information technology functions, in the Office of Enterprise Technology Services under the direction of the Chief Information Officer (CIO).

We believe the consolidation will benefit the state making IT systems operate more efficiently. HTDC has been working collaboratively with the CIO and his team to further modernization efforts and to develop our state's IT workforce. Developing the state's IT workforce is critical as technology is advancing so quickly. Now that Hawaii is accelerating its efforts in technology workforce training as a TechHire state, we are beginning to achieve our goal of creating 80,000 new tech and innovation jobs by 2030. We look forward to continuing to collaborate with his ETS team for the benefit of all industries of Hawaii.

Thank you for the opportunity to offer these comments.