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

Before the

SENATE COMMITTEE ON  
ECONOMIC DEVELOPMENT, ENVIRONMENT, AND TECHNOLOGY  
Wednesday, March 23, 2016; 1:15 p.m.  
State Capitol, Conference Room 414

SENATE CONCURRENT RESOLUTION NO. 83 / SENATE RESOLUTION NO. 54

Chair Wakai, Vice Chair Slom, and Members of the Committee:

I am Todd Nacapuy, Chief Information Officer of the State of Hawai'i and *ex officio* Chair of the Access Hawai'i Committee, speaking in support of S.C.R. 83 / S.R. 54, requesting the Access Hawai'i Committee, Hawai'i Information Consortium (HIC), and each State agency who currently has a partnership with HIC to collaborate and provide the Legislature with a comprehensive progress report regarding the activities and expenses of the State's Internet portal.

We support the intent of this resolution to review the operational and financial framework that the State of Hawai'i's Internet portal has followed since its creation, more than 15 years ago, to increase citizen understanding of and participation in State and local government. We will work with all parties involved to prepare the requested progress report and to include operational recommendations and proposed legislation that will help to improve how citizens interact with government and to identify future Internet services.

We appreciate legislators' continued support of the Internet portal and look forward to working with the Legislature in expanding the level of government information and services that are delivered to citizens with new technologies, applications, and funding models, both innovative and practical.

Thank you for the opportunity to testify. The new Portal Program Manager, who I hired last summer to work with HIC, is available to answer any questions about the Internet portal.

Testimony of Scott Somerhalder  
Vice President of Portal Operations  
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[www.egov.com](http://www.egov.com)

Before the Committee on Economic Development,  
Environment, and Technology  
Hawaii State Senate  
March 23, 2016

Hearing on SR54 and SCR83 – Requesting a  
Comprehensive Progress Report Regarding the Activities  
and Expenses of the State’s Internet Portal

Good afternoon Chair Wakai, Vice Chair Slom, and other members of the Committee. Thank you for the opportunity to discuss the activities of the state’s Internet portal, and to talk about the many ways that Hawaii’s digital government services are adding value to the state, citizens and businesses it serves.

My name is Scott Somerhalder, and I am the Vice President of Portal Operations for NIC, the parent company of Hawaii Information Consortium. Hawaii Information Consortium, which is known as HIC and is staffed by 33 Hawaii residents, has managed eHawaii.gov and built online services for the state for 15 years.

I work closely with Russell Castagnaro, the general manager of HIC, who is currently in Africa this week on a once-in-a-lifetime trip to show his adopted daughter the continent where she was born. Russell has been instrumental in everything HIC has delivered in Hawaii for nearly 12 years, and sincerely regrets not being able to talk about the great things HIC has done for the State.

To begin, I want to thank the Committee and the Legislature for their active support of eHawaii.gov. The state’s digital government services have rapidly expanded since the contract was signed in 2000. I also want to commend the Committee for seeking to better understand how Hawaii’s digital government platform is performing. It’s not that often we get the opportunity to appear in such an important venue to explain how effective these platforms are.

The metrics we are sharing today – as well as the data we are collecting in response to SR54 and SCR83 – are shared regularly with the Access Hawaii Committee through our transparent reporting program. In partnership with you, we view our role as custodians of the public trust, and I am confident that you will not find another technology services provider to the state of Hawaii that is more operationally and financially transparent than HIC.

My testimony will cover some ways HIC is using its digital government to help the state avoid costs, increase efficiencies, deliver services that otherwise could not have been developed, and drive higher constituent satisfaction.



## **EHAWAII.GOV – KEY DATA POINTS**

The platform known as eHawaii.gov is a large and diverse set of websites, online services, and mobile applications. eHawaii.gov currently consists of more than 450 different websites, 150 online services, and 7 mobile apps that provide services for 90 different state and county agencies – all of which have been built and are maintained by HIC.

In 2015 our team launched nine new websites, 17 new services, and 15 major upgrades for existing services. In addition, eHawaii.gov hosted 7.3 million user visits from more than 220 countries, which works out to roughly 20 thousand visits daily. Thus far in 2016, these visits have resulted in more than 300,000 timesaving transactions, which includes secure processing for more than \$500 million in state government payments.

Many of these services are well-known and essential solutions like HlePro, Hawaii's electronic procurement system, professional and vocational license renewals through the DCCA, as well as Hawaii Business Express, which is the online engine for registering new businesses in the state. The websites are also very familiar to residents – eHawaii.gov web portal, the State Parks website, and the websites for the State Procurement Office and Employer-Union Health Benefits Trust Fund.

## **MEASURING EHAWAII.GOV'S VALUE**

We constantly measure the value of what eHawaii.gov delivers to the state. For example, we know that our services help agencies reduce hard dollar costs for data entry, paper processing, mail, and postage. In 2015, 11 of our services generated \$6.5 million in avoided costs for the state. We also know from national studies like the one by University of Utah that digital government generates significant cost avoidance because of the operational efficiencies gained by moving the workflow to the more streamlined digital channel. This study looked at a bundle of digital government services and calculated that a typical agency avoids \$13 in costs for each transaction made online versus offline. Even if we extrapolate a lower number in Hawaii – let's say \$10 avoided per digital transaction – that would mean Hawaii has already avoided \$3 million in costs in 2016 based on the 300,000 transactions HIC has processed so far this year, and it's only March.

Value also comes by leveraging HIC's transaction-based business model, which uses transaction fees for certain services in order to cover the costs to build, maintain, and enhance all of the state's digital government solutions. This allows all agencies – not just those with resources – to leverage HIC's expertise. One example of this comes from the Hawaii State Judiciary.

The Judiciary was previously paying \$60,000 per year in licensing and hosting fees for a content management system, but then they brought in HIC and we built them a better solution that was easier to use and would cost them just \$5,000 per year for hosting. It took our team some time to build Judiciary a new content management system, and we estimate it would've cost just under \$200,000 to deliver this on a T&M basis. But because of the effectiveness of our business model, our partners at Judiciary got a best-in-class system and are saving \$55,000 per year in out-of-pocket costs.

There are dozens of services that HIC has built at no cost to agencies or end users – services that otherwise would not exist because funding was not available, including but not limited to:

- Attorney General's Office – Covered Offender Registry
- Boards & Commissions – Apply to Serve on a Board
- Department of Commerce & Consumer Affairs – Business Name Search
- Department of Taxation – Tax License and Refund Search
- Judiciary – eBench Warrants

To deliver all of these services, HIC has assembled a large local team – 33 in total, all of whom are Hawaii residents and 100% dedicated to building and maintaining digital government services on behalf of the state of Hawaii. In 2014, HIC invested more than 47,000 hours for developing new digital government services and enhancing & maintaining existing services for the state.

## **HAWAII'S DIGITAL GOVERNMENT LEADERSHIP**

eHawaii.gov and the services it provides have frequently been recognized by a variety of organizations, including the International Association of Commercial Administrators (IACA), the Kennedy School of Government at Harvard University, and the Center for Digital Government, which honored eHawaii.gov as the nation's best state website in 2014.

Across the nation, I hear Hawaii's name mentioned alongside other digital government leaders like Utah, Texas, Maine, and Colorado. What I hope today's testimony has demonstrated, and that the rest of the data soon to be provided will show, is that Hawaii's digital government program is a high performance machine that is efficient, delivers results, and is widely admired and appreciated by those it serves.

## **DRIVING SATISFACTION**

HIC regularly conducts exit surveys on various pages and services, and we collect citizen feedback every day. The vast majority of feedback is positive – citizens appreciate the ability to interact with government on any device, and they value being able to do things digitally rather than getting on the phone or needing to travel to a Hawaii government office.

## **CONCLUSION**

Mr. Chair and members of the Committee, Hawaii is a leading digital government program by every possible measure. Hawaii's departments and agencies are asking for more, and we are committed to doing everything in our power to be the best possible digital government partner to the state.

Thank you for the opportunity to discuss this important topic, and members of the HIC staff and I are happy to answer any questions you may have.