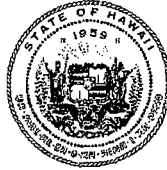


DAVID Y. IGE
GOVERNOR



DEPT. COMM. NO. 35

RODERICK K. BECKER
Comptroller

AUDREY HIDANO
Deputy Comptroller

RE: SM 1E 100 57

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

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

October 31, 2017

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the State of Hawaii Department of Accounting and General Services Annual Report on Goals and Objectives for the Period July 1, 2016 through June 30, 2017, pursuant to Act 100, Session Laws of Hawaii 1999, Part II. In accordance with Section 93-16, Hawaii Revised Statutes, a copy of this report has been transmitted to the Legislative Reference Bureau and the report may be viewed electronically at:
<http://ags.hawaii.gov/reports/legislative-reports/>.

Sincerely,

A handwritten signature in black ink, appearing to read "Roderick K. Becker".

RODERICK K. BECKER
Comptroller

Enclosure

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS AND OBJECTIVES
FOR THE PERIOD JULY 1, 2016 THROUGH JUNE 30, 2017

SUBMITTED TO
THE TWENTY-NINTH STATE LEGISLATURE
IN RESPONSE TO ACT 100, SLH 1999, PART II

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

ANNUAL REPORT ON GOALS AND OBJECTIVES

January 2018

Submitted to the Twenty-Ninth State Legislature
(As required by Act 100, SLH 1999, Part II)

The goal of the Department of Accounting and General Services (DAGS) is to strive for quality and consistency in the delivery of essential support services to other state departments and agencies. The department's activities reflect a continuing commitment towards cost efficiency, productivity, relevancy and timeliness of services.

Individual program goals, objectives, policies and action plans follow in this annual report for the twenty-seven programs comprising DAGS. Every program has also identified performance measurements in the following key areas: customer satisfaction, program standard and cost effectiveness. In addition, all programs have included their past year accomplishments. The 27 DAGS programs are as follows:

Government-Wide Support

AGS 101	Accounting System Development and Maintenance
AGS 102	Expenditure Examination
AGS 103	Recording and Reporting
AGS 104	Internal Post Audit
AGS 111	Archives-Records Management
AGS 130	Enterprise Technology Services – Governance and Innovation
AGS 131	Enterprise Technology Services –Operations and Infrastructure Maintenance
AGS 203	State Risk Management and Insurance Administration
AGS 211	Land Survey
AGS 221	Public Works-Planning, Design and Construction
AGS 223	Office Leasing
AGS 231	Central Services-Custodial
AGS 232	Central Services-Grounds Maintenance
AGS 233	Central Services-Building Repairs and Alterations
AGS 240	State Procurement
AGS 244	Surplus Property Management
AGS 251	Automotive Management-Motor Pool
AGS 252	Automotive Management-Parking Control
AGS 871	Campaign Spending Commission
AGS 879	Office of Elections
AGS 891	Enhanced 911 Board
AGS 901	General Administrative Services

Formal Education

AGS 807 School Repair and Maintenance-Neighbor Island Districts

Culture and Recreation

AGS 818 King Kamehameha Celebration Commission

AGS 881 State Foundation on Culture and the Arts

AGS 889 Spectator Events and Shows-Aloha Stadium

Individual Rights

AGS 105 Enforcement of Information Practices

In support of a continuing improvement effort, the Comptroller as head of the department welcomes any questions or comments regarding any of the DAGS program's goals and objectives.

GOVERNMENT-WIDE SUPPORT

AGS 101	Accounting System Development and Maintenance
AGS 102	Expenditure Examination
AGS 103	Recording and Reporting
AGS 104	Internal Post Audit
AGS 111	Archives-Records Management
AGS 130	Enterprise Technology Services – Governance and Innovation
AGS 131	Enterprise Technology Services –Operations and Infrastructure Maintenance
AGS 203	State Risk Management and Insurance Administration
AGS 211	Land Survey
AGS 221	Public Works-Planning, Design, and Construction
AGS 223	Office Leasing
AGS 231	Central Services-Custodial
AGS 232	Central Services-Grounds Maintenance
AGS 233	Central Services-Building Repairs and Alterations
AGS 240	State Procurement
AGS 244	Surplus Property Management
AGS 251	Automotive Management-Motor Pool
AGS 252	Automotive Management-Parking Control
AGS 871	Campaign Spending Commission
AGS 879	Office of Elections
AGS 891	Enhanced 911 Board
AGS 901	General Administrative Services

FORMAL EDUCATION

AGS 807 School Repair and Maintenance-Neighbor Island Districts

CULTURE AND RECREATION

AGS 818	King Kamehameha Celebration Commission
AGS 881	State Foundation on Culture and the Arts
AGS 889	Spectator Events and Shows-Aloha Stadium

INDIVIDUAL RIGHTS

AGS 105 Enforcement of Information Practices

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-101/Accounting System Development and Maintenance

Contact Person/Phone: Kurt I. Muraoka/586-0610

I. Goal

The goal of the program is to satisfy the following requirements:

- A. Making changes and modifications in the accounting system (including the design and implementation of an adequate system of internal controls to encompass the changes or modifications in the accounting system) that appears to be in the best interest of the State and counties, as promulgated by Section 40-2 of the Hawaii Revised Statutes (HRS).
- B. Determining the forms required to adequately supply accounting data for the State government, maintaining the applicability, relevancy and uniformity (i.e., classification, numbering and standardization of such forms in terms of design, dimension, color and grade of paper) of accounting forms in Statewide use, and recording such forms in a catalogue of Statewide accounting forms, as promulgated by Section 40-6 of the HRS.
- C. Providing the only cost efficient and feasible means of developing and implementing changes or modifications in the Statewide Accounting System (which includes the Financial Accounting and Management Information System or FAMIS, Payroll System, Central Warrant Writing System, Warrant Reconciliation System, and Financial Datamart) to enhance or improve the functionality and/or internal controls of the system.

II. Objectives and Policies

- A. Systems Development and Implementation - Develop and implement new Statewide accounting applications and/or major enhancements to existing Statewide accounting applications to correct accounting deficiencies (i.e., non-compliance with Generally Accepted Accounting Principles or GAAP), improve operational efficiency by providing accounting applications with greater functionality or improved capabilities, and comply with changes in applicable State and Federal laws, and management policies.
- B. Systems Maintenance - Maintain existing Statewide accounting applications to improve operational efficiency and/or usability through continued monitoring of the system's performance in providing useful and timely information, and collaboration with users on a Statewide basis to identify, develop and implement system

modifications due to changes in applicable State or Federal laws, or management policies that will benefit all system users.

- C. Statewide Accounting Controls - Establish and maintain proper internal control over Statewide accounting functions through the use of Statewide Accounting Manuals to safeguard assets against loss or waste, and provide reasonable assurance that the financial information generated from the Statewide Accounting System can be relied upon to fairly present the financial position of the State for a given accounting period by prescribing the accounting policies of the State and standardizing the accounting methods and practices of the State.

This function also controls the content, format, flow and timing of accounting information required by applications comprising the Statewide Accounting System through the use of Statewide Accounting Forms (SAFORMs). Use of standardized accounting forms promotes operational efficiency through maintenance of applicable, uniform and consistent information.

III. Action Plan with Timetable

A. Objective/Policy #1 - Systems Development and Implementation

- 1. Required Actions – The following major actions/tasks are usually required to develop and implement new Statewide accounting applications and/or major enhancements to existing Statewide accounting applications to correct accounting deficiencies. Custom software is developed only when the purchased software cannot properly satisfy the requirements of the new system, and interfaces are developed only when the new system is required to share data with other systems.
 - a. Project Management of State Resources
 - b. System Scope and Requirements Definition
 - c. Purchased Software Installation, Configuration, and Testing
 - d. Gap Analysis and System Functional Design Development
 - e. System Process and Document Re-engineering
 - f. Custom Software Requirements Definition, Programming, and Testing
 - g. System Interface Requirements Definition, Programming, and Testing
 - h. User Manual and Training Documentation Development

- i. User Training
 - j. Pilot Implementation
 - k. Statewide Deployment
2. Implementation Timetable
- a. Statewide Payroll and Time and Attendance Modernization Project – involves replacing the existing Payroll System and implementing a statewide Time and Attendance System.
 - (1) Past Year Accomplishment

Participated in the requirements analysis, fit/gap analysis, business process re-engineering, gap resolution, design, configuration and testing activities for the new Payroll System.
 - (2) One Year

Participate in the testing, training, and implementation activities of the new Payroll System.
 - (3) Two Year

Participate in the requirements analysis, fit/gap analysis, business process re-engineering, and gap resolution activities of the new Time and Attendance System.
 - (4) Five Year

Participate in the testing, training, and implementation activities of the new Time and Attendance System.
 - b. New Financial System Project – involves replacing the existing Financial Systems.
 - (1) Past Year Accomplishment

None
 - (2) One Year

None

(3) Two Year

None

(4) Five Year

Participate in the identification of requirements for the new Financial System, preparation of the Request for Proposals, and selection of the new system.

c. Financial Datamart System

(1) Past Year Accomplishment

Enhancements were made to improve the efficiency of the Financial Datamart system, and provide improved functionality for the departments. Converted more financial and payroll reports to PDF for storage and distribution.

(2) One Year

Continue enhancing the Financial Datamart system by improving system performance and providing more data and functionality for the departments. Continue converting more financial and payroll reports to PDF for storage and distribution.

(3) Two Year

Continue enhancing the Financial Datamart system by improving system performance and providing more data and functionality for the departments. Continue converting more financial and payroll reports to PDF for storage and distribution.

B. Objective/Policy #2 - Systems Maintenance

1. Required Actions – The following systems maintenance functions are required to maintain all Statewide accounting applications:

a. User Support

b. System Modification and Enhancement

c. System Analysis and Re-engineering

2. Implementation Timetable

a. Check Image Storage and Retrieval System

(1) Past Year Accomplishment

Develop and implement a Check Image Storage and Retrieval System needed for the reconciliation process of the 700,000 checks issued by the Comptroller.

(2) One Year

Continue enhancing the Check Image Storage and Retrieval System by improving system performance.

b. User Support for Statewide Accounting System

Provide assistance and support to all users of the Statewide Accounting System (which includes FAMIS, Payroll System, Central Warrant Writing System, Warrant Reconciliation System, and Financial Datamart).

c. Systems Maintenance and Enhancement

Provide on-going systems maintenance, trouble shooting and resolving problems, and making necessary improvements to the Statewide Accounting System.

C. Objective/Policy #3 – Statewide Accounting Controls

1. Required Actions

a. Statewide Accounting Controls are required to ensure that the accounting policies and procedures of the State:

(1) Comply with the Generally Accepted Accounting Principles (GAAP) and pronouncements from GASB

(2) Include adequate accounting controls for all Statewide accounting applications

(3) Reflect management's expressed authorization with regard to the treatment of a given accounting event and processing of accounting transactions related to that event

b. The three areas of Statewide Accounting Controls are:

- (1) Statewide Accounting Manual Revisions
- (2) Other User Manual Revisions
- (3) Forms Control

2. Implementation Timetable

a. Past year Accomplishment

Created more PDF fillable State Accounting Forms (SAFORMS) and revised existing PDF SAFORMS into savable format and placed them on the State's Form Central web site, which can now be used in place of preprinted forms.

b. One Year

Continue creating more single part and multipart SAFORMS in PDF fillable format and place them on the State's Form Central web site for departments to download and use. Revise existing PDF SAFORMS into a savable format.

c. Two Year

Continue creating more single part and multipart SAFORMS in PDF fillable format and place them on the State's Form Central web site for departments to download and use. Revise existing PDF SAFORMS into a savable format.

IV. Performance Measures

- A. Customer Satisfaction measure – Key departments are involved with the development of new systems and/or major enhancements to existing systems to provide input into the design and functionality of the systems. Departments are also contacted periodically to inquire on needs and changes that would impact them.
- B. Program Standard measure – Percentage of projects completed for development of new Statewide accounting systems and enhancement/maintenance to existing Statewide accounting systems. Percentage of projects completed for maintenance of accounting manuals and forms.
- C. Cost Effectiveness measure – Greater utilization of the Statewide accounting systems. Expenditures not exceeding budget amounts.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-102/Expenditure Examination

Contact Person/Phone: Lenora Fisher/586-0650

I. Goal

The primary goal of the program is to ensure that the State's payments conform to established standards of propriety and legality and are made promptly.

II. Objectives and Policies

- A. To ensure that payments conform to existing laws, administrative rules, executive orders, and are proper.
- B. To ensure that payments are made promptly, the program will explore various options that may expedite the payments to contractors, vendors, employees, and third party payees.

III. Action Plan with Timetable

- A. Objective/Policy #1 – The program has determined that knowledge of existing laws, administrative rules, and executive orders is not the standard in all departments due to staffing reductions and retirements.
 - 1. Required Action – The program will update training materials for contract processing.
 - a. Consult with State Procurement Office staff to confirm program's application of the Hawaii Administrative Rules as they pertain to source selection, use of HIePRO, etc.
 - b. Consult with the Department of Attorney General's staff responsible for contracts and contract forms for the purpose of replacing existing Comptroller's Memorandums related to contracts.
 - c. Consult and meet with the Department of Accounting and General Services Administrative staff to determine issues that should be addressed in the updating of the training materials.

2. Required Action – The program will review State and Federal laws for any changes to reporting requirements and will participate in the development and implementation of the new payroll, time and attendance and financial systems.
 - a. Determine if Comptroller’s Memorandums need to be issued to inform departments and agencies of any changes to implement any new requirements.
 - b. Determine if changes in reporting requirements involve form revisions to allow for new reporting requirements which would be met by AGS 101 – Accounting System Development and Maintenance Program.
 - c. Determine how current policies, procedures and processes will be impacted with the new payroll, time and attendance and financial systems.
3. Implementation Timetable
 - a. Past Year Accomplishment – The program has been reviewing problems/issues relating to contract processing. Due to staffing issues, the program has not completed its review. Participated in various trainings/meetings with payroll functional and business process groups.
 - b. One Year – Consult with the Department of the Attorney General’s staff and review the revised contract forms to determine if any changes to contract encumbrance, payment and reporting procedures are required. Participate in validation of personnel and payroll data in preparation for go-live of the enterprise payroll system. Participate in training and documentation of policies and procedures.
 - c. Two Years – Implement any changes and provide training as required with the implementation of the new payroll system. Continue to participate in the implementation of the new payroll system and conduct ongoing assessment of implementation and development. Begin participation in the development and implementation of the new time and attendance system and the procurement of the new financial system.
 - d. Five Years – Perform global review of existing contract and vendor payment processing procedures to confirm existing laws, rules, and orders are being complied with and reporting procedures are met. Participate in the development/implementation of the State’s time and attendance and financial systems.
- B. Objective/Policy #2 – Prompt payment of the State’s contractors, vendors, third party payees, and State employees.

1. Required Actions – The program will continue to maintain five working day turnaround for the State’s contractors and vendors.
 - a. Determine whether current pre-audit procedures need to be revised for any changes impacting the program’s “Objective/Policy #1” and formulate changes that may be required by the new financial system.
 - b. Implement any changes in pre-audit procedures that do not negatively impact pre-audit’s responsibility.
2. Required Actions – The program will develop policies and procedures to accept electronic invoices. The program will also develop policies and procedures relating to acceptance of electronic signatures on contracts.
 - a. Determine how current pre-audit procedures will need to be revised for any changes due to the new payroll and financial systems.
 - b. Implement any changes in pre-audit procedures that do not negatively impact pre-audit’s responsibility and are required by the new payroll and financial systems.
3. Implementation Timetable
 - a. Past Year Accomplishments – Released Comptroller’s Memorandums relating to prior year adjustments and salary overpayment. Worked with Systems to revised forms to avoid incorrect information on reissuance of checks.
 - b. One Year – Review and implement any changes resulting from the implementation of the new payroll system.
 - d. Two Years – Monitor and update business processes and provide training resulting from the implementation of the new payroll system.
 - e. Five Years- Establish state-wide payroll and payment policies and procedures and provide training for conformity.

IV. Performance Measures

- A. Customer Satisfaction measure – Departmental personnel responsible for contracting and vouchering will be provided clear and consistent guidelines and hopefully reduce frustration from rejected contracts and payments.

- B. Program Standard measure – Number of “Audit Correction Slips” issued after issuance of new policies and procedures. The Audit Correction Slip is a notification to the department to validate why the contract, vendor payment, forms, etc. were returned and could not be processed.

- C. Cost Effectiveness measure – Timely contract encumbrances and reduction in late interest payments.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-103 / Recording and Reporting

Contact Person/Phone: Ladea Nash / 586-0599

I. Goal

The program goal is the prompt and proper recording of the State's financial transactions. The goal includes the timely processing of documents and issuing of reports, including the publication of the State's Comprehensive Annual Financial Report.

II. Objectives and Policies

- A. #1 - The issuance of the State's Comprehensive Annual Financial Report (CAFR) in conformance with generally accepted accounting principles (GAAP). This also includes the submission of the State's CAFR to the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement in Excellence in Financial Reporting program.
- B. #2 - Enhancements to the processing and accessing of financial information in the Financial Accounting and Management Information System (FAMIS), the State's official accounting system and the procurement and implementation of a new financial accounting system.

III. Action Plan with Timetable

- A. Objective/Policy #1 - The issuance of the CAFR in conformance with GAAP.
 - 1. Required Action - Implementation of Governmental Accounting Standards Board Statements (GASB Statements) that require accrual basis government-wide financial statements including infrastructure capital assets, and depreciation of all capital assets except for land and land improvements.
 - 2. Past Year Accomplishments
 - a. Prepared FY 2016 CAFR including the government-wide accrual basis financial statements and the discussion and analysis of the financial statements. The FY 2016 CAFR was issued in December 2016.

- b. The State of Hawaii received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the fifth consecutive year.
 - 3. One Year
 - a. Prepare FY 2017 CAFR under GASB Statements.
 - b. Continue accounting policy and procedure changes needed to implement GASB Statements.
 - 4. Two Years
 - a. Evaluate any new GASB statements and their impact on the accounting policies and procedures.
 - b. Continue evaluation of the accounting system and preparation of financial statements under the existing GASB statements and any new GASB statements.
 - 5. Five Years
 - a. Evaluate future GASB statements and the impact on the accounting policies and procedures.
 - b. Continue evaluation of the current accounting system and preparation of financial statements and make changes as needed by GASB statements.

B. Objective/Policy #2 - Enhancements to the processing and accessing of financial information in FAMIS and the procurement and implementation of a new financial accounting system.

 - 1. Required Action - Enhancements to the processing and accessing of financial information in FAMIS requires the review of the current process and utilizing the State's intranet to improve processing and dissemination of financial information. Participation in a new financial accounting system would include establishing requirements, assist in procurement, evaluation of proposals and selection, and implementation.
 - 2. Past Year Accomplishments
 - a. No new enhancements were implemented in FY 17.

3. One Year

- a. Continue to review current process and utilizing the State's intranet to improve processing and dissemination of financial information.

4. Two Years

- a. Provide assistance and support in providing requirements for a new financial accounting system.
- b. Provide assistance in the procurement and vendor selection for a new financial accounting system.

5. Five Years

- a. Implement a new financial accounting system.

IV. Performance Measures

- A. Customer Satisfaction measure – GFOA's awarding of its Certificate of Achievement in Excellence in Financial Reporting to the State's CAFR and the number of departments utilizing the new financial system as its primary system of information.
- B. Program Standard measure - The publication within six months after the fiscal year is closed for the CAFR and the prompt processing of the accounting data and reports and the implementation within five years of a new financial accounting system.
- C. Cost Effectiveness Measure - Cost effectiveness is measured by the amount of overtime incurred to complete the CAFR and to process accounting data and reports. The implementation of a new financial accounting system on budget.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-104/Internal Post-Audit

Contact Person/Phone: Keith S. Kogachi/586-0360

I. Goal

To achieve compliance with State laws by the State's Executive departments, agencies and other entities on accounting procedures and internal control systems and other audit requirements of State laws through financial and compliance audits performed by external auditors and the Audit Division.

II. Objectives and Policies

- A. #1 – To ensure that the State's Executive departments and agencies maintain the accounting and internal control systems and that the systems function effectively as designed and; as applicable to certain State departments and other entities based on State laws, to ensure that such State departments and other entities comply with the accounting and internal control policies and procedures and related State laws applicable to such State departments and other entities.
- B. #2 –To schedule an adequate audit cycle to ensure that every department in the executive branch will be audited at least once every six years.
- C. #3 - To establish verification procedures to comply with the verification section of Act 001 SLH 2017 relating to government (Act). As deemed necessary, assist the Comptroller in developing rules exempt from the requirements of HRS 91 for the purpose of complying with the verification section of the Act. Develop the certification statement and related supporting documents to comply with the certification requirements of the Act.

III. Action Plan and Timetable

- A. Objective/Policy #1 – To ensure that the State's Executive departments and agencies maintain the accounting and internal control systems and that the systems function effectively as designed and; as applicable to certain State departments and other entities based on State laws, to ensure that such State departments and other entities comply with the accounting and internal control

policies and procedures and related State laws applicable to such State departments and other entities.

1. Required Actions.

- a. Define the target group.
- b. Establish for the fiscal year a plan for the review of audits of financial statements conducted by external auditors and for the financial and compliance audits to be performed by the Audit Division.
- c. Report the results of the review of the audited financial statements of departments and agencies conducted by external auditors and the audits conducted by the Audit Division.

2. Past Year Accomplishments.

- a. The target group was defined.
- b. Reviews of 12 audits of departments performed by external auditors were completed during the fiscal year. The Audit Division completed reviews of the audited financial statements and related reports of such audits. Additional information is provided in c. and d. below.
- c. 11 of 18 departments and covered by the 12 audits identified noncompliance with the accounting system or internal controls including noncompliance with Federal award program compliance requirements. The departments and agencies have responded to these findings and have or are in the process of implementing corrective actions.
- d. 54 total audit findings were reported for the fiscal year. The average number of findings of 5 for each department was a decrease of 28% from the previous year.
- e. 29 audits were completed by the Audit Division during the fiscal year. Additional information is provided in f. and g. below.
- f. 29 of the 29 departments and entities covered by the 29 audits identified noncompliance with the departments' and other entities' accounting system or internal control policies and procedures.

- g. 449 audit findings were reported for the fiscal year. The average number of findings of 15 for each entity audited was a decrease of 11% from the previous year. Responses to these findings were received indicating that corrective actions were implemented or were in the process of implementation.
- 3. One Year
 - a. Define the target group.
 - b. Monitor the progress of the plan for the review of audited financial statements performed by external auditors and for the audits to be performed by the Audit Division.
 - c. Review the completed audit reports as to noncompliance with established accounting procedures and internal controls and that written policies and procedures are functioning as designed.
 - d. Report the results of the review of the audits of financial statements of departments and agencies conducted by external auditors and the financial and compliance audits conducted by the Audit Division.
 - e. Conduct follow-up inquiries, as necessary, on the results of the audits.
- 4. Two Years – Continue the implementation timetable of the first year.
- 5. Five Years – Continue the implementation timetable of the prior years.
- B. Objective/Policy #2 –To schedule an adequate audit cycle to ensure that every department in the executive branch will be audited at least once every six years.
 - 1. Required actions.
 - a. Define the target group.
 - b. Monitor and review the audited financial statements of executive departments and agencies performed by external auditors.
 - c. Establish a plan for the audits to be performed by the Audit Division.

- d. Report the results of the monitoring and audits.
 - 2. Past Year Accomplishments.
 - a. The target group to be audited was defined.
 - b. Planned for the review of 21 financial and compliance audits to be performed by external auditors and 19 financial and compliance audits to be performed by the Audit Division were established.
 - c. 12 audit reports of audits of departments conducted by external auditors were reviewed by the Audit Division and 29 audits were completed by the Audit Division during the fiscal year.
 - d. Conducted follow-up inquiries, as necessary, on the audit findings identified by external auditors and the Audit Division.
 - 3. One Year
 - a. Define the target group to be audited.
 - b. Establish a plan for the review of audits conducted by external auditors and audits to be conducted by the Audit Division.
 - c. Review audit reports of planned audits performed by external auditors and perform audits by the Audit Division.
 - d. Determine if the average number of years between audits for the target group is 6 years or less.
 - e. Conduct follow-up inquiries as to scheduled audits not completed on time.
 - 4. Two Years – Continue the implementation timetable of the first year.
 - 5. Five Years – Continue the implementation timetable of the prior years.
- C. Objective/Policy #3 – To establish verification procedures to comply with the verification section of Act 001, SLH 2017 relating to government. As deemed necessary, assist the Comptroller in developing rules exempt from the requirements of HRS 91 for the purpose of complying with the verification

- D. section of the Act. Develop the certification statement and related supporting documents to comply with the certification requirements of the Act.
 - 1. Required Actions
 - a. Define the target group.
 - b. Develop an understanding of the accounting and expenditure processes and procedures of the rapid transportation authority.
 - c. Develop a general and detailed verification plan and related procedures for complying with the verification section of the Act.
 - d. Develop the certification statement and related supporting documents to comply with the certification requirements of the Act.
 - e. Perform the verification procedures and report the results in the certification statement.
 - 2. Past Year Accomplishments
 - a. The target group has been identified.
 - 3. One Year
 - a. Define the target group.
 - b. Develop an understanding of the accounting and expenditure processes and procedures of the rapid transportation authority.
 - c. Develop a general and detailed verification plan and related procedures for complying with the verification section of the Act.
 - d. Develop the certification statement and related supporting documents to comply with the certification requirements of the Act.
 - e. Perform the verification procedures and report the results in the certification statement.
 - 4. Two Years – Continue the implementation timetable of the first year.

5. Five Years – Continue the implementation timetable of the prior years.

IV. Performance Measures

- A. Act 001, SLH 2017 - Program will establish standard measures of performance based on the number of verifications and related certification statements issued for each fiscal year.
- B. Program Standard Measure – Program standard will be the completion of reviews of audited financial statements performed by external auditors of departments and agencies with follow-up, if necessary, by the Audit Division and the completion of planned audits performed by the Audit Divisions.
- C. Cost Effective Measure – Cost to conduct the audits by the program will be monitored to ensure that they are reasonable and fair and do not exceed budgeted costs and comparable audit fees.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS 105/Enforcement of Information Practices
Contact Person/Phone No: Cheryl Kakazu Park/586-1400

I. Goals

The primary goal of the Office of Information Practices (OIP) is to fairly and reasonably construe and apply the Uniform Information Practices Act (Modified), chapter 92F, HRS (UIPA), and the Sunshine Law, Part I of chapter 92, HRS, in order to achieve the common purpose of both laws, which is as follows:

In a democracy, the people are vested with the ultimate decision-making power. Government agencies exist to aid the people in the formation and conduct of public policy. Opening up the government processes to public scrutiny and participation is the only viable and reasonable method of protecting the public's interest. Therefore, the legislature declares that it is the policy of this State that the formation and conduct of public policy—the discussions, deliberations, decisions, and action of government[al] agencies—shall be conducted as openly as possible.

With the passage of Act 263, SLH 2013 (see HRS § 27-44), OIP has adopted another goal to assist the Office of Enterprise Technology Services (ETS) properly implement Hawaii's Open Data policy, which seeks to increase public awareness and electronic access to non-confidential and non-proprietary data and information available from state agencies; to enhance government transparency and accountability; to encourage public engagement; and to stimulate innovation with the development of new analyses or applications based on the public data made openly available by the state.

II. Objectives and Policies

A. Legal Guidance and Assistance. Provide training and assistance to members of the public and all state and county agencies to promote compliance with the UIPA and Sunshine Law.

1. Provide accessible training guides, audio/visual presentations, and other materials online at **oip.hawaii.gov** and supplement OIP's online training with customized live training for state and county government entities.
2. Provide prompt informal advice and assistance to members of the public and government agencies through OIP's Attorney of the Day (AOD) service.
3. Adopt and revise administrative rules, as necessary.

B. Investigations and Dispute Resolution. Assist the general public, conduct investigations, and provide a fair, neutral, and informal dispute resolution process as a free alternative to court actions regarding the UIPA and Sunshine Law, and resolve appeals under section 231-19.5(f), HRS, arising from the Department of Taxation's decisions concerning the disclosure of the text of written opinions.

1. Focus on reducing the age and number of OIP's backlog of formal cases in a manner that is fair to all requesters.

C. Open Data. Assist ETS and encourage all state and county entities to increase government transparency and accountability by posting open data online, in accordance with the UIPA, Sunshine Law, and the State's Open Data Policy.

1. Post all of OIP's opinions, training materials, reports, and What's New communications at **oip.hawaii.gov**, which links to the State's open data portal at **data.hawaii.gov**.
2. Encourage state agencies to electronically post appropriate data sets onto **data.hawaii.gov** and to use the UIPA Record Request Log to record and report their record requests.

D. Records Report System. Maintain the Records Report System (RRS) and assist agencies in filing reports for the RRS with OIP.

1. Promote the use of the RRS to identify and distinguish private or confidential records from those that are clearly public and could be posted as open data on government websites.

E. Legislation and Lawsuits. Monitor legislative measures and lawsuits involving the UIPA and Sunshine Law.

1. Provide testimony or legal intervention, as may be necessary, to uphold the requirements and common purpose of the UIPA and Sunshine Law.

III. Action Plan with Timetable

A. Legal Guidance and Assistance

1. Past Year Accomplishments

- a. Received 1,234 total requests for assistance in FY 2017, of which 956 (77%) were informal requests typically resolved the same day through OIP's AOD service.
- b. Conducted 9 live training sessions for state and county agencies and boards.
- c. Added or updated 4 training materials on OIP's website.
- d. Prepared all new documents and presentations on OIP's website to be accessible to disabled persons.
- e. Prepared drafts of new rules for personal records and revisions to OIP's existing rules.

2. Year 1 Action Plan

- a. Focus OIP's limited resources on preparing and improving online training and communication to cost-effectively provide services to the greatest potential number of people and increase compliance by more government agencies, and customize live presentations for advanced or special training.
- b. Maintain current efforts to promptly provide general legal guidance through OIP's AOD service, so that approximately 80% of requests for OIP's assistance can be resolved within one work day.
- c. Conduct informational briefings and a public hearing to obtain agency and public input on OIP's new administrative rules and revisions to its existing rules, obtain all

necessary approvals, prepare training for agencies on the new rules, and revise OIP's forms and training materials, including the UIPA Record Request Log, before the end of FY 2017.

3. Year 2 Action Plan

- a. Implement OIP's new administrative rules.
- b. Update and improve OIP's online training materials, as may be necessary.

4. Year 5 Action Plan

- a. Evaluate recently implemented rules and determine whether additional rules or revisions are necessary.

B. Investigations and Dispute Resolution

1. Past Year Accomplishments

- a. OIP received a total of 1,234 formal and informal requests for assistance in FY 2017, and OIP resolved 93% of them in the same year, with most of them resolved the same day.
- b. OIP resolved 956 AOD inquiries in FY 2017, which is over 77% of total requests for assistance (1,234) received by OIP.
- c. Of the 278 formal cases opened in FY 2017, 193 (69.4%) were resolved in the same fiscal year.
- d. Despite the 40.4% increase in the number of new formal cases filed in FY 2017 (278) compared to the year before (198), OIP was able to resolve 232 formal cases and all cases filed before FY 2015.
- e. Of the 150 cases that remained pending at the end of FY 2017, 85 (57%) were opened in FY 2017, 33 (22%) were opened in FY 2016, and 32 (21%) were opened in FY 2015.

2. Year 1 Action Plan

- a. Strive to resolve all formal cases filed before July 1, 2015, if they are not in litigation or filed by requesters who have had two or more cases resolved by OIP in the preceding 12 months.

3. Year 2 Action Plan

- a. Strive to resolve all formal cases filed before July 1, 2016, if they are not in litigation or filed by requesters who have had two or more cases resolved by OIP in the preceding 12 months.

4. Year 5 Action Plan

- a. Strive to resolve all formal cases within 12 months of filing, if they are not in litigation or filed by requesters who have had two or more cases resolved by OIP in the preceding 12 months.

C. Open Data

1. Past Year Accomplishments

- a. Prepared reports of the UIPA Record Request Log summarizing results for FY 2016 from 177 state and 74 county agencies, including the Governor's Office, Lt. Governor's Office, Judiciary, Legislature, University of Hawaii, and Office of Hawaiian Affairs.
- b. Distributed 22 What's New articles and participated in two televised or online programs to keep government personnel and the general public informed of open government issues, including proposed legislation.
- c. Received 29,320 unique visits on OIP's website and 96,621 website page views (excluding OIP's and home page hits).

2. Year 1 Action Plan

- a. Assist state and county agencies to electronically post open data, including the results of their UIPA Record Request Logs.

- b. Prepare reports of the UIPA Record Request Log results for FY 2017 from all state and county agencies.
- c. Utilize Log data to develop and evaluate proposed OIP rules concerning the UIPA record request process and fees.
- d. Post information on OIP's website at oip.hawaii.gov to provide transparency and obtain public input on the rule-making process.

3. Year 2 Action Plan

- a. Continue to assist state and county agencies to electronically post open data and report on their results of state and county agencies' UIPA Record Request Logs.

4. Year 5 Action Plan

- a. Continue to assist state and county agencies to electronically post open data and report on the results of state and county agencies' UIPA Record Request Logs.

D. Records Report System (RRS)

1. Past Year Accomplishments

- a. Conducted two live trainings of the RRS.
- b. For FY 2017, state and county agencies reported 29,838 record titles on the RRS.

2. Year 1 Action Plan

- a. Continue to train and advise other state and county agencies on how to use the access classification capabilities of the RRS to uniformly identify and protect private or confidential records, while promoting open access to public data that may be disclosed.

3. Year 2 Action Plan

- a. Continue to train and advise other state and county agencies on how to use the access classification capabilities of the RRS to uniformly identify and protect private or

confidential records, while promoting open access to public data that may be disclosed.

4. Year 5 Action Plan

- a. Continue to train and advise other state and county agencies on how to use the access classification capabilities of the RRS to uniformly identify and protect private or confidential records, while promoting open access to public data that may be disclosed.

E. Legislation and Lawsuits

1. Past Year Accomplishments

- a. After years of disagreement, OIP gained consensus from key stakeholders and successfully advocated for the adoption of Sunshine Law revisions embodied in House Bill 165, House Draft 1, Senate Draft 2, Conference Draft 1, which was signed into law by Governor David Ige as Act 64 (SLH 2017). Among other things, the new law will allow public inspection of Sunshine Law boards' packets; require meeting notices to be filed on state and county electronic calendars; require postal or electronic mailings of notices to requesters; allow meeting minutes to be kept in recorded form; and require minutes to be posted online within 40 days after a board meeting.
- b. OIP also successfully advocated for passage of Senate Bill 572, Senate Draft 1, House Draft 1, Conference Draft 1, which allows OIP to adopt additional administrative rules concerning record request procedures under the UIPA that all state and county agencies must follow. This bill was enacted as Act 165, (SLH 2017), and will provide for the uniform and consistent administration of the UIPA.
- c. OIP obtained legislative approval to convert its long-time "temporary" employees to permanent status.
- d. In FY 2017, OIP reviewed 108 bills and resolutions and testified on 26 of them.
- e. In FY 2017, OIP monitored 31 cases in litigation, of which 11 were new cases.

2. Year 1 Action Plan

- a. For the 2018 legislative session, OIP will continue to seek an increase its appropriations to be able to provide competitive salaries that will help it to retain its experienced employees and institutional memory.

3. Year 2 Action Plan

- a. Continue to monitor legislation and lawsuits and to take appropriate action on matters affecting the UIPA, Sunshine Law, open data, or OIP.
- b. Obtain sufficient funding and position authorizations to train and retain OIP staff so as to keep up with anticipated increases in OIP's workload while reducing the formal case backlog.

4. Year 5 Action Plan

- a. Continue to monitor legislation and lawsuits and to take appropriate action on matters affecting the UIPA, Sunshine Law, or OIP.
- b. Obtain sufficient funding and position authorizations to recruit, train, and retain legal and administrative personnel to ensure the long-term stability and productivity of OIP.

IV. Performance Measures

- A. Customer Satisfaction Measure – Monitor evaluations submitted by participants after training or informational sessions as well as comments or complaints made to the office in general, and take appropriate action.
- B. Program Standard Measure – Measure the number of: formal cases and AOD inquiries received and resolved; opinions issued; lawsuits monitored; legislative proposals monitored; unique visits to OIP's website; live training sessions and public presentations; training materials added or revised; and public communications.
- C. Cost Effectiveness Measure – Considering the number and experience levels of OIP personnel in comparison to similar agencies, monitor the total numbers of requests for assistance and the numbers of state or county agencies or the general public who are

assisted by OIP; the types of services provided by OIP; the number of state and county agencies submitting the UIPA Record Request Log; and the overall Log results.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-111/Archives-Records Management

Contact Person/Phone: Adam Jansen/586-0310

I. Goals

- A. Increase access to the State Archives collections.
- B. Promote efficient and effective management of government records including the preservation of the State's permanent electronic records.

II. Objectives and Policies

- A. Collect and preserve permanent government records of enduring legal, historical or fiscal value from government agencies.
- B. Make records available for access via the internet. Catalog records on KOHA, an online library database accessible via the web.
- C. Develop and revise records retention and disposition schedules for the executive branch. Operate the State Records Center for the storage of non-current, non-permanent government records.
- D. Implement the building of the Hawaii State Digital Archives through a phased approach including hardware implementation and documentation and software development to ensure the preservation and access to electronic records of long-term value.

III. Action Plan with Timetable

- A. Past Year Accomplishments
 - 1. Archives: add/edited 7 bibliographic records in on-line catalog KOHA which is accessible on the Internet; accessioned 62 cubic feet of records and special collections; appraised, arranged and described 29 cubic feet of records for public use; retrieved 13,029 records for researchers; translated 307 pages of Hawaiian language records; serviced 7,344 researchers; scanned 24,311 images; and received 42,623 unique website visitors to Archives online

resources. Statistical data and records uploaded to the servers were severely impacted this past year due to a server crash that disabled website tracking and online databases.

2. Records Center: received 2,191 cubic feet of records and 6 reels of microfilm; completed 6,192 records requests; and coordinated destruction of 19,990 cubic feet of expired records and 5,055 reels of microfilm of expired records.
3. Digital Archives: Developed service oriented architecture model of the system using Domain Driven Development, Event Sourcing and Messaging; revised implementation of Digital Pipeline services; completed development of ingest services; assembled Development environment based on Metal-As-A-Service (MAAS) approach, Linux containers (LXC/LXD), Docker and Kubernetes; implemented first phase of the User Service – web-based Patron Registration System (released as a LXC container); moved Koha service into LXC/LXD containerized environment; implemented and tested utility for packing digital objects on data provider system into Bag-it package (Library of Congress-based standard).

B. One Year

1. Archives: add/edit bibliographic records to KOHA Integrated Library Catalog; accession 45 cubic feet of government records; appraise, arrange, and describe 20 cubic feet of records; retrieve 16,000 records for researchers; translate 300 pages of Hawaii language records; service 8,000 researchers; upload 20,000 records to the Archives' website; and receive 500,000 visitors to Archives online databases.
2. Records Center: schedule records series; receive 2,000 cubic feet of records; service 5,000 records requests; and coordinate destruction of expired records.
3. Digital Archives: Continue to develop Information Model of the Digital Archives and Digital Preservation Pipeline Services; engage with Government Departments into development of the standard Record Transmittal Plans through regular workshops and feedback collection; implement production environment identical to the Development environment and incorporate Continuous Delivery Pipeline for frequent and scheduled system releases; implement scalable Archival Storage solution which meets current capacity requirements and meets requirements for the long term

maintenance, upgrades, and data migration; perform stress and penetration testing, develop relevant implementation plan; perform system audit in conformance with ISO 16363-2013 (Audit and certification of trustworthy digital repositories); perform knowledge transfer for State Archives staff through training and wiki documentation; perform end-to-end system testing and prepare for full time ingestion of digital records.

C. Two Years

1. Archives: add/edit bibliographic records to KOHA Integrated Library Catalog; accession 100 cubic feet of government records; appraise, arrange, and describe 40 cubic feet of records; retrieve 32,000 records for researchers; translate 600 pages of Hawaiian language records; service 16,000 researchers; upload 50,000 records to the Archives' website; and receive 1,000,000 visitors to Archives online databases. NOTE: Records uploaded and visitor tracking numbers are skewed due to public facing servers crashing with no viable backups being available. Manual data reentry and complete rebuild of systems has been necessary to get systems up and running.
2. Records Center: schedule records series; receive 4,000 cubic feet of records; service 10,000 records requests; and coordinate destruction of expired records.
3. Digital Archives: Continue development of the system's Information Model by identifying, modeling and implementing new services required by State Agencies; develop and implement approaches for gathering system parameters, performance metrics; research and develop roadmap for all upcoming state systems, projects or technologies that may impact the Digital Archives; perform ongoing maintenance and upgrades of the digital repository hardware, software and storage sub-systems; and in consultation with State Agencies and interested public, develop the public web-based interface into the Digital Archives.

D. Five Years

1. Archives: add/edit bibliographic records to KOHA Integrated Library Catalog; accession 500 cubic feet of government records; appraise, arrange, and describe 100 cubic feet of records; retrieve 80,000 records for researchers; translate 1,500 pages of Hawaiian

language records; service 40,000 researchers; upload 125,000 records to the Archives' website; and receive 2,500,000 visitors to Archives online databases.

2. Records Center: schedule records series; receive 10,000 cubic feet of records; service 13,000 record requests; and coordinate destruction of expired records.
3. Digital Archives: Ongoing maintenance and development the Digital Archives' system including replacement of hardware, and storage sub-systems, along with upgrades to software infrastructure; onboard additional partner agencies beyond Executive Branch agencies; develop additional user functionality (e.g. personalization, saved searching, new record alerts, target searching, etc.) based on feedback; and roll out functionality necessary to preserve additional format types of records (e.g. GIS systems, social media, streaming audio/video, dynamic databases, and web-based systems); Develop and implement services and tools utilizing Artificial Intelligence, Data Mining and Machine Learning for Digital Preservation Pipeline and services that support Record Consumers' needs.

IV. Performance Measures

- A. Customer Satisfaction measure: Monitor website use by the general public and their interest in information presented by analyzing statistical data on number of hits to what pages. Use information to improve the "look and feel" and information presented on the website. If there are suggestions and/or complaints, develop survey to evaluate customer satisfaction with the website.
- B. Program Standard measure: In-house standards regulate service to the public and status-reports measure the output and effectiveness of our public service activities.
- C. Cost Effectiveness measure – Compare records managements costs with private sector, in particular storage costs.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-130 / Enterprise Technology Services – Governance and Innovation*

AGS-131 / Enterprise Technology Services – Operations and Infrastructure Maintenance*

**Pursuant to Act 58, SLH 2016, all functions of the programs formerly associated with AGS-130 (ex-Office of Information Management and Technology) and AGS-131 (ex-Information and Communication Services Division) are consolidated within the new Office of Enterprise Technology Services as led by the Chief Information Officer, effective July 2, 2016.*

Contact Person/Phone: Todd Nacapuy, Chief Information Officer
586-6000

I. Goals

Identify, prioritize and advance programs and projects with the greatest potential to increase efficiency, reduce waste, and improve transparency and accountability in State of Hawai‘i government.

Provide efficient, effective and available information technology (IT) enterprise services and support in the areas of data center, cybersecurity, computing (mainframe and open systems), telecommunications, application development, and web-based services for the purpose of assisting State government agencies in fulfilling their current and future business mission and objectives.

II. Objectives and Policies

Program objectives are arranged by branch under proposed organizational structure:

Production Services Branch — Schedule, execute and monitor production jobs for State departments and agencies, as well as monitor the State networks and maintain the operation of the State data center.

Systems Services Branch — Provide systems administration support of the IBM Mainframe, enterprise UNIX, enterprise backup and restore, and disaster recovery.

Technology Support Services Branch — Provide support, maintenance and development of hardware, software and infrastructure for on-premise and Cloud applications.

Client Services Branch — Provide systems development, enhancement, maintenance, technical support, and consultant services for State departments and agencies to meet their business objectives.

Enterprise Systems Branch — Provide ongoing operational management support for enterprise systems (e.g., enterprise payroll and human resources systems).

Network Branch — Provide statewide telecommunication services (e.g., network, radio and telephone) to the executive, legislative, and judicial branches of State government, as well as telecommunications interfaces to the county governments.

Security Branch — Manage the statewide cybersecurity program to secure and protect electronic assets and data stored on State computer systems or transported through the State's networks.

Enterprise Architect Branch — Develop, implement and manage statewide IT governance; develop, implement and manage the State IT strategic plans; and develop and implement statewide technology standards as part of the IT Governance Office.

Program Management Branch — Provide program management development support for enterprise technology programs and projects (e.g., enterprise payroll).

III. Action Plan with Timetable

Past Year Accomplishments

Production Services Branch — Effectively managed production jobs for State departments and agencies, monitored the State networks, and maintained the operation of the State data center.

Systems Services Branch — Maintained IBM Mainframe availability at 99.908 percent, and rolled out of a Production Data Sharing System.

Technology Support Services Branch — Completed rollout of Microsoft Office 365 for most executive branch departments, hardened the State's Active Directory infrastructure, researched and implemented the new web platform for the State, increased adoption of Adobe Sign (electronic signature), and developed and supported the secure infrastructure of the Office of Elections.

Client Services Branch — Worked with the Department of Accounting and General Services (DAGS), Department of Human Resources Development (DHRD), and partner Hawai‘i Information Consortium (HIC) to collect, process, and transmit 2016 Affordable Care Act information for 16,702 employees to the Internal Revenue Service; successful completion of this federal requirement prevented the State from incurring a maximum penalty of \$3 million. Also actively supported the inaugural Hawai‘i Annual Code Challenge in partnership with the Hawai‘i Technology Development Corporation, nonprofit Hawai‘i Open Data, and DevLeague to engage the local tech community in government modernization and expose individuals within Hawai‘i’s IT workforce to State career opportunities.

Enterprise Systems Branch — Migrated the existing executive branch Human Resource Management System (HRMS), maintained and operated by DHRD, to primary and secondary Cloud-enabled data centers hosted by project partner CherryRoad Technologies.

Network Branch — Added network redundancy to Hawai‘i Emergency Management Agency (HI-EMA) statewide network to support both HI-EMA and O‘ahu INET users, performed network topology changes to increase the reliability of the State’s network, established a dedicated connection (express route) to the Microsoft Azure Cloud, and provided a high-speed fiber optic connection to the ‘Ewa District Court. Also, established new statewide price list through the State Procurement Office for Centrex Telephone and Cabling Services, and consolidated and significantly increased network bandwidth (200-fold) for tenants of the Kona State Office Building and the Molokai State Office Building.

Security Branch — Performed a proactive incident response engagement to search for signs of advanced malware not typically found by commodity anti-virus or intrusion detection system technologies.

Enterprise Architect Branch — Refined mandatory governance process to ensure success for state executive branch IT programs and projects, and (in accordance with new authority provided by Act 58 of 2016) initiated work with departments to establish multi-year IT “roadmaps.”

Program Management Branch — As part of DAGS Accounting Division’s Enterprise Payroll and Time & Attendance Modernization (HawaiiPay) project, accomplished successful Go-Live transition for the new executive branch HRMS to the CherryRoad Technologies-managed, Cloud-enabled services environment.

One Year

Production Services Branch — Maintain effective and efficient day-to-day operations of production job execution and monitoring of the State network and data center.

Systems Services Branch — Conduct disaster recovery testing for the IBM Mainframe and reduce legacy equipment (non-mainframe).

Technology Support Services Branch — Implement the next phase of ETS-managed local private Cloud service (Hawai'i Government Private Cloud), increase adoption of the State's new web platform, integrate artificial intelligence (AI) technology into existing and new applications, and further increase adoption of Office 365 and Adobe Sign.

Client Services Branch — Improve the efficiency of State government by converting hard-copy paper reports to electronic documents, which will reduce storage requirements, facilitate sharing of information, and reduce paper use. Also create or participate in pilot projects and proof of concepts to gain experience in new technologies and determine potential applicability within the State.

Enterprise Systems Branch — Implement successful PeopleSoft Payroll Go-Live for Group 1 (DAGS and DHRD), as part of the Payroll Phase of DAGS Accounting Division's HawaiiPay project.

Network Branch — Improve the State's telecommunications networks, including: improving network speeds; adding new network locations; replacing legacy network equipment to maintain hardware and software support and to retain security protections; maintaining aging radio facilities and infrastructure; and improving network design for availability and reliability purposes.

Security Branch — Develop, issue and review statewide cybersecurity policies and standards, and add new cybersecurity staff.

Enterprise Architect Branch — Achieve full participation among executive branch departments in the IT roadmapping process as part of development of the state's overall IT strategic plans. Also support successful implementation of the Department of Taxation's Tax System Modernization (TSM) program, in accordance with the naming of the CIO as executive sponsor of TSM in July 2017.

Program Management Branch — Complete payroll Go-Live deployment for Group 1 of DAGS Accounting Division's HawaiiPay project, and promote

enterprise standardization of policies, processes and functionality in support of all jurisdictions.

Two Years

Production Services Branch — Maintain effective and efficient day-to-day operations of production job execution and monitoring of the State network.

Systems Services Branch — Achieve full operating capability of disaster recovery site, and replace legacy equipment (non-mainframe) and applications.

Technology Support Services Branch — Complete Department of Taxation migration to Office 365, maintain and further enhance the State's Active Directory infrastructure, further implement the new web platform for the State, and further increased adoption of Adobe Sign.

Client Services Branch — Expedite the development of quality application systems by utilizing new/improved application development platforms and tools. Also support Hawai'i Annual Code Challenge program, which results in a number of proofs-of-concept proceeding beyond development to implementation and launch.

Enterprise Systems Branch — Implement successful PeopleSoft Payroll Go-Lives for remaining jurisdictions, departments and agencies, and initiate the Time & Attendance Phase of DAGS Accounting Division's HawaiiPay project.

Network Branch — Plan and begin the deployment of an enterprise Wi-Fi network and continuously improve the State's telecommunications networks.

Security Branch — Modernize aging cybersecurity infrastructure to better defend against an advanced adversary.

Enterprise Architect Branch — Publish statewide IT roadmaps to inform approval of spending requests and implement process for such approvals. Also support successful implementation of the Department of Taxation's Tax System Modernization (TSM) program, specifically "Rollout 3," which enhances online services for Corporate Income, Franchise, Public Service Company, and Withholding taxpayers, and "Rollout 4," which will begin to address individual income filing and other areas.

Program Management Branch — Complete payroll Go-Live deployments for all groups and launch phase two of the HawaiiPay project: time & attendance.

Five Years

Production Services Branch — Maintain effective and efficient day-to-day operations of production job execution and monitoring of the State network.

Systems Services Branch — Leverage mainframe Integrated Facility for Linux (IFL) engines and new technologies such as OpenStack, Hadoop and Containers, and modernize the Z/OS (legacy) applications for re-platform.

Technology Support Services Branch — Assist executive branch departments in maximizing Office 365, Adobe Sign, and the new State web platform, and maintain and further enhance the State's Active Directory infrastructure.

Client Services Branch — Evaluate and refine technologies, processes, and services. Evaluate, refine and support the Hawai'i Annual Code Challenge program toward taking resulting proofs-of-concept beyond development to implementation and launch.

Enterprise Systems Branch — Implement successful systems in support of phase two deployment of DAGS Accounting Division's HawaiiPay project.

Network Branch — Unify statewide Wi-Fi deployment and improve the State's telecommunications networks.

Security Branch — Develop and expand expertise of in-house cybersecurity team.

Enterprise Architect Branch — Maintain statewide IT roadmaps and demonstrate effectiveness of IT review and approval process.

Program Management Branch — Complete phase two deployment of DAGS Accounting Division's HawaiiPay project and formalize enterprise support operations for enterprise payroll and time and attendance.

IV. Performance Measures

Customer Satisfaction measure (if applicable)

Production jobs executing as scheduled.

Number of new and/or improved application services implemented, adopted and used.

Number of requests completed within timeframe.

Time to respond to help desk and assistance center inquiries.

Average incident response time for system and network outages.

Average time to review and approve IT spending request.

Program Standard measure

Timely reporting of network outages to the appropriate staff, ensuring the State data center is operational.

Ease of use and delivery of modern flexibility.

Number of connections completed and number of sites supported by enterprise Wi-Fi.

Collection of IT roadmaps from all applicable departments and continuous refinement.

Cost Effectiveness measure

Return on value and total cost of ownership.

Alignment to IT roadmap and Operational Expenditure Plan.

Cost-efficiencies achieved through IT governance and roadmapping processes.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES, AND POLICIES

January 2018

Program ID/Title: AGS-203/State Risk Management and Insurance
Administration

Contact person/phone: Tracy Kitaoka/586-0550

I. Goal

The program will endeavor to protect the State against catastrophic losses and to minimize the total cost of risk.

II. Objectives and Policies

- A. Identify and analyze the State's loss exposures to determine risks that should be self-insured versus commercially insured and purchase applicable Statewide property, liability, and crime insurance policies at cost effective terms.
- B. Coordinate loss control and cost containment activities to minimize accidental and fortuitous losses.
- C. Settle informal tort claims (up to \$10,000), adjust automobile claims (up to \$15,000) and property losses fairly and promptly.
- D. Manage the Risk Management revolving fund to assure the availability of funds for the purchase of insurance policies, payment of self-insured and insured losses, and other administrative costs of the risk management program.
- E. Operate and maintain a risk management information system with current information to identify and analyze loss exposures to determine frequency and severity of losses, to forecast losses, and to determine the most economical method of financing losses.

III. Action Plan with Timetable

- A. Identify and analyze the State's loss exposures to determine risks that should be self-insured versus commercially insured and purchase applicable Statewide property, liability, and crime insurance policies at cost effective terms.

Past Year Accomplishments

1. Purchased property insurance policy with named windstorm, earthquake and flood limits of \$200 million per occurrence. The premium was \$8.1, a decrease of \$1,100,000 from FY 16. The property all other peril (AOP) deductible remained at \$1 million per occurrence. The deductible for the catastrophic losses (hurricane, earthquake, and flood, including tsunami) remained at 3% of the value of the building and contents. The excess liability policy was purchased with limits of \$5 million per occurrence but increased to \$7.5 million per occurrence as of April 20, 2017. The premiums increased from \$1.4 million in FY 16 to \$1.8 million in FY 17, an increase of \$400,000. The liability self-insured retention remained at \$4 million per occurrence. The crime insurance policy was purchased with the same limits as last year, \$10 million per occurrence. The premium remained the same at \$119,843.
2. Passed HB 885 and signed by the governor (Act 062) which amended HRS 41-D to allow the Comptroller, through the risk manager, to acquire services (insurance) on a fixed fee basis.
3. Established a new insurance broker agreement with Aon Risk Services of Hawaii, Inc. The agreement has a one year term with four (4) additional twelve (12) month periods on a compensation commission basis
4. Updated property data to identify all State buildings and determine replacement cost value for the purpose of insurance coverage with ongoing updates (property additions or deletions) and the Cost Allocation. This is a critical component in the marketing of the State's property insurance program and determining the Cost Allocation for all state departments.
5. Issued 508 Statements of Self-Insurance for various agencies which facilitated the use of non-State owned facilities or equipment, a decrease from last year of 47, from FY 16. This reduction was due to annual statements that were specifically designated for YMCA of Honolulu and Kamehameha Schools. This eliminated many individual statements that are normally issued for individual events.
6. Updated additional forms on the Risk Management website.
7. Continued to update the Risk Management Manual.

One Year

1. Maintain or improve prior year's insurance coverage with increased limits and more advantageous terms and conditions if it is cost beneficial and within budget constraints.
2. Analyze options to resolicit for insurance broker services on a fixed fee basis.
3. Continue property data surveys for the valuation of the State's physical assets, such as buildings and contents.
4. Review and update the standard contract minimum insurance limits for certain procurement contracts.
5. Reevaluate Cost Effective measures to include closing ratios for claims handling.
6. Evaluate coordination and if possible consolidating insurance coverages or policies within State government.

Two Years

Continue the One Year goals and objectives.

Five Years

Continue the One Year goals and objectives.

- B. Coordinate loss control and cost containment activities to minimize accidental and fortuitous losses.

Past Year Accomplishments

1. Conducted training sessions:
 - a) Risk Management Coordinator training.
 - b) State employees viewed the "on demand" insurance requirements training session offered by the State Procurement Office.
2. Produced quarterly claims reports that assisted the departments in managing their risks by making them aware of the losses and trends of concern.

One Year

1. Assist with risk evaluations when requested of State facilities such as airports, schools, convention center, hospitals and other public facilities.
2. Maintain or increase preventable loss deductible program and evaluate the feasibility of the program.
3. Continue training sessions for SPO and departmental risk management coordinators covering the following subject areas: insurance requirements for contracts, loss control, and claims processing. Place all training information on the Risk Management web site.
4. Continue to conduct training sessions for contract insurance requirements.
5. Update the Risk Management web site.

Two Years

Continue the One Year goals and objectives.

Five Years

Continue the One Year goals and objectives.

- C. Settle informal tort claims (up to \$10,000); adjust automobile claims (up to \$15,000) and property losses fairly and promptly.

Past Year Accomplishment

1. The program received 551 tort claims in FY 17, a decrease from FY 16 (692), and received 139 pothole claims (included in the tort total) in FY 17, an increase from FY 16 (129).
2. The program received 357 claims from auto accidents in FY 17, a decrease from FY 16 (404).
3. The program received 84 property claims in FY 17, a decrease from FY 16 (97).
4. The Program processes claim payments through automated interfaces between the Program's claims management system, Financial Management System (FMS), and Financial and Management Information System (FAMIS). This process requires only one fourth of the time previously needed in the manual process.

One Year

1. Update the Risk Management Manual.
2. Continue to process all claims minimizing the cost of processing claims without compromising quality and productivity.
3. Review and update the program's procedures.
4. Train departmental risk management coordinators in the procedures for handling claims will continue to be conducted with the assistance of the state insurance broker. Annual informal training will continue as changes occur or new coordinators are added. In addition, new information will be placed on the Risk Management Office website.

Two Years

Continue Year One goals and objectives.

Five Years

Continue One and Two Years goals and objectives.

- D. Manage a revolving fund to assure the availability of funds for the purchase of insurance policies, payment of self-insured and insured losses, and administrative costs to the risk management program.

Past Year Accomplishment

1. The Program funded the purchase of the State wide insurance policies (which covers the large and catastrophic losses), the payment of claims made against or for the State, and covered administrative costs.
2. Agencies were billed for their share of the Program's costs based on the cost allocation process.
8. Passed HB 885 and signed by the governor (Act 062) which amended HRS 41-D to allow the Comptroller, through the risk manager, to acquire services (insurance) on a fixed fee basis.

One Year

1. Continue the items in the Past Year Accomplishments.
2. Monitor and reevaluate the methodology of the cost allocation process.

3. Reevaluate the amount to be assessed in the risk management cost allocation for the next fiscal biennium.
4. Evaluate options to solicit insurance broker services on a fixed fee basis.

Two Years

Continue One Year goals.

Five Years

Continue One and Two Years goals

- E. Operate and maintain a risk management information system with current information to identify and analyze loss exposures to determine frequency and severity of losses, to forecast losses, and determine the most economical method of financing losses.

Past Year Accomplishment

1. Met with Systems and Procedures Office to manage the progress of upgrading the database system to being web based.

One Year

1. Review Systems and Procedures Office's work to make all claim forms fillable and web based.

Two Years

Continue One Year goals.

Five Years

Continue One Year goals.

IV. Performance Measures

- A. Customer Satisfaction measure - The program receives feedback from the training evaluations to improve performance. The training evaluations consistently are rated as valuable. The sessions involving the insurance requirements for contracts have assisted agencies in identifying the types of insurance required for their contracts and provided tools to determine if the vendor has met the contract requirements.

- B. Program Standard measure – Monitor the Measures of Effectiveness for timely resolution of claims and payments, as well as the timely purchase of the State’s property, excess liability, and crime insurance.
- C. Cost Effectiveness measure - Establish acceptable deductibles or self-insured retentions for the property, excess liability, and crime insurance. In addition, consider revising and adding additional deductibles for claims based upon frequency or cause, such as preventable automobile accidents. Investigate ways to contain and/or minimize the frequency and severity of losses that have greatest impact on total cost of risk.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-211/Land Survey

Contact Person/Phone: Reid K. Siarot/586-0390

I. Goal

The Land Survey Division performs field and office land survey work statewide for various government agencies; provides mathematical and field check as mandated in the statutes for the Land Court and File Plan systems; provides map and field check as mandated in the administrative rules for shoreline certification; and serves as an official depository of all government survey and other survey information.

II. Objective and Policies

- A. #1 - Continue to provide survey services to government agencies, provide services to the general public and protect the interest of the State of Hawaii in land matters.
- B. #2 - Provide training for employees to enable them to perform the functions of the Program effectively.
- C. #3 – Continue to maintain the shoreline certification web page regularly.
- D. #4 – Digitize 100% of the State’s official maps and related documents and make the electronic copies accessible on the Program’s website.

III. Action Plan with Timetable

Past Year Accomplishment

Despite limited staff, the Division was able to maintain a high completion rate of requests for survey maps and descriptions, shoreline certifications, Land Court and File Plan review and quiet title reports.

Division staff conducted two training sessions for staff surveyors and numerous one-on-one training for the staff. One surveyor received his professional license and a promotion.

The Division continues to maintain the shoreline certification webpage regularly and acquired a new lease of wide format color scanner. This scanner will allow staff to scan maps up to fifty-four inches wide. Over 3,000 survey files were scanned in FY17.

- A. Objective/Policy #1 – Continue to provide survey services to government agencies, provide services to the general public and protect the interest of the State of Hawaii in land matters.
 - 1. Required Action

Continue to provide survey services to government agencies and services at a high rate of completion and evaluate and monitor the Program's effectiveness.
 - 2. Implementation Timetable
 - a. One year – Maintain a high completion rate of mandated functions i.e. shoreline certification, Land Court and File Plan map reviews and quiet title actions and evaluate the Program's effectiveness.
 - b. Two to Five years – Continually assess the workload and evaluate the Program's effectiveness to develop procedures in carrying out the Program's functions more effectively. Provide training where needed.
- B. Objective/Policy #2 – Provide training for employees to enable them to perform the functions of the Program effectively.
 - 1. Required Action

Provide in-house training and offer external training for employees. Recommend and encourage employees to attend appropriate training for their position.
 - 2. Implementation Timetable
 - a. One year – Provide in-house training, recommend and encourage employees to attend appropriate classes offered by the Department of Human Resources Development (DHRD) as well as appropriate external training.
 - b. Two to Five years – Recommend and encourage employees to attend appropriate training for their position.

C. Objective/Policy #3 – Continue to maintain the shoreline certification web page.

1. Required Action

Continue to maintain the shoreline certification web page regularly. Scan new shoreline maps and photos received from DLNR and make them available online for public review. Regularly update maps and photos, inspection schedule, application and certification notifications, and important shoreline links.

2. Implementation Timetable

- a. One year – Continue to maintain current shoreline maps and photos, inspection schedule, application and certification notifications, and important shoreline links on the Program's website.
- b. Two to Five years – Continue to maintain shoreline certification web page and explore ways to improve access to shoreline data and streamline the shoreline certification process.

D. Objective/Policy #4 – Digitize 100% of the State's official maps and related documents and make the electronic copies accessible on the Program's website.

1. Required Action

Continue to scan the Program's official maps and related documents and make the files available online.

2. Implementation Timetable

- a. One year – Inventory, assess, and prioritize the State's official maps. Continue to scan maps and related documents according to priority and add them to the Program's website as they are completed.

- b. Two to Five years – Continue to scan maps and related documents according to priority and make the files accessible on the Program's website as they are completed. Explore and take advantage of opportunities and partnerships to help scan survey maps and related documents.

IV. Performance Measures

- A. Customer Satisfaction measure – The Land Survey Division program's effectiveness is measured by its completion rate and duration of its major functions. An evaluation of the program by Survey's customers will be conducted annually and areas of concerns will be addressed.
- B. Program Standard measure – In-house status reports measure the output of the various survey functions. Standards comparable to the private sector will be developed to monitor the program's effectiveness and to address areas of deficiencies.
- C. Cost Effectiveness measure – Annual cost of operation compared to output will be assessed to determine cost effectiveness and comparison will be made with the private sector's costs. However, mandated functions that cannot be privatized and have no alternative measures will be given serious consideration to assess fees to offset actual costs to government.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS 221 / Public Works – Planning, Design, and Construction

Contact Person/Phone Keith Kogachi 586-0526

I. Goal

Improve the quality of construction and renovation of facilities.

II. Objectives and Policies

A. #1 – Acquire quality design for construction and renovation of facilities.

1. Continue to update requirements for design consultants contained in the Design Consultant Criteria Manual (DCCM). Implement new requirements mandated by law, codes, regulations, and ordinances, etc.
2. Continue to educate users, consultants, suppliers, contractors, and others on DAGS standards, project specifications, budgetary constraints, policies and procedures to promote clear understanding of requirements and realistic expectations, based on a more rigorous financial analysis, for projects. Meet with professional architectural/engineering and construction industry organizations on a regular basis to obtain technical and administrative feedback.
3. Expand use of database software (such as Google Suites) for a document storage and retrieval system that will facilitate coordination and tracking of DAGS-PWD/user agency design phase work tasks such as design submittal reviews. Target improvement objectives:
 - a. Electronic Plan File Room (Platform)
 - b. Project Files/Documents

B. #2 – Improve construction performance criteria

1. Continue to consider alternative procurement methods for construction awards with consideration given to bidders' experience and qualifications, past performance, capacity to do the work, and other criteria rather than base awards primarily on low bid.
2. Closely monitor and advise consultants and contractors of desired outcomes for satisfactory or better performance.

3. Initiate more efficient and paperless communication, verification, and archiving per the Governor's eSign initiative and improving on the way government conducts business.
- C. #3 – Subject to the results of cost analysis of payback, present value and other financial analysis techniques, continue to recommend and undertake energy efficiency/conservation projects for DAGS buildings and for other User Agency facilities as requested and as funding permits.

III. Action Plan with Timetable

- A. Objectives/Policy #1 – Acquire high quality design for construction and renovation of facilities.

1. Past Year Accomplishments

- a. Objective #1.1 – Updated the DCCM in February 2017 and August 2017.
- b. Objective #1.2 – Continue meetings and discussions with the General Contractors Association (GCA), the Building Industry Association (BIA), the Associated Builders and Contractors, Inc. (ABC), the Subcontractors Association of Hawaii (SAH), the American Council of Engineering Companies of Hawaii (ACECH), and other government agencies to share information and update parties on policies and procedures regarding design and construction matters.
- c. Public Works personnel continue to participate in online on-demand workshops on State Procurement procedures to be in compliance with State Procurement Office requirements and departmental requirements.
- d. Began design comment review process for all projects in design.
- e. Continued training key PWD personnel on Emergency Response Plans and Debris Management to ensure PWD will be able to support State Civil Defense following a natural or man-made catastrophic disaster.
- f. Began replacement of desktop computers and laptops. Upgraded mobile devices.
- h. Requested funding for upgrade of project management database system.

2. One year – Bi-annual update of DCCM to improve project delivery timeliness, quality, cost and efficiency on design and construction performance. Continue to update the PWD internet website to provide user-friendly access to forms, instructions and information for clients and contractors. Continue staff, consultant, contractor and client training in utilizing the project collaboration platform. Roll out web interface for submission of professional services qualification information and materials.

As budget permits, replace outmoded equipment and software, acquire and implement new project management software, and implement annual training for PWD staff to keep staff current on industry project management trends and new technologies.

3. Two years – Continue to improve website information tailored to the needs of the design and construction communities. Continue to refine DCCM. Continue staff training to improve skills and service. Utilize the project collaboration platform for all projects initiated by DAGS Public Works Division. Subject to funding, develop and implement a Public Works Construction and Facility Management Plan in conjunction with the Central Services Division.
4. Five years – Upgrade the computerized automated project database and recordkeeping systems. Continue to evolve the website according to industry standards.

B. Objectives/Policy #2 – Improve construction performance criteria

1. Past Year Accomplishments

- (a) Objective #2.1 – Continued to explore other construction procurement methods as alternatives to the low bid method. Statewide ESPC encompassing additional Oahu state office buildings and neighbor island State office buildings is ongoing with an estimated contract amount of \$22.0 million. Issued a Request for Proposal (RFP) to provide a district-wide cooling system for State facilities in the State Capital District, Preparation of a Request for Proposal to upgrade the Aloha Stadium facility and site underway. Issued Request for Proposals for Hawaii State Hospital New Patient Facility.

Continued use of “Indefinite Quantity Contracting” for the installation of Disaster Warning and Communication System Devices (sirens) statewide with geographic contracts. The geographic contracts were procured to allow for the most

competitive pricing for each geographic region rather than doing a statewide contract.

- (b) Objective #2.2 – Continued staff training in various construction methods/topics such as basic ventilation, air conditioning, collaborative project management, first aid, and safety when funds are available or as needs arise.
- (c) Objective #2.3. Initiated paperless authorization and execution of construction change orders.

- 2. One year – Continue to consider alternative procurement methods to low bid awards. Establish instructions for staff, consultants, and contractors on using a boiler plate specification for use of the Electronic Procurement System (HePS) electronic bidding system. Evaluate feasibility of the HePS procurement system for construction projects.

Continue work to determine if the District Cooling RFP provided a feasible alternative for implementation.

As budget permits, initiate planning and design to issue an RFP to upgrade/replace the State Capitol pools.

Continued work to implement Act 177, SLH 2015, including providing training for public sector stakeholders on lease back and innovative project development.

- 3. Two years – Bid out all projects using an electronic procurement system instead of the current hard copy sealed bids. Determine appropriate alternative procurement methods for various situations. Provide customer service training for staff. Obtain outside trainers for in-house staff training if necessary.

Complete transactions for all project business with online archiving and services.

- 4. Five years – Increase utilization of online collaboration construction management platform to expedite the decision-making process and overall project delivery process from bidding out projects, initiating projects in the planning stage, implementing the design process, improving construction management, and ensuring quality control.

- C. Objective/Policy #3 – Continue to do energy efficiency/conservation projects for DAGS buildings and for other user agency facilities as funding permits.

- 1. Past Year Accomplishments:

- a. Evaluating response to the Request for Proposal to provide a district-wide cooling system for State facilities in the State Capital District. Considering all costs including financing costs, this evaluation will help determine if there are competitive alternatives to conventional heating, ventilation, and air conditioning (HVAC) systems.
- b. The following energy efficiency/conservation related projects were bid opened:

Kona Judiciary Complex: The project construction was awarded on April 28, 2016 to Nan, Inc. for \$80,421,400. The construction contract notice to proceed is October 28, 2016 and the original/current construction contract completion date is March 14, 2019. This project is seeking a LEED Silver certification with high efficiency plumbing, energy efficiency lighting, and electric vehicle charging station.

- Hawaii State Hospital is in the request for proposals procurement process. Energy related efficiency requirements include goal of LEED Silver certification, natural ventilation, daylighting, high efficiency lighting (LED), high efficiency plumbing fixtures, and high efficiency air conditioning equipment.
- c. Continued construction of DAGS Facilities, ESPC for other Oahu facilities and neighbor island State facilities during FY 2017.
 - d. The following energy efficiency/conservation related projects are currently under construction:
 - Waimano Ridge, Improvements to Buildings and Site, LEED Silver goal
 - New Nanakuli Public Library, LEED Silver goal
 - Former Lihue Courthouse Renovation, LEED Silver goal that includes energy efficient lights, motion sensors, building insulation to reduce air conditioning requirements, and other features.
 - e. The following energy efficiency/conservation related projects completed construction during FY2017 and are seeking LEED Silver certification:
 - DAGS Hawaii District Office, Hilo Baseyard
 - Kamamalu Building, Renovation

2. One year:
 - a. Continue to refine energy efficiency projects that incorporates financial analysis techniques such as payback and present value methods and processes during the design and construction phases of selected projects.
 - b. Review/evaluate/assess “lessons learned/results” from ESPC projects and projects that incorporated LEED, building commissioning, during the design and construction phases to determine benefits and costs.
 - c. Continue working on the Statewide ESPC program that includes other Oahu State facilities and neighbor island State facilities.
 - d. Evaluate the results of the District Cooling RFP issued this past year to determine if there are feasible alternatives to conventional HVAC for implementation.
3. Two years – Continue to plan, design and construct energy and cost efficient buildings. Refine design requirements, methodology, incorporate new technology and material. Subject to funding, implement the recommendations of the retro-commissioning investigations conducted for the public libraries. Develop and implement an Energy Conservation Implementation Plan in conjunction with the Central Services Division. The DAGS Public Buildings, Statewide, Energy Conservation Planning project was started for this purpose.
4. Five years – Develop and implement revised Policies and Procedures and/or changes to the DCCM on the use of LEED/energy initiatives, and building commissioning and retro-commissioning processes as appropriate during the design and construction phases for other projects. Retro-commission public buildings every five (5) years as required by Act 155, subject to funding being made available.

IV. Performance Measures

A. Customer Satisfaction Measure

Acquire high quality construction and renovation of facilities.

1. Review, evaluate and measure user and staff ratings of consultants and for all projects through customer satisfaction surveys and polling.
2. Obtain, analyze and record evaluations from user agencies on the performance of consultants and project results.

3. Follow-up with consultants and with less than satisfactory ratings and results.

B. Program Standard Measure

Acquire good quality construction and renovation of facilities.

1. Obtain feedback from users on the quality of workmanship.
2. Obtain feedback from users on the amount of maintenance required post-construction/renovation compared with maintenance prior to construction.
3. Continue to measure and evaluate the number and types of change orders.
4. Measure and evaluate the project schedules.

C. Cost Effectiveness Measure

Acquire high quality construction and renovation of facilities.

1. Continue to evaluate changes in the amount and types of change orders during construction.
2. Measure and evaluate the number of projects that are completed on schedule and within budget.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-223/Office Leasing
Contact person/phone: Ivan Nishiki/586-0505

I. Goal

Improve the office leasing services provided to user departments.

II. Objectives and Policies

- A. #1 - Reduce the average number of days to complete lease requests to ninety (90) working days.
- B. #2 - Improve various areas of the Leasing Branch's operations.

III. Action Plan with Timetable

- A. Objective/Policy #1 - Reduce the average number of days to complete lease requests to ninety (90) working days.

1. Past Year's Accomplishments:

- a. Updating Lease Template – We pursued and secured approval from the Attorney General's Office for several revisions that will improve our lease document, protect the interests of the State, and help expedite the execution of our lease. These changes included the requirement of landlords to send invoices thirty days in advance of the payment due date, so that State departments who pay the rent will not have to generate their own invoices. Other changes included deleting invalid references to the Hawaii Revised Statutes concerning real property tax exemptions, limiting the State exposure for plate glass replacement, and strengthening the State's rights to question and audit the Landlord's common area maintenance (CAM) charges.
- b. Educational and Networking Opportunities – our staff attended an annual presentation organized by various real estate and tourism related organizations on forecasting various sectors of the real estate market, including commercial real estate. We also attended a seminar

(Essentials of Commercial Leases) to learn about and review various types of commercial leases, important lease terms and conditions, types of entities, and examples of interesting landlord/tenant lease issues. These presentations provided valuable staff training, as well as opportunities for networking with industry professionals, including property managers and landlords' broker representatives.

- c. Temporarily Filling of Leasing Specialist Position – The Leasing Specialist position, which became vacant as of November 30, 2016, was filled under a TAOL (Temporary Appointment Outside the List) arrangement in April 2017, while the permanent recruitment was being pursued.
- d. Subordination, Non-Disturbance and Attornment Agreement – This document is provided to us by the Landlord in anticipation of refinancing or in contemplation of a purchase. A Landlord's lender (mortgagee) is now requiring that tenants pay their rent to the lender, in event of default by the landlord. This has caused operational and legal concerns for the State in paying a third party. Leasing Branch has completed their comments and recommendations on the State's proposed lease language and is awaiting the Attorney General's final review.

2. Required Actions

- a. Pursue the recruitment and filling of the permanent, full-time Leasing Specialist position to replace the temporary hire arrangement.
- b. Initiate improvements to our branch policies and procedures that are consistent with the policies of DAGS Fiscal Office and Pre-Audit Branch, and the Attorney General/Land and Transportation Division, and seek procedural improvements which can help expedite the leasing process.
- c. Work with the Attorney General's Land & Transportation Division to finalize a standard Subordination, Non-Disturbance and Attornment Agreement. Having a standard form agreement will expedite the review by both the Leasing Services Branch and the Attorney General's office, so that the document can be returned to the landlord within the timeframe required under the lease.
- d. Provide input to the Office of the Attorney General, Administration Division, to work out a policy to address which division of the Attorney General's office should provide review services on Memorandum of Agreements for office space, and to address situations, such as when there are multiple state agencies as tenants, when agencies require

assistance in negotiating the MOA agreements, and when the MOA requires DLNR, Land Board approval.

- e. Coordinate with the PWD, Planning Branch to pursue lease consolidations into any available state buildings to create operational efficiencies for user agencies and to reduce our lease inventory and related leasing costs.
- f. Consider expanding the use of eSign to expedite the routing and execution of lease documents by user departments.
- g. Restore the Leasing Specialist position which was abolished in 2009 due to the Reduction in Force (RIF) action.
- h. Have Americans with Disabilities Act (ADA) site surveys completed for commercial properties which can be considered for lease.

3. Implementation Timetable

- a. One Year – Complete the recruitment and filling of the permanent, full-time position.

Pursue any needed revisions/updates to our branch policies and procedures, and seek improvements to stream line the leasing process.

Coordinate with the Office of the Attorney General, landlords, and mortgagees to develop a standard Subordination, Non-Disturbance and Attornment Agreement.

- b. Two Years – Coordinate with PWD, Planning Branch to pursue office consolidations from lease space to available space at the Keoniana building, or any other DAGS controlled office building that becomes available for occupancy.

Consider opportunities to use eSign to have lease documents electronically executed by other departments.

- c. Five Years (or less) - Using the ADA site surveys, develop a state wide list of commercial office properties which meet the State's minimum ADA requirements.

Pursue restoration of the Leasing Specialist position which was abolished through RIF.

Provide input and coordinate with the Office of the Attorney General, Administration Division, in working out a policy to address which

division of the Attorney General's office, provides what services in the review of Memorandum of Agreements for office space.

B. Objective/Policy #2 - Improve on various areas of the Leasing Branch's operations.

1. Past Year's Accomplishments

- a. Data Base System – continued to work with branch secretary to continue preparing and updating of branch policies and procedures, and the Leasing Information form PWD 500 to improve our branch's Access data base program.
- b. Revision of Office Space Standards, Forms & Instructions – through collaboration with the PWD, Planning Branch, we finalized the division's Office Space Standards, Instructions, and Space Need Computation worksheets (Form 501) for all departments to use when requesting office space. We continue to work together to share communications between the Planning Branch and the requesting department in the space computation review process, and in building the lease data in Planning Branch's Capitol District Master Plan data base program. This has helped in understanding the user department's operational needs and identifying appropriate lease locations and office layout design requirements. Leasing Branch staff also attended training on the data base management system by Planning Branch's consultant.
- c. Worked with DAGS System & Procedures Office to improve and update our existing Excel budget projection program to determine annual leasing costs.
- d. Assisted the Board of Directors, management agent and the legal counsel for the King Kalakaua Association of Apartment Owners to revise their condominium Declaration and By-Laws documents. This will correct and properly identify the common and limited common elements of the property, and identify who is responsible for its repair, maintenance and replacement. Completion of this task will relieve Leasing Branch's participation on the Board of Directors and free up our staff resources.

2. Required Actions

- a. Revise and update the standard form lease, and branch policies and procedures whenever situations arise which impact current conditions, or cause disruption, so that operational improvements are on-going. This will include revisions to the lease that addresses the Asbestos

Management Program.

- b. Update the branch's policies and procedures with respect to the leasing process, data collection/input, and the lease encumbrance and payment process. Continue working with DAGS Systems and Procedures Office (S&PO) to assist with any necessary updates to our Access data base program. The updated policies and procedures will also serve as training material for new staff.
- c. Continue collaboration with the PWD, Planning Branch to finalize the standardized office space request memo, the boilerplate response memo, and revisions to the PWD's policy and procedures manual (currently in draft) that will show how leasing requests are reviewed and processed by both our Planning Branch and Leasing Branch. After the standardized office space request memo is finalized, update the Public Works website to include this form, the "Suggested Office Move Planning Guide", and the "ADA Site Assessment & Building Worksheets for ADA Compliance".

3. Implementation Timetable

- a. One Year – Continue revising or adding new branch policies and procedures as necessary, to keep branch operations current.

Work with the Attorney General's office to have any needed revisions and updates approved for our standard form lease. This includes revisions to the Asbestos Management Program which are currently under review.

- b. Two Years – In order to update our Access data base program, complete the documentation of all branch policies and procedures with respect to the leasing process, data collection, and the lease encumbrance and payment process.
- c. Five Years (or less) – Continue collaboration with the PWD, Planning Branch to document the lease review and authorization procedures in the PWD policy and procedures manual. Finalize the standardized office space request memo for user departments to use, the DAGS response memo, and update the Office Space Forms panel of the PWD website with these revised memos and updated lease forms.

IV. Performance Measures

A. Customer Satisfaction Measure

- 1. Pursue evaluations from user departments concerning improvements to our

leasing forms and instructions, the effectiveness of our website, and how it has helped in preparing and/or submitting leasing forms/requests more easily and efficiently.

2. Obtain evaluations of our branch's leasing services after we are successful at restoring the Leasing Specialist position. Areas identified by user departments which require attention, will be addressed immediately.

B. Program Standard Measure

1. Seek measures of comparison with other States, and applicable branches of State, County or Federal governments who perform office leasing services.
2. Evaluate the program's efficiency in reducing the average amount of time needed to complete new lease requests, relative to program staffing.

C. Cost Effectiveness Measure

1. Compare the actual cost per square foot for our leases in specific locations, with the published asking rates for lease space in similar areas.
2. Determine the extent of lease savings created from any revisions to the DAGS Office Space Standards.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-231/Central Services-Custodial

Contact Person/Phone: James Hisano/831-6734

I. Goal

The goal of the Custodial Program is to deliver timely and quality services, while continuously seeking the needed feedback to improve its services to users and occupants of its assigned buildings.

II. Objectives and Policies

As a means of attaining the stated goal, the program will implement the following objectives:

- A. As a short-term objective, the program will maintain an 80% or higher customer satisfaction rating as measured through quarterly surveys of building occupants. The 80% percentile has been selected to align with the program's annual variance report, Part II "Measures of Effectiveness."
- B. Within a five-year period, policies will be implemented to improve the satisfaction to a level of 85% or better.
- C. In order to realize the stated goal and objectives, the following action plan has been developed.
 - 1. Implement on-going training for each custodian to improve efficiency, productivity and effectiveness in order to attain a satisfaction level of 85% or better.
 - 2. Collect and evaluate semi-annual customer satisfaction surveys for all buildings on Oahu.
 - 3. Investigate ways to streamline support procedures to allow staff to concentrate on customer service and responsiveness, instead of paperwork.
 - 4. Continually develop and refine the program's measures of effectiveness to determine how well the program is delivering services.
 - 5. To implement the inspection checklist for worksites by the Janitor III's and to follow up on deficiencies.

6. Investigate ways to better coordinate repair requests with trades staff from the Building Repair and Alterations Program.
7. Refine in-house training program to include formal classroom training, as available.
8. Improvement of the workforce through the refinement of the employee selection process by focusing on good customer service skills, supervisory potential and strong custodial and building maintenance skills.

III. Action Plan with Timetable

A. Past Years Accomplishments

Highlights of the past year's program activities are as follows:

1. Assisted the Public Works Division with the implementation of the construction phase of Phase II of the Energy Saving Performance Contract (ESPC) with Ameresco, Inc. Phase II includes the remaining DAGS facilities on Oahu and DAGS facilities on this islands of Hawaii, Maui and Kauai.
2. Created and filled four (4) Janitor II positions to provide custodial services for the Princess Kamamalu Building.
3. Worked with the Public Works Division to move staff in, occupy and provide managerial and custodial services for the Princess Kamamalu Building.
4. Continued efforts to restore positions and funding of three (3) custodial positions lost due to the Reduction of Force (RIF) and Legislative action.
5. As requested by the Department of Human Resources and Development, submitted a list of additional positions and other resources needed to assume BU 1 work that is currently being contracted. This work includes, custodial services now provided under contract.
6. Continued to work with the DAGS Personnel Office to streamline the process of recruiting Janitor II's to fill vacancies and obtain better qualified applicants.
7. Continued the systematic replacement of aging custodial equipment to improve worker productivity by purchasing vacuum cleaners and floor buffers, as funds are available.

B. One Year

In addition to the above, work continues in the following areas:

1. Continue to expand the use of environmentally friendly cleaning products and procedures in facilities serviced by the division.
2. Continue to refine surveys as a method to measure the level of satisfaction of building occupants with the services being provided.
3. Continue to monitor building operations as related to improving energy efficiency, and the utilization of other resources.

C. Two Years

1. Increasing participation and improving the skill level of the custodial staff in accomplishing minor building repairs.

D. Five Years

1. The program will continue to refine objectives that were previously identified such as, training in custodial and building maintenance skills and the streamlining of procedures to reduce paperwork.
2. The program will follow-up on unfinished objectives and any new initiatives that may be identified. As needed, priority items will be expedited.

IV. Performance Measures

A. Customer Satisfaction Measure

Semi-annual user surveys are utilized to obtain feedback to determine the Program's effectiveness, and to identify areas that require improvement. Follow-up action will be taken to assure satisfaction whenever and wherever possible.

B. Program Standard Measure

Using the private sector as a model, performance standards will be established and used to base worker performance, expectations, and to conduct and verify internal inspections.

C. Cost Effectiveness Measure

Costs will be obtained from private sector sources and used as a guideline to determine the competitiveness of the program. Comparisons will be based on the concept of "prevailing wages".

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-232/Central Services-Grounds Maintenance

Contact Person/Phone: James Hisano/831-6734

I. Goal

The program will strive for quality and consistency in the delivery of groundskeeping, tree trimming, and refuse pickup services. Program activities will reflect a continuing commitment towards cost efficiency, productivity, relevancy, and timeliness of services.

II. Objectives and Policies

As a means of attaining the stated goal, the program will implement the following objectives:

- A. Maintain an 80% or higher customer satisfaction rating as measured through surveys of groundskeeping, tree trimming and refuse pickup services.
- B. Within a five-year period, incrementally move from a baseline 80% rating to a 90% or higher rating in meeting established standards.
- C. In order to meet the stated goals and objectives, the program has, or will implement the following action plan which has been developed.
 - 1. Create and maintain standards for affected program activity. Validate standards against industry comparable or other public sector agencies.
 - 2. Develop internal inspection standards and processes to confirm that standards are being maintained and conduct periodic user surveys to gauge customer satisfaction.
 - 3. Conduct training for groundskeeping staff to assure proper knowledge of program standards and effective work technique.
 - 4. Implement and maintain a planned beautification program to revitalize assigned grounds.
 - 5. Implement systematic repair/renovations of irrigation systems at assigned facilities.
 - 6. Develop a tangible record keeping system, i.e., use of work orders or work

tickets to validate the type and quantity of work performed by staff.

7. Develop a process to periodically evaluate standards and validate the internal inspection process.
8. Identify the types of equipment that will facilitate workflow and increase productivity, e.g., larger mowers, blowers, etc.
9. Develop a cyclical replacement program for equipment and vehicles to assure that the necessary tools are available to support program activity.
10. Through the Internet, develop and maintain a customer satisfaction survey for different program activities.

III. Action Plan with Timetable

A. Past Years Accomplishments

Highlights of the past year's program activities are as follows:

1. The use of overtime on weekends and holidays to service the Makiki, Puukamalii, Puea and Aiea cemeteries has proven successful and is being continued.
2. The program continues to be faced with challenges associated with diseased and aging trees. An earpod tree was removed at the State Capitol due excessive internal decay. Large trees were also removed at the Iolani Palace and the Kekuaaoa Building due to decay and fungal infestation.
3. Completed the renovation of landscaping and irrigation systems at the Queen Liliuokalani Building and the Waipahu Civic Center.
4. Replacement of aging equipment continues, including riding lawn mowers and one (1) truck, which will increase worker productivity.
5. As requested by the Department of Human Resources and Development, submitted a list of additional positions and other resources needed to assume BU 1 work that is currently being contracted. This work includes, refuse collection and recycling, tree trimming, landscape maintenance, and parking lot maintenance.
6. Completed an audit of equipment inventory.

B. One Year

In addition to the above, work continues in the following areas:

1. Continue efforts to restore positions and funding for five (5) groundskeeper positions lost due to the RIF and Legislative action.
2. Obtain three (3) additional grounds positions to establish a crew to focus on the existing four (4) cemeteries under our jurisdiction and the two (2) cemeteries that will be transferred to DAGS from DLNR.
3. Based on the availability of funds, continue the program of renovating irrigation systems and landscaping at the Keelikolani Building.

C. Two Years

1. Continued refinement of the internal inspection process to identify areas that require additional attention and to validate performance levels of the groundskeeping staff.

D. Five Years

1. The program will follow-up on unfinished objectives and any new initiatives that may be identified. As needed, priority items will be expedited.

IV. Performance Measures

A. Customer Satisfaction Measure

A semi-annual written survey/evaluation for the program's target groups will be distributed. Any areas of concern identified through this survey will be immediately addressed.

B. Program Standard Measure

Standards comparable to the private sector will be formulated and monitored through internal staff inspections. Areas of concern will be corrected through established response criteria.

C. Cost Effectiveness Measure

Private sector costs will be solicited and maintained to assure competitiveness. Additionally, annual costs will be monitored and any significant variance in expenditures shall be evaluated and corrective measures implemented as needed.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-233/Central Services-Building Repairs and Alterations

Contact Person/Phone: Corey Shibata/381-0147

I. Goal

The program will strive to provide timely, responsive, quality, cost effective and innovative repair and maintenance services to public buildings, libraries, and health centers statewide and focus on reducing building operating costs for DAGS' facilities.

II. Objectives and Policies

- A. Maintain an 80% or higher customer satisfaction rating as measured through quality assurance checks for scheduled minor repairs and for staff initiated major repairs (in-house work and 3-quote contracts).
- B. Incrementally increase the 80% satisfaction rating to a 90% or higher rating during a five-year period. This more realistic 90% percentile target has been selected in lieu of the previously reported 98%. This reduction is based on the subjective nature of survey responses.
- C. In order to meet the stated goal and objectives, the program has, or will implement the following action plans.
 - 1. Annually, complete \$175,000 of in-house repairs. These projects will be done during normal workday and overtime hours.
 - 2. Generate a minimum total of \$220,000, as funds are available, in vendor contracts annually to conduct timely repairs in assigned facilities statewide.
 - 3. Annually, accomplish \$65,000 or more of emergency repairs by doing it in-house or contracting out.
 - 4. Maintain a program of scheduled maintenance for minor repairs to assure that each assigned facility receives adequate coverage.
 - 5. Develop a comprehensive plan, possibly using an asset management software, to identify and initiate major repair projects in assigned public buildings, libraries, and health centers statewide.
 - 6. Formalize procedures to work closely with Building Coordinators and with the Custodial Program's Building Managers to provide technical advice to

building occupants on office renovation and to sequence minor and emergency repairs in the most efficient manner possible.

7. Work with private sector vendors to identify quality and efficient building materials which will last longer and require less maintenance. Subsequently, develop and maintain appropriate pricelists to procure such products.
8. Identify and provide tools and equipment that will facilitate work flow and increase productivity through review of literature, attendance at trade shows, and field tests.
9. Maintain the on-line customer satisfaction survey with a feedback mechanism, i.e., publication of response statistics.
10. Provide new and refresher training for program staff to maintain a high awareness of work place safety and proper work procedures.
11. Introduce and maintain program automation by training key program staff on the use of appropriate computer software and mini-computer applications.
12. Maintain a standard operating procedures manual to provide continuity in purchasing, paperwork, and to facilitate the retraining of newly hired or promoted staff.

III. Action Plan with Timetable

A. Past Year's Accomplishments

Items Nos. 1-4 and 6-12 have been completed and are being periodically refined. A summary of activities follows:

1. The program has continued to concentrate on improving the quality of its services by using an online quality assurance survey program which is directly connected to the work order system. This allows the program to initiate timely corrective action and provide better services to our customers, the building occupants.
2. The program has initiated a project that will create a process and the procedures and provide the tools to collect and manage its asset information. This should greatly improve and simplify the storage of asset information and the storage, prioritizing and reporting of backlog projects.
3. Due to a lack of funds, the program was not able to complete in-house

preventative maintenance projects on DAGS facilities in FY 2017. The program focused on aiding other programs to complete projects at State homeless and housing facilities where the program was fully reimbursed for all costs.

4. The program has scheduled, on a five year cycle, the retro-commissioning of all DAGS facilities, on Oahu, per the requirements of Section 11 of Act 155, as amended in SLH 2009. We continue to request for additional funding for this.
5. Program staff has continued to attend training and have looked at different technologies which may be used to improve energy efficiency.

B. One Year

1. The program will continue to identify energy efficient projects per the requirements of Act 96, SLH 2006, which mandates and focuses the state's efforts on energy efficiency, conservation, and energy alternatives.
2. The program will continue the process to create and implement the procedures to collect, prioritize and manage its asset and backlog information.
3. The program will continue to seek and identify funding, on a five year cycle, to retro-commission all DAGS facilities, on Oahu, per the requirements of Section 11 of Act 155, as amended in SLH 2009.

C. Two Years

1. The program is also planning to continue to update the major repair backlog by capturing major building operating components and using component lifecycle guidelines to evaluate its existing useful life.
2. The objectives as outlined in the above Items Nos. 1- 12 will continue to be refined.
3. Identify and prioritize CIP projects for FY2018 through on-site visitations.

D. Five Years

1. The program will follow-up on unfinished objectives and any new initiatives that may be identified. As needed, priority items will be expedited.

IV. Performance Measures

A. Customer Satisfaction Measure

Customer satisfaction surveys are sent to the customer for each major repair project that is completed by program staff. All customer satisfaction surveys for minor repairs will be included in the custodial surveys. Results will be tabulated and any comments warranting concerns will be immediately addressed.

B. Program Standard Measure

Standards and practices comparable to the private sector will be formulated and monitored through internal staff inspections. Areas of concern will be corrected through established response criteria.

C. Cost Effectiveness Measure

Private sector costs will be solicited and maintained to assure competitiveness. Additionally, annual costs will be monitored and any significant variance in expenditures shall be evaluated and corrective measures implemented as needed.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS 240/State Procurement

Contact Person/Phone: Sarah Allen/587-4700

I. Goals

To best serve the taxpayers of Hawaii and stakeholders in State and County agencies by providing effective and efficient procurement and inventory management practices, with quality, timeliness, maximizing competition, and maintaining integrity. To achieve the greatest value from procurement resources while creating a procurement environment and framework which nurtures a strong vendor community and peak vendor performance; to uplift the procurement career field across the State with a training and certification program to enhance the services and products provided to the citizens of the State of Hawaii, protect tax-payer's monies and successfully implement programs.

II. Objectives and Policies

A. Procurement Training.

Develop a Hawaii State Procurement Certification process that will guide the career field within the State, to allow for certified levels of trained journeymen and experts. A statewide procurement training and certification learning management system (LMS) is a vital tool to ensuring the State of Hawaii develops a proficient workforce of procurement professionals who expend public funds in a manner that is compliant with applicable statutes, rules, and policies. The LMS will allow state and county procurement personnel to register online, take relevant procurement courses on-demand, and receive certification by passing quizzes. The LMS will further improve SPO's training program by:

- Offering a centralized source of learning,
- Automating data-keeping and reporting procedures,
- Bolstering knowledge retention with evaluation capabilities, and
- Simplifying the learning process.

B. Electronic Procurement Systems.

Integrate electronic purchasing to automate procurement processes, reduce procurement cycle times, and increase the competition for goods, services and construction.

Consolidate procurement notice and award databases with an eProcurement System for the following purposes: 1) create a more user friendly single point of access for state procurement personnel; 2) create a more user friendly single point of access for

vendors and the public searching for opportunities to do business with the state and searching contract awards; 3) create a single source for accessing procurement data for analysis to enable strategic sourcing.

Develop a One-Stop-Shop site, which will pull all solicitation and notice information from across the 21 Chief Procurement Officer Jurisdictions to one page that can be accessed by all interested vendors in order to enable business growth and economic development in Hawaii. Not only will this create a more responsive vendor market, but it will also give the State meaningful business analytics on the state of procurement across Hawaii.

C. Purchasing Card (pCard) Program.

Provide training and support for departments to maintain and increase levels of efficiency for small purchase procedures with the use of pCards. Conduct annual meeting of fiscal officers to network, foster open discussion of issues or concerns, share best practices, and provide management reports to assist in the analysis of purchasing activities. Integrate the pCard as the preferred method of payment into price list contracts and eProcurement purchases.

D. Procurement Resources.

Provide a variety of price and vendor list contracts that agencies benefit by receiving discounts on goods and services due to volume purchases. Additional advantages to cooperative contracts are efficiency savings – the administrative, procurement and contract management realized by each agency or jurisdiction, rather than having to solicit individual contracts, resulting in multiple contracts for the same commodity or service. Instead, these processes are managed by the SPO, and all participating jurisdictions and agencies are the beneficiaries of cooperative purchasing.

Provide consultation and advisory services to departments, its user agencies and other jurisdictions as the subject matter experts on the State Procurement Code. Additionally, the SPO provides procurement services to individual stakeholders by conducting procurement that impacts the State that results in systemic value to the State's business activity.

Assist, advise, guide, and train purchasing agencies relating to planning and procuring health and human services. Review and process Executive Branch requests for chief procurement officer approval and protest requests for reconsideration. Conduct reviews and investigations of procurements of health and human services, as necessary. Maintain databases: 1) awards/contracts; 2) request for proposals; 3) requests for chief procurement officer approval; and 4) planned purchases reports. Prepare HRS Chapter 103F legislation and amendments to its administrative rules, as applicable.

E. Procurement Compliance & Legislative Actions.

To provide Policy and Compliance consultation to State agencies and the public on policies and guidance on statewide procurement procedures, standards, and guidelines to ensure compliance with all procurement statutes, rules, directives and policies. As stewards of the Procurement Code, SPO shall continue to actively participate in the legislative process by preparing legislation and advising on revision to the procurement code.

The policy and Compliance section of SPO strives to maximize their efforts in the reviewing of bills during each legislative session, provides guidance to properly implement the provisions of the legislation through drafting of administrative rules. The following is a list of other objectives that the Policy and Compliance Section is engaged in: , conducting investigations due to public complaint, reviewing Hawaii Product applications, creating contract log statistics for the Executive Department, development of Protest Statistics, Chief Procurement Officers requests for approvals for Sole Source, Procurement Exemptions, Emergency Procurement, Restrictive Specifications, Contract Extensions, Procurement Violation Investigations, Delegation and Training, Contractors Suspension and Debarment and Hawaii Compliance Express.

F. Inventory.

Continue to ensure accurate inventory reporting and compliance with policies and procedures pertaining to the management and recording of State property. Maintain the acquisition and transfer of property document files to confirm and verify the transferring of property between State agencies is properly documented. Review property disposal applications submitted by the executive departments, excluding Department of Education, Hawaii Health Systems Corporation, Office of Hawaiian Affairs, and University of Hawaii, to ensure conformance to the requirements of the rules and policies and procedures pertaining to proper disposal of State property.

G. Travel.

Provide consistent policies and procedures for coordination and arrangement of travel for authorized business travel. Assist, guide, and train state personnel relating to travel coordination and arrangements. Conduct procurements relating to travel including, car rental and inter-island airfare.

H. Agile Acquisition.

To best serve the State Agencies and Executive Branch Departments by researching and supporting agile acquisition initiatives that streamline processes and create a more efficient and effective procurement system. To actively work on increasing and improving communications across State Agencies, to share and incorporate best practices, and share lessons learned. To actively work on improving the culture of discussion and cooperation between State Agencies to offer consistent practices, cost

savings and enhance timeliness of procurements. To participate in strategic actions to enhance the economic growth of Hawaii and support innovative, sustainable programs that enhance the lives of the people of Hawaii.

III. Action Plan with Timetable

A. Procurement Training.

1. Past Year Accomplishments

- a. Continued on-demand training adding SPO 135 (Contract Administration), SPO 137 (Contract Law Fundamentals), SPO 183 (Procurement Pricing) and SPO 191 (Cooperative Purchases)
- b. Perpetuated training programs for employees and vendors
- c. Reviewed and updated training class descriptions/synopsis
- d. Reviewed and updated training materials, forms and website
- e. Reviewed amended chapters 103D and 103F, Hawaii Revised Statutes (HRS), other related HRS such as chapters 103, 92F, 84, and applicable administrative rules for updates to training materials
- f. Researched and procured Learning Management System (LMS)
- g. Conducted research on certification programs for procurement professionals

2. One Year

- a. Obtain reference materials and training for SPO staff in the most current procurement trends and procedures, including IT procurement and intellectual property
- b. Begin implementation of LMS
- c. Establish clear definitions of roles in procurement
- d. Research and procure training content authoring software
- e. Convert existing training into a format compatible with the LMS
- f. Complete moving existing training to the LMS
- g. Begin basic training on acquisition life cycle statewide for procurement staff
- h. Develop Cost Analysis training
- i. Edit Pricing and Contract Law Fundamentals training to upload to the LMS
- j. Hold first meeting of professional acquisition community
- k. Begin planning for internship program

3. Two Years

- a. Scan business, training and other environments for new training platforms, models and processes

- b. Begin developing testing component for existing training for verification of learning by users and for analysis for modification of training
- c. Create Reference Library Structure and begin moving materials
- d. Develop procedures for incorporating testing requirement and passing to receive credit for taking training courses
- e. Develop course in acquisition planning
- f. Continue building reference library
- g. Begin updating existing training with newer interactive format
- h. Edit Contract Management training and upload to the LMS
- i. Develop Market Research training

4. Five Years

- a. Create SPO Training Division and Statewide Acquisition Academy & Center of Excellence
- b. Create 1 position - Training and Development Director
- c. Develop and hire two Training & Development Officers (total staff 3)
- d. Implement full on-line Resource and Best Practices Library
- e. Complete updating older training with a more interactive format
- f. Complete implementation of testing for core procurement courses
- g. Develop and implement Certification program
- h. Develop and implement courses in Market Research, Negotiations, and IT Procurements
- i. Develop advanced courses in Acquisition Planning
- j. Develop and implement full-blown blended learning programs, encompassing scheduled courses, webinars, on-demand interactive training and in-person training
- k. Develop and begin implementation of metrics reporting on effectiveness of training programs
- l. Develop online community to discuss acquisition issues and attract talent
- m. Revisit departments to assess progress and needs and provide technical assistance
- n. Scan business, training and other environments for new training platforms, models and processes
- o. Begin development of a "Learning Concierge," a digital librarian that can assist procurement staff in finding relevant information, such as training modules, forms or sample materials they are unsure how to find and assist in determining which information is the most relevant

B. Electronic Procurement Systems.

1. Past Year Accomplishments

- a. Enhanced HiePRO Open Reports in the fiscal interface
- b. Enhanced vendors search and profile (including HCE compliance status)
- c. Updated instructional videos and PDF instructions.

- d. Enhanced buyers' functionality including compliance status to award summary report, improved abstract report, timeout popups, and email notifications.
- e. Increased size of file uploads from 10MB to 100MB and added zip files format
- f. Updated the NAICS to reflect 2017 codes
- g. Replaced quick reference guides.
- h. Executed State of Work for the Hawaii Awards and Notices Database System (HANDS).
- i. Continued eProcurement training

2. One Year

- a. Started development on the Hawaii Awards and Notices Database which includes:
 - i. Create system admin framework to encompass HANDS and its modules: HiePRO and HCE
 - ii. Create user interface for HANDS with module access
 - iii. Create public facing interface with HANDS
 - iv. Introduce PANS/HiePRO functionality into HANDS environment
 - v. Transfer and display existing award data into HANDS environment
 - vi. Create functionality to allow users to submit requests for CPO approval through HANDS
 - vii. Create service that collects awards and solicitation data from other modules and URLs
 - viii. Create reporting and archival functionality
 - ix. Execute Statement of Work for the Small Business Database as an additional module in HANDS; which includes, but not limited to:
 - 1. Create functionality to allow vendors to self-identify as a small business through a series of questions.
 - 2. Create small business database reports

3. Two Years

- a. Continue expansion of existing eProcurement for all procurements relating to HRS Chapter 103D, goods, services & construction and expand to HRS Chapter 103F, purchases of health and human services
- b. Continue strategic sourcing and market analysis for online catalogues
- c. Complete HiePRO development and testing of reports for analysis of acquisition and contract spend
- d. Complete Small Business database development and testing of reports for analysis.
- e. Begin development of reports for analysis of acquisition and spend for purposes of planning and strategic sourcing.

- f. Continue to provide training on existing eProcurement to State and county procurement personnel and the vendor community (online workshops).
- g. Continue development/enhancement for the Small Business Database module.

4. Five Years

- a. Complete review of additional eProcurement functionality needed and also new technologies in eProcurement.
- b. Develop acquisition strategy for new eProcurement System
- c. Develop specifications for a new eProcurement System
- d. Begin implementation on new eProcurement system.
- e. Continue development and implementation of online catalogue shopping.
- f. Begin development of specifications for contract tracking system to provide dashboards for vendors, state personnel and the public.

C. Purchasing Card (pCard) Program.

1. Past Year Accomplishments

- a. Completed transition from regular pCard to EMV chip enhanced cards for all cardholders statewide.
- b. Updated State of Hawaii Purchasing Card Program Procedures Manual
- c. Updated cardholder agreement.
- d. Updated list of block merchant category codes and implemented blocks on all cards statewide.
- e. Periodically reviewed department transactions
- f. Implemented pilot program for DOE Declining Balance pCard to select number of teachers.

2. One Year

- a. Periodically review department transactions on Datamart for compliance with revised reporting procedures
- b. Continue training for cardholders and administrators
- c. Continue marketing and use of reporting capabilities
- d. Continue marketing and use of pCard program features
- e. Develop acquisition strategy for rebidding of the pCard contract
- f. Re-solicit for services to furnish and implement a new pCard program for the State of Hawaii
- g. Conduct annual meeting for pCard Administrators and alternates.

3. Two Years

- a. Begin implementation of a new pCard program
- b. Conduct training for cardholders and administrators

4. Five Years

- a. Perpetual updating contact information for all pCard administrators/alternates
- b. Expand use of reporting capabilities
- c. Audit departments for compliance with pCard usage

D. Procurement Resources

Goods, Services, and Construction: Assist, advice, train purchasing agencies in the planning, procurement and management of goods, services and construction contracts.

1. Past Year Accomplishments

- a. Managed a total of 157 contracts for an estimated spend of \$150,201,673.00 providing contracts for items such as computers, wireless services, coarse paper products, office supplies and others that State agencies rely on having in place that provide volume discounts, saving the State millions of dollars each year.
- b. Update the Procurement Wizard, by enlarging the flowcharts, re-designing the mobile user interface for ease of view, and improving the print function for the manual.
- c. Provided procurement review services to the Hawaii State Archives as part of the records preservation process for an invitation for bids for Micro Film Scanning services and P3 type of Request for Proposals for an Open Access, Carrier Neutral, Multi-Tenant Landing Station in support of Hawaii's Broadband Initiative for the Department of Business, Economic Development and Tourism.
- d. Facilitated and led a national team to an industry day in preparation for procurement for master agreements for acquisition support services.

2. One Year

- a. Continue to provide more Statewide contracts that have been determined commonly purchased goods and services, which will be used to build the funding source for the anticipated eProcurement system.
- b. Release a request for competitive sealed proposals solicitation as the lead state for acquisition support services, conduct evaluations and award contracts for the 50 interested states, the District of Columbia and the territories of the United States.
- c. Continue to build on to the Wizard by developing a master resource table bringing 103D Statutes, Rules and circulars into one location and other needed enhancements.

3. Two Years

- a. Continue to provide more Statewide contracts, which will provide the funding source for the new eProcurement system.
- b. Continue to build on the Wizard and incorporate information from the SPO website, making the Wizard the one-stop-shop, where all agencies can share their best practices and lessons learned about procurement.

4. Five Years

- a. Continue to support the initiatives with various IT and other procurements that will provide the needed changes for the State of Hawaii.
- b. Continue to be innovative and resourceful, providing its customers procurement information at their fingertips.

Health and Human Services: Assist, advise, train purchasing agencies in the planning and procuring of health and human services.

1. Past Year Accomplishments

- a. Continued review of HAR chapters 3-140 to 3-149.
- b. Draft amendments of statutes and administrative rules presented to the Procurement Policy Board (PPB).

2. One Year

- a. Submit bills to 2018 Legislature to amend HRS §§ 103F-404, Treatment Purchase of Services and 103F-405, Small Purchases.
- b. Update on-demand training on purchases of health and human services.
- c. Complete processing, adoption, and implementation of amendments to HRS Chapter 103F's administrative rules.
- d. Review and update procurement forms.

3. Two Years

- a. Electronic procurements for health and human services.
- b. Procurement training certifications planning.
- c. Conduct random review at the department level of health and human service procurements.
- d. Create network with procurement personnel to share best practices.

4. Five Years

- a. Develop micro learning courses for health and human service procurement personnel.
- b. Develop a digital library for procurement information.

E. Procurement Compliance & Legislative Actions

1. Past Year Accomplishments

- a. Reviewed approximately 105 legislative bills and resolutions that affected procurement
- b. Responded to Chief Procurement Officer requests which are submitted by the Executive Branch. Request reviewed: 67 Procurement Violations; 39 Protest submittals (SPO-043) and 535 Chief Procurement Reviews (CPO) consisting of Sole Source Requests, Procurement Exemptions, Emergency Procurement requests, Restrictive Specifications, Contract Extension Requests, OIP requests, and unblocking of pCard purchases.
- c. Provided guidance through Procurement Circulars. Procurement Circulars written -15.
- d. Protest Statistics. Processed SPO-043, Report of Procurement Protest Form, in order for Agencies to submit consistent/standardized data and track Executive Departments and CPO Jurisdictions Protests. Responded to questions from government agencies and the public on HCE compliance.
- e. Initiated research and submitted a white paper to the Minority Business Development Agency (MBDA) for any grant money to be used for the purpose of the Small Business Assistance Initiative, ACT 42, SLH 2017
- f. Completed Permanent Rule Process for compliance issues and updated SPO website: 1) aligning the inventory responsibility language in HAR 3-130 to be in-compliance with HRS language; 2) removing the ambiguous "Etc." from HAR §3-120 Exhibit A; 3) repealing HAR §3-122-66 to clarify the section has been invalidated by a recent Hawaii Supreme Court Decision; 4) creating a definition and process for clarification communications during proposals; 5) clarifying ethical expectations for all procurements by inserting additional language with procurement exemptions; 6) creating a clearer responsibility determination process that may include relevant and recent past performance.
- g. Consulted with numerous departments and agencies on proposed legislative initiatives that would involve procurement on policy, compliance, and implementation concerns.
- h. Effective, January 4, 2016 SPO has taken the step to move our state government toward a more efficient "paperless" environment, by accepting only Chief Procurement Officer (CPO) review packages as digital submittals via email. Many of the departments have been submitting CPO reviews with department head's electronic signatures as a way to support government efficiency. In addition, internally set up process for procurement specialist to submit CPO reviews to the SPO administrator for e-signature.
- i. Recent audits show that many departments are not maintaining a contract log, therefore on January 11, 2016, the SPO requested from all executive departments a detailed contract log, pursuant to HRS 103D-212,

Collection of Data Concerning Public Procurement. The log captures information of each departments contracts by division, the procurement officer responsible for the contract, contract description, the awarded amount and funds added through modifications. Keeping a contract log will hopefully prevent departments from experiencing lapsing of contracts, contractors working at risk, and potential violations of the procurement code.

2. One Year

- a. Develop a SPO Standard Operating Procurement Manual to establish clear and well defined procedures on recording and investigating possible procurement violations and procurement reviews. This SPO manual will lead to greater efficiency and consistency while conducting investigations and audits. In order to accomplish this goal, standard criteria and charting the procedures need to be developed as well as gathering stakeholder input through emails, meetings, and phone calls.
- b. Continue to review legislative bills, and develop testimonies.
- c. Continue to respond and make recommendations to Chief Procurement Officers requests which are submitted by the Executive Branch.
- d. Continue to provide guidance through Procurement Circulars.
- e. Continue to process SPO-043, Report of Procurement Protest Form..
- f. Continue to respond to questions from government agencies and the public on HCE compliance.
- g. Suspension and Debarment. Successfully issue Procurement Circulars, as needed, to notify Agencies/CPO Jurisdictions, which Vendors have been suspended/debarred and the suspension period of each Vendor. Issue Procurement Circulars, on behalf of DLIR, to notify Agencies/CPO Jurisdictions, which Vendors have been suspended pursuant to 104, Wages and Hours of Employees on Public Works.
- h. Continue to consult with other departments and agencies regarding implementation of procurement policy.

3. Two Years

- a. Continue to review legislative bills, and develop testimonies.
- b. Continue to respond and make recommendations to Chief Procurement Officers requests which are submitted by the Executive Branch.
- c. Continue to provide guidance through Procurement Circulars
- d. Continue to provide Procurement Circulars on Suspension and Debarment.

4. Five Years.

- a. Continue to review legislative bills, and develop testimonies.
- b. Continue to respond and make recommendations to Chief Procurement Officers requests which are submitted by the Executive Branch.

- c. Continue to provide guidance through Procurement Circulars
- d. Continue to provide Procurement Circulars on Suspension and Debarment.
- e. Submit to legislature small business advisory group's final report of all the recommendations, observations, and metrics elated to the small business assistance initiative, pursuant to Act 42 SLH 2017

F. Inventory

1. Past Year Accomplishments

- a. Processed 1,562 state property transfers valued at \$3,761,161.96
- b. Processed 26,355 inventory transactions
- c. Processed addition inventory transactions valued at \$637,683,965.73
- d. The Inventory's Hawaii Administrative Rules revision was finalized

2. One Year

- a. Continue to process state property transfers
- b. Continue to process inventory transactions
- c. Continue to process addition inventory transactions

3. Two Years

- a. Continue to process state property transfers
- b. Continue to process inventory transactions
- c. Continue to process addition inventory transactions

4. Five Years

- a. Continue to process state property transfers
- b. Continue to process inventory transactions
- c. Continue to process addition inventory transactions
- d. Expand the SPO internal inventory database to have more advanced functionalities, which will result in a better inventory record management and reporting, in order to establish more agile system to streamline the inventory process

G. Travel

1. Past Years Accomplishments

- a. Revised travel procedures in compliance with ACT 158
- b. Revised Travel Approval form
- c. Developed and implemented new Statement of Completed Travel form.

- d. Assisted travelers and travel coordinators in making travel arrangements and calculations of per diem, travel time off, and miscellaneous reimbursements.
- e. Reviewed and extended Intra-State Car Rental Contract.
- f. Resolicited the intra-state commercial car rental contract.

2. One Year

- a. Update on-demand travel training video and transcripts
- b. Continue assisting travelers and coordinators with travel arrangements and calculations of per diem, travel time-off, and reimbursements.
- c. Conduct in-person training for departments on an as needed basis.
- d. Uesolicit the Interisland Airline Price Contract.
- e. Review NASPO solicitation for Travel Management Contract for Hawaii participation

3. Two Years

- a. Update on-demand training.
- b. Amend HAR 3-10 to update language.
- c. Audit departments for travel procedure compliance.

4. Five Years

- a. Conduct market research for the feasibility of a travel management contract.
- b. Conduct market research for online travel approvals.
- c. Update on-demand training.
- d. Continue assisting travelers and travel coordinators.

H. Agile Acquisition

1. Past Year Accomplishments

- a. Developed and published the online interactive State Procurement Manual with process mapping, samples, templates and guidance. This “One-Stop-Wizard” of information allows agencies and vendors a resource on how to procure for goods, services and construction and health and human services.
- b. Issued a Request for Information (RFI) seeking general information, comments, and recommendations from potential vendors for category listings in preparation for disasters, to include but not limited to hurricanes, tidal wave, tsunamis, earthquakes in the State of Hawaii (State). Thirty (30) contingency categories are listed and may be accessed during the event of a disaster.

- c. Created a web page that offers instruction and information for Disaster Preparedness and Contingency Contracting during a disaster, including FEMA templates and instructions, a list of contractors by category to call for specific requirements, and links to the Hawaii Emergency Management Agency and GSA.
- d. Collaborated with subject matter experts and champions to design a successful program to implement small business set-asides across the State.

2. One Year

- a. Continue to collaborate with subject matter experts and champions to design a successful program to implement small business set-asides across the State.
- b. Develop and publish the online Interactive State Procurement Manual with process mapping, samples, templates and guidance. The SPO anticipates the release of this “one-stop-wizard” of information that will allow agencies and vendors a resource on how to procure for goods, services and construction and health and human services.
- c. Engage in discussions to develop a business model for Hawaii that will assist in diversifying revenue streams, assist local business, and promote sustainability in the research and development of sustainable, economically viable innovations that will enhance the lives of the people of Hawaii.
- d. Enhance the Disaster Preparedness online site by: 1) offering guidance, developed a HIeMA Record of Procurement for Disaster Preparedness Form for during and after a disaster, and 2) adding to the comprehensive list of interested vendors who have the capabilities the State would need in a disaster situation(s). Develop standard operating procedures for declared emergency procurements that align to FEMA requirements

3. Two Years

- a. Submit legislation that supports the small business set-aside plan.
- b. Continue to support sustainable, economically viable programs across the State.
- c. Link the SPO Disaster Preparedness page with the HI Emergency Management Agency’s initiative.

4. Five Years

- a. Develop a Procurement Tracker system that allows for transparency across the acquisition lifecycle. Align the Tracker system with the digitized Procurement Manual.
- b. Obtain business analytics to further define and improve the small business set-aside program.

- c. Continue to support sustainable, economically viable programs across the State.
- d. Continue to work with the CIO in regards to the IT Transformation State-wide Initiative.
- e. Create a trained, ready workforce that can manage contingency contracting during a disaster. Integrate a working plan to partner with Alaska procurement specialists in Contingency exercises.

IV. Performance Measures

A. Customer Satisfaction measures

1. Customer satisfaction surveys are being done with attendees of procurement training presentations.
2. Other stakeholder surveys are conducted as needed.
 - a. HCR 176, SLH 2014 directed the SPO conduct a study on the feasibility, necessary processes, and costs relative to requiring the consideration of past performance as a factor in awarding public contracts, including low bid contracts. In response, the SPO conducted a survey and is working with government officials, contractors, and other procurement policy stakeholders to gather and share experiences, perceptions, opinions, and ideas on past performance accountability. Survey information was compiled and shared with the Procurement Policy and will be included in the SPO's report to the legislature responding to HCR 176, SLH 2014.
 - b. A stakeholder input survey was conducted to collect feedback from subject matter experts to design a successful program to implement small business set-asides established in HRS §103D-901 through -906.
3. Program target groups (including purchasing jurisdictions serviced via cooperative purchasing price and vendor list contracts, statewide inventory accounts, number of agencies issuing health and human service solicitations, and number of purchasing card holders) are being measured annually.

B. Program Standard measures

1. Program reviews are being done on SPO's training program and HiePRO as well as on other procurement and inventory functions. For example, other reviews cover compliance of inventory reporting in the State's financial statements and number of purchasing jurisdictions serviced by cooperative purchasing price and vendor list contracts.
2. pCard usage and expenditures are analyzed using reports from the pCard system to review the number of purchasing cards being used by the agencies and the dollar value of pCard purchases annually. Also reviewed is the ratio of pCard transactions over purchase order transactions.

C. Cost Effectiveness measures

1. Reviews are being done on monetary savings resulting from the awarding of contracts using the HiePRO. Similarly, trend analyses are being accomplished for monetary savings stemming from the awarding of price and vendor list contracts.
2. Monetary savings from the transfer of State property between custodians are being measured.
3. Rebates received for purchasing card transactions provides an actual total of funds returned to the State.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID / Title: AGS 244/Surplus Property Management

Contact Person/Phone: Sarah Allen/587-4700

I. Goals

To effectively and efficiently provide customers (donees) with surplus property items, and continue to be fiscally solvent with revenues equaling or exceeding expenditures.

II. Objectives and Policies

- A. Intensifying training available to eligible and participating donees to enable interaction with the entire spectrum of program features and to improve donee probability of obtaining needed items.
- B. Maintain financial viability through increasing promotion on use of the utilization and donation programs by enhancing promotion and marketing of the surplus property program to enable Donees to benefit from the varied surplus property available to them at significantly reduced prices.
- C. Streamline processes and improve operational efficiencies and compliance with regards to the State Plan of Operation for the Federal Surplus Property Donation Program.

III. Action Plan with Timetable

- A. Intensifying training available to eligible and participating donees to enable interaction with the entire spectrum of program features and to improve donee probability of obtaining needed items.

1. Past Year Accomplishments

- a. Held Workshop SPO 195 - Surplus Property, at the Surplus Management Program warehouse located in Mapunapuna.
- b. Updated training presentations provided to donees.
- c. To enhance State Departments and other qualified agencies awareness of items available for purchase, State Surplus sponsors them with access to view Federal Excess Property Listings. By assigning a unique user id and password, authorized entities are able to view items currently available for

purchase and create a want list in order to receive notification by email when items become available.

2. Year One

- a. Record and post On-Demand training.
- b. Continue to update training presentations provided to donees.

3. Two Years

- a. Continue to scan business environments for new technologies and processes to enhance the delivery of donee training.

4. Five Years

- a. Increase contributions to zero-waste or other sustainability initiatives. Multiple methods redistribution, resale, and disposal help divert waste from landfills and extend the useful life of assets.

B. Maintain financial viability through increasing promotion on use of the utilization and donation programs by enhancing promotion and marketing of the surplus property program to enable Donees to benefit from the varied surplus property available to them at significantly reduced prices.

1. Past Year Accomplishments

- a. In 2016 the Surplus Office began its' participation in the GSA Public Auction to sell Federal non-transferable vintage surplus property. Property is auctioned as is, in place with the buyer responsible for transportation costs. State Surplus submits photos and specifications for surplus materials to GSA for them to post on-line.
- b. Continue to maintain and update webpage information.

2. One Year

- a. Transition from GSA Auto Auction for used Federal vehicles back to GSA Pre-Sale Fixed-Price sales program for State and County agencies.
- b. Meet with, research, and examine other providers of internet auctions.

3. Two Years

- a. Continue to maintain and update webpage information.
- b. Monitor and adjust the program's website to improve customer satisfaction.

- c. Promote new internet auction platforms.

4. Five Years

- a. Extend the useful life of assets and generate revenue with multiple methods of disposal including counter sales, online auction, and web surplus.
- b. Monitor and adjust the program's website to improve customer satisfaction.

C. Streamline processes and improve operational efficiencies and compliance with regards to the State Plan of Operation for the Federal Surplus Property Donation Program.

1. Past Year Accomplishments

- a. Over half of the surplus property accumulated in the Surplus Office warehouse over 2 years old and up to 20 years old. That situation made it inefficient to manage stock and conduct an annual inventory. With the Public Auction, we are able to sell the old vintage surplus property to generate income, keep the warehouse organized, free up space for new items and lease unused space to other State Departments. Also, we are now using the Security Cage in the warehouse to secure all the VAP items including knives, tools, sharp objects, etc. for better control and the safety of all staff. We are continuing to improve our system and have established procedures to turnover Federal surplus property within 2 years to keep our inventory current.

2. One Year

- a. Continue to work on supplying program information on our website.

3. Two Years

- a. Continue website updates including any new information relevant to donees.
- b. Update State Plan of Operation

4. Five Years

- a. Automating workflow processes for managing surplus property from acquisition through redistribution, sale, or disposal.

IV. Performance Measures

- A. Customer Satisfaction measure - Perform trend analyses on the customer base of the Surplus Property Management program to include number of participating donees and percentage of participating donees.
- B. Performance Standard measure - Perform trend analysis on distribution of surplus property to donees.
- C. Cost Effectiveness measure - Perform long term and comprehensive trend analyses annually of the financial net gain or loss of the Surplus Property Management program.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-251 / Automotive Management - Motor Pool

Contact Person/Phone: Brian Saito/586-0343

I. Goals

Furnish a safe, dependable, and well-maintained motor pool fleet; and provide light duty vehicle repair service to all state agencies on the islands of Maui and Oahu.

Maintain a positive revolving fund balance.

II. Objectives and Policies

Manage the acquisition, operation, maintenance and disposal of state motor vehicles to consolidate and minimize the number and cost of owning and operating state vehicles.

- A. #1 – Work within budget restrictions and provide vehicles that are safe and reliable for state agencies.
- B. #2 - Provide state motor vehicle services at lower cost than comparable private commercial motor vehicle services.

III. Action Plan with Timetable

- A. Objective/Policy #1 - Work within budget restrictions and provide vehicles that are safe and reliable for state agencies.
 - 1. Required Actions
 - a. Continue to identify state agencies whose vehicles were scheduled to be replaced. Continue fleet replacement planning which has been playing catchup due to 3 year curtailment from previous budget cycles.
 - b. Review affected agency vehicles to prolong operating life due to past budget restriction and inability to acquire new vehicles.

2. Implementation Timetable

- a. Past Year Accomplishment – Replacement of aging Fleet is on track for fleet replacement goal of 10-12 year turn around
- b. One Year – Continue to expend Budget to replace aging vehicles in fleet. Due to past raid of fund by state legislative mandate, program required to pay back federal government. Fleet replacement program has been set back for past 5 years catch up time table.
- c. Two Years – Evaluate fleet planning and replacement schedule.
- d. Five Years – Re-evaluate customer satisfaction target of 90% and evaluate feasibility of revising motor pool program services if target objectives have not been achieved.

B. Objective/Policy #2 - Provide state motor vehicle services at lower cost than comparable private commercial motor vehicle services.

1. Required Actions

- a. Identify specific types of motor vehicle services provided by the state motor pool program.
- b. Identify comparable motor vehicle services available from private commercial services.
- c. Establish standards of performance to evaluate services provided by the motor pool for comparison with private commercial services.
- d. Evaluate costs of providing motor pool services against the cost of comparable private commercial services.

- e. Procure private commercial motor vehicle services which are more cost effective (cheaper) than state motor pool services.

2. Implementation Timetable

- a. Past Year Accomplishment – Changed out older fleet due to which was curtailed due to past budget restrictions. Program getting on track for 10-12 year replacement schedule.
- b. One Year – Continue to offer motor pool services to state agencies. Offer our services and expertise in fleet planning and vehicle maintenance.
- c. Two Years – Continue to evaluate costs of services provided by motor pool with cost of private commercial services.
- d. Five Years – Evaluate feasibility of revising motor pool program if costs of motor vehicle services provided is not cost effective.

IV. Performance Measures

- A. Customer Satisfaction measures – Survey developed and distributed to user agencies. Any areas of concern identified through the survey will be addressed immediately.
- B. Program Standard measure – Standards of performance to evaluate services provided by the motor pool established for comparison with private commercial services. Any areas of concern will be corrected through established procedures.
- C. Cost Effectiveness measure – Evaluate the cost of providing motor pool services against the cost of comparable private commercial services. Procure private commercial motor vehicle services, which are lower than the motor pool services.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-252 / Automotive Management - Parking Control

Contact Person/Phone: Brian Saito/586-0343

I. Goal

Assess and collect fees to construct, operate, improve, and maintain parking facilities for state employees and the public on State Lands under the jurisdiction of the Comptroller.

II. Objectives and Policies

- A. #1 - Provide safe and convenient parking for employees and the public to access state government buildings.
- B. #2 - Control, operate and maintain state parking facilities with revenues from parking fees. Continue to generate revolving fund revenue necessary to construct, operate, improve, and maintain parking facilities.
- C. #3 - Maintain a 100% utilization of employee parking stalls and a 50% utilization of public metered stalls.

III. Action Plan with Timetable

- A. Objective/Policy #1 - Provide safe and convenient parking for employees and the public to access state government buildings.
 - 1. Required Actions
 - a. Evaluate the parking needs for each state building based on building code and program operational requirements.
 - b. Construct or provide safe and convenient parking facilities to meet the parking demand for each state building under the control of the Comptroller.

2. Implementation Timetable

- a. Past Year Accomplishment – Spall repair and repainting of Vineyard Garage initiated.
- b. One Year – Start Lot G Kalanimoku Vehicle Grille gate security project.
- c. Two Years –Complete Lot G Kalanimoku Garage Grille gate project.
- d. Five Years – Continue to update parking facility inventory and install new safety, security and convenience improvements to parking facilities.

B. Objective/Policy #2 - Control, operate and maintain state parking facilities with revenues from parking fees. Continue to generate revolving fund revenue necessary to construct, operate, improve, and maintain the parking facilities.

1. Required Actions

- a. Establish and enforce rules and regulations for managing and controlling the use of state parking facilities.
- b. Continue to identify all construction, operating and maintenance costs of state parking facilities.
- c. Develop and assess a parking fee schedule for various types of parking stalls which shall be used to generate revenues necessary to sustain the state parking program.

2. Implementation Timetable

- a. Past Year Accomplishments –Staff hired to actively patrol and enforce facilities. Preventive Maintenance program for gate operator and readers extend life of systems.
- b. One Year – Continue to monitor and evaluate the demand and utilization of existing parking spaces.

- c. Two Years – Review budget for the state parking program and initiate changes to parking fees if necessary to balance revenues with expenditures.
 - d. Five Years – Monitor the parking revolving fund balance and implement measures to maintain a positive fund balance.
- C. Objective/Policy #3 - Maintain a 100% utilization of employee parking stalls and a 50% utilization of public metered stalls.
 - 1. Required Actions
 - a. Monitor the utilization of state parking facilities and implement measures necessary to provide safe, convenient and economical parking to meet parking demand.
 - b. Establish equitable procedures for assignment of parking stalls for employees.
 - c. Evaluate the utilization pattern and demand for public parking and adjust the ratio of public stalls to employee stalls to maximize revenues and utilization.
 - 2. Implementation Timetable
 - a. Past Year Accomplishment – Vineyard spall repair project initiated. Smart meters procured for certain lots
 - b. One Year – Evaluate additional Pay Station Lots / Smart Meter for feasibility. Kamamalu Building re-occupancy
 - c. Two Years – Continue to monitor parking utilization rates for all parking facilities.
 - d. Five Years – Re-evaluate procedures and parking facilities if utilization percentages are not achieved.

IV. Performance Measures

- A. Customer Satisfaction measure – Provide employees and public with a form to encourage customer comments. Any areas of concern identified through these comments will be addressed immediately.
- B. Program Standard measure – Enforce rules and regulations for managing and controlling the use of state parking facilities and update policies and procedures as necessary.
- C. Cost Effectiveness measure – Monitor the parking revolving fund balance and implement measures as required to maintain a positive fund balance.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-807/School Repair and Maintenance – Neighbor
Island Districts

Contact Person/Phone: Cory Kaizuka/974-6400(Hawaii)
Wade Shimabukuro/873-3504(Maui)
Eric Agena/274-3033(Kauai)

I. Goal

The program will strive to provide timely, responsive, quality, cost effective, and innovative repair and maintenance services to public schools on the islands of Hawaii, Kauai, Maui, Molokai, and Lanai.

II. Objectives and Policies

- A. Objectives and policies have been established in the Service Level Agreement (SLA) between the Department of Education (DOE) and the Department of Accounting and General Services (DAGS) dated August 12, 2015. The indicators are as follows:
1. Percent of outstanding work orders versus three (3) weeks of incoming work orders with a target of less than 100%.
 2. Emergency Work Orders Objective: greater than 90% responded within two (2) during work hours.
 3. T-calls: greater than 90% of T-calls responded within forty-eight (48) hours (excluding weekends).
 4. Four (4) month old work orders: greater than 90% of regular work orders less than four (4) months old.
 5. The performance objectives outlined above are based on the following assumptions:
 - a. The “roles and responsibilities” outlined in Appendix A of the SLA are adhered to by all parties.
 - b. DAGS is not required to perform in-house major R&M or staff contract projects during this time period.

- b. Number of emergency, t-calls and regular Work Orders received during any time period are similar to average historic number of Work Orders received during same time period.
 - c. Sufficient funds are available to purchase materials and supplies, hire contractors.
 - 6. Monitor U fund expenditures and adjust U fund budget amounts as necessary.
 - 7. Continue the cycle maintenance program at schools.
 - 8. Administer service contracts such as refuse collection, elevator maintenance, air conditioning maintenance, grease trap maintenance, septic system maintenance, tree trimming, fire alarm, and program bell maintenance, etc.
 - B. Utilize, maintain, and update the DOE Maximo work order system.
 - C. Utilize and update the DOE repair and maintenance project backlog in the DOE FACTRAK system.
 - D. Reduce accidents and injuries by providing safety equipment and training to employees.
 - E. Promote the use of modern tools and procedures to maximize worker productivity and efficiency.
 - F. Replace computer hardware and software as needed to prevent obsolescence as funds permit.
 - G. Reduce the number of outstanding minor repair work orders.
 - H. Work to maximize limited program funds. Obtain the best values when purchasing services, materials, and supplies. Work overtime at distant locations such as Hana to avoid or minimize consecutive trips.
- III. Action Plan and Timetable
- A. Past Years Accomplishments
- The neighbor island programs have made improvements in consistently meeting and achieving the goals and objectives contained in the SLA.

This was attributable to the filling of the majority of vacancies including the seven (7) new trade positions created for the neighbor island districts (five (5) for Hawaii District and two (2) for Maui District).

B. Year One

The program will concentrate on accomplishing and refining objectives A through H, listed above, despite budget restrictions. The primary focus will be to meet the indicators set forth in the SLA. Additionally, efforts will be made to keep the number of backlogged work orders to a minimum. DOE and DAGS representatives will work closely to assure that work performed is prioritized appropriately at the district level to ensure that the available funding is maximized and that essential needs of individual schools are met.

C. Year Two through Five

The program will continue with any unfinished objectives and any new initiatives that may be identified. The indicators outlined in the SLA will be used to measure the progress towards achieving the program goals and objectives. Priority items will be expedited as needed. Systematic replacement of older R&M vehicles will become a higher priority in the future.

IV. Performance Measures

A. Customer Satisfaction Measure

Monthly reports indicating work completed for the month and fiscal year to date compared with performance shall be submitted to DOE. Meetings with DOE and DAGS representatives will be held periodically to discuss compliance with the SLA and amend if necessary. Feedback will be obtained from schools with regard to quality of work, timeliness of repairs, and courtesy of DAGS employees.

B. Program Standard Measure

Standards and practices comparable to the private sector will be formulated and monitored through internal staff inspections. Areas of concern will be corrected through established response criteria.

C. Cost Effectiveness Measure

Private sector costs will be solicited and maintained to assure competitiveness. Additionally, annual costs will be monitored and any

significant variance in expenditures shall be evaluated and corrective measures implemented as needed.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-818/King Kamehameha Celebration Commission

Contact Person/Phone No.: Kerry Yoneshige/586-0690 (Note: Currently the program has no staff)

I. Goal

On December 22, 1871 King Kamehameha V established June 11 as a national holiday in memory of his grandfather and founder of the Hawaiian Kingdom, King Kamehameha I. The first celebration was held on June 11, 1872 and the holiday has been observed ever since. In 1939 the legislature of the Territory of Hawaii established the King Kamehameha Celebration Commission, which formalized the events' planning and coordination by the Hawaiian nobility. Upon statehood in 1959, the holiday was the first to be recognized in the Hawai'i state constitution.

The commission's goal is to commemorate the legacy of King Kamehameha I through culturally appropriate and culturally relevant celebrations that are coordinated throughout various venues statewide.

II. Objectives and Policies

- A. Lei-draping – to dress the statues of Kamehameha in Honolulu, Hāwī, and Hilo with lei in a ceremony marked by Hawaiian tradition, language and culture.
- B. Parade – to hold parades in Honolulu, Hāwī, Kailua-Kona, Lahaina, & Kāpa'a that celebrate Kamehameha's life and legacy, ensuring participants' and public safety.
- C. Ho'olaulea – to hold festivals in Honolulu, Hāwī, Kailua-Kona, Lahaina and Kāpa'a that promote Hawaiian tradition, food, and culture.

III. Action Plan and Timetable

A. Past Year Accomplishments

- 1. The Kamehameha statue Lei Draping ceremony in Honolulu was held in the late afternoon on Friday, June 9, 2017.
- 2. The 101st annual King Kamehameha Floral parade in Honolulu once again started at 'Iolani Palace at 9 a.m. on Saturday June 10, 2017, traversed through Waikīkī and ended at Kapi'olani Park.

B. Year 1

1. Work with already-established neighbor island celebrations to coordinate statewide planning.
2. Seek sponsorship monies from private businesses and organizations to help fund celebration events on all islands.
3. Begin planning for the 102nd parade in 2018 in Honolulu.

C. Year 2

1. Continuation of Year 1 activities.

D. Year 5

1. Continuation of Year 1 activities.

IV. Performance Measures

A. Customer Satisfaction Measure

1. Percentage of general public surveyed for satisfaction. (Goal: 25)
2. Percentage of general public surveyed who were satisfied. (Goal: 100)
3. Percentage of vendors surveyed for satisfaction. (Goal: 100)
4. Percentage of vendors surveyed who were satisfied. (Goal: 75)

B. Program Standard Measure

1. Percentage of all events coming in at, or below, budget. (Goal: 100)
2. Percentage of all accidents or injuries arising from celebration events. (Goal: 0)
3. Percentage increase of attendance at Honolulu parade. (Goal: 5)
4. Percentage increase of participation in the Honolulu parade. (Goal: 5)
5. Percentage of program compliance with State of Hawai'i rules, including procurement, contract management, and personnel. (Goal: 100)

C. Cost Effectiveness Measure

1. Percentage of all media write-ups will include Hawaiian language. (Goal: 100)
2. Percentage of all media write-ups that will utilize correct Native Hawaiian grammar, syntax. (Goal: 100)
3. Percentage of all celebration events that will have over 75% of activities grounded in native Hawaiian tradition, culture. (Goal: 100)
4. Number of grants funded. (Goal: 50%)
5. Percentage (25% for each major island) of at least one event that will be held on each major Hawaiian island. (Goal: 100)

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS 871/Campaign Spending Commission

Contact Person/Phone: Kristin Izumi-Nitao, Executive Director / 586-0285

I. Goals

- A. Goal - To simplify and clarify campaign finance laws in order to improve implementation and compliance.
- B. Goal - To increase public education, awareness and access.
- C. Goal - Increase the technological capacity to improve access, reduce paperwork, and increase compliance.
- D. Goal - Upgrade the training for and ability of the committees to comply with campaign finance laws.
- E. Goal - Encourage compliance.
- F. Goal - Increase and stabilize the Commission's institutional capacity to carry out its mission.

II. Objectives and Policies

- A. Goal - To simplify and clarify campaign finance laws in order to improve implementation and compliance.
 - Propose legislation, where needed, to simplify and clarify campaign finance laws in order to improve implementation and compliance.
 - Draft and submit administrative rules, where needed, to simplify and clarify campaign finance laws to improve implementation and compliance.
- B. Goal - To increase public education, awareness and access.
 - Direct the public to the Commission's website and continue to improve web-based information.
 - Disseminate to the public information on contributions, expenditures, and other pertinent topics of interest.

- Plan, organize, participate, and host trainings to inform and educate on campaign finance laws and rules.
 - Explore and implement social and other media applications to inform and educate on campaign finance laws and rules.
 - To raise public awareness and increase visibility of the Commission's work, hold at least one Commission meeting in a neighbor island county each year.
- C. Goal - Increase the technological capacity to improve access, reduce paperwork, and increase compliance.
- Increase the Commission's analytical capability.
 - Maintain awareness of newer technology, including electronic filing systems and hardware/software or applications, for consideration of integration and/or implementation.
 - Maintain awareness of the implications of technological changes on all aspects of campaign finance including political contributions.
- D. Goal - Upgrade the training for and ability of the committees to comply with campaign finance laws.
- Explore new methods for training and disseminating information.
 - Offer training to committees to improve compliance with campaign finance laws and rules.
 - Publish guidebooks, manuals, and e-learning videos on how to comply with campaign finance laws and rules as well as how to use the electronic filing systems.
- E. Goal - Encourage compliance.
- Develop escalating penalties for repeat and gross violations, and disseminate information about the penalties.
 - Simplify and expedite disposition of campaign finance violations.
 - Seek enforcement of the campaign finance laws and rules against violators.
 - Evaluate the effectiveness of training modules and revise them as needed.

- Evaluate the effectiveness of communication efforts and revise them as needed.
 - Encourage committees to call the Commission, visit the Commission's office, and/or go to the Commission's website for information to comply with campaign finance laws and rules.
- F. Goal - Increase and stabilize the Commission's institutional capacity to carry out its mission.
 - Develop proposals to stabilize funding.
 - Plan for potential staff transitions and ensure position descriptions are current.
 - Continue Commissioner development through trainings and conferences as well as issuing a Commissioner handbook and orientation of new Commissioners.

III. Action Plan with Timetable

A. **Goal - To simplify and clarify campaign finance laws in order to improve implementation and compliance.**

○ **Past Year Accomplishments**

Propose legislation. For the 2017 Legislative Session, the Commission submitted eleven bills of which four were signed into law by the Governor. They were:

Act 97 (H.B. 280) – Effective July 5, 2017, this Act amends HRS §11-334 by clarifying the due dates of preliminary, final, and supplemental reports to be filed with the Commission, requiring a candidate to file the Final Election Period Report three business days before the date the candidate is to be sworn into office, and requiring that the Supplemental Report for candidate committees due on January 31st be filed annually.

Act 98 (H.B. 279) – Effective July 5, 2017, this Act amends HRS §11-363 by specifying that certain types of dissemination, distribution, republication, and use of certain types of campaign materials or the financing of such by any person shall not be considered to be a contribution to a candidate.

Act 108 (H.B. 281) – Effective July 10, 2017, this Act amends HRS §11-340 to require the Commission to publish on its website the names of all noncandidate committees that fail to file a report or to correct a report within two weeks of notification by the Commission.

Act 109 (H.B. 282) – Effective July 10, 2017, this Act amends HRS §11-340 to clarify that increased fines may apply if a noncandidate committee fails to timely file a 2nd Preliminary General Report.

Other legislation of significance that the Commission supported included Act 49 (H.B. 100), the Executive budget bill, which restored the funding of Commission operations to general funds. The Commission was close to declaring that the funds in the Hawaii Election Campaign Fund (“HECF”) were nearing depletion such that there would be no public funding in the 2018 election, but thanks to the inclusion of our operational budget in the Executive budget, the HECF is expected to be able to finance qualified public funding candidates in the 2018 election

Draft and submit administrative rules. Proposed amendments to Chapter 3-160 (Election Campaign Contributions and Expenditures) and Chapter 3-161 (Administrative Practice and Procedure Before the Commission) of the Hawaii Administrative Rules were approved by Governor David Ige in December 2016. The amendments made non-substantive changes for the purposes of style and clarity, housekeeping changes, as well as addressed changes to the campaign finance laws such as implementation of the hardship waiver in HRS §11-393(c) (Act 112, Haw. Sess. Laws 2013) which requires Super PACs to identify its top contributors in their advertisements, and the defining of “close to depletion” and “near depletion” of the HECF which will impact the operation of the partial public financing program.

Advisory Opinions. During this period, there were no Advisory Opinions requested. However, Advisory Opinion No. 16-02 was issued during this fiscal year on August 10, 2016. The opinion addressed a law firm’s request concerning the establishment of a hybrid political action committee (“PAC”), or two affiliated PACS, with one being a traditional noncandidate committee directly supporting candidates and the other being a noncandidate committee making only independent expenditures (“Super PAC”). It also addressed the application of HRS §11-363(a) to a person’s dissemination, distribution, or republication of a candidate’s campaign material, as well as a Super PAC’s use of a candidate’s polling data to produce independent expenditures.

In the hybrid PAC or two affiliated PACs situation, the requestor contemplated that one PAC would engage in independent expenditures and the other PAC would directly contribute to candidates with an informational firewall erected between the PACs. Requestor asked if the PAC making independent expenditures would not be subject to the contribution limits contained in HRS Chapter 11. The Commission responded that the answer would depend upon the facts. Among other factors, if the two PACs shared staff and resources, the decision on spending for both PACs was made by the same person, the PACs coordinated their activities, or otherwise shared information about candidates, the Commission may find that the PACs were not functionally distinct, and thus, the contribution limits would also apply to the PAC making independent expenditures.

The Commission also reaffirmed its position first published in In Re the Matter of Sierra Club Hawaii PAC, Docket No 15-13 (November 19, 2014), that the payment for the republication of a candidate's campaign material taken from the candidate's website was a contribution to the candidate under HRS §11-363(a). In that case, a Super PAC took a photograph of a candidate's family from the candidate's website and used the photograph in the Super PAC's mailers in support of the candidate and in opposition to the candidate's opponent. The Commission recently applied HRS §11-363(a) to a Super PAC's use of a candidate's photograph taken from the candidate's social media account in the Super PAC's mailers in support of the candidate. In Re the Matter of University of Hawaii Professional Assembly-PAC, Docket No. 17-36 (June 14, 2017).

Finally, the Commission determined that if a Super PAC received polling data from a candidate's agent and then paid for advertising in support of that candidate, if a nexus can be shown between the polling data and the Super PAC's advertisements in support of the candidate or in opposition to the candidate's opponent, the Commission will likely find that the production of the advertisements was coordinated with the candidate and thus attribute the cost of the advertisements to the candidate as both a contribution and an expenditure.

- **One Year** – Continue to research, draft, and submit legislation seeking further technical revisions to the campaign finance laws for purposes of clarity, consistency, and style as well as to seek substantive changes as needed. Address the final stages of the revisions to the Commission's administrative rules. Continue to render advisory opinions as required.
- **Two Year/Five Year** - Continue to update the law and administrative rules as well as issue advisory opinions as needed.

B. Goal - To increase public education, awareness and access.

- **Past Year Accomplishments**

Direct the public to the Commission's website and continue to improve web-based information. The Commission has an ongoing partnership with the State of Hawaii's Office of Enterprise Technology Services ("ETS") to improve the Commission's website which contains two statutorily required electronic filing systems for candidate committees and noncandidate committees. For purposes of transparency, much of the Commission's operations, business, and finances are posted on the Commission's website including Commissioners' biographies, meeting agendas and minutes, newsletters, advisory opinions, HECF information, annual reports, campaign finance statistics, and the Strategic Plan. Information of current interest is constantly identified and posted on the Commission's website including statute and rule changes, legislation, reporting deadlines, enforcement issues, and new informational and technological tools. There are also links for viewing reports, filing reports, seeking guidance including cyber-learning presentations, forms, guidebooks, and qualifying for public funding. Based on the results of our annual online survey, we understand that our website continues to

be our strongest resource in providing stakeholders and interested parties with campaign finance information. As such, we continue to fine-tune our website with a focus in building more efficient and user friendly navigation tools which includes a searchable database of all the campaign finance data filed by committees. We have also included a section on our home page for our latest tweets and highlighted the candidate and noncandidate committee data visualization apps. These updates are done at zero cost to the Commission. During this fiscal period, we had 107,645 “hits” to our website.

Disseminate to the public information on contributions, expenditures, and other pertinent topics of interest. The Commission continues to promote the two data visualization applications available on the Commission’s website. The applications permit viewers to see the data reported by over 600 committees in a more visually attractive, user-friendly, and dynamic way for a particular election period. These applications were conceived to provide greater transparency and accountability in government and to enable the public to follow the money of candidate committees’ and noncandidate committees’ participation in Hawaii elections.

Other mechanisms to disseminate to the public information concerning campaign finance include regular posts of anything new/interesting on our website under “What’s New,” biannual newsletters, e-blasts, Facebook posts, and tweets. New candidates, new noncandidate committees, notice of fundraisers, notice of Commission meetings, new guidebooks or manuals, new legislation, updates to the electronic filing systems, new forms, requests to take/submit our annual online survey, registering for training classes, electioneering communication statements of information, etc., are tweeted, e-blasted, and/or posted on the Commission’s website.

Throughout the 2016 election, the Commission compiled and summarized data as well as shared information with the Commissioners and the public at its meetings and in its newsletters. In the 2016 election, there were 269 candidates running for 104 out of 128 elective seats in the state of Hawaii and its four counties. The 104 seats up for election were: Senate (14), House (51), Honolulu Mayor (1), Hawaii Mayor (1), Honolulu Prosecutor (1), Hawaii Prosecutor (1), Kauai Prosecutor (1), Honolulu City Council (5), Hawaii County Council (9), Maui County Council (9), Kauai County Council (7), and Office of Hawaiian Affairs (4). Nineteen (19) candidates were unopposed and ten (10) incumbent candidates decided not to run for their seat. 146 or 54% of the 269 candidates filed the Affidavit to voluntarily agree with the expenditure limit set for their office and 46 or 17% of the 269 candidates filed the Statement to notify the Commission of their intent to seek partial public funding. Twenty-eight (28) candidates received a total of \$202,190.49 in public funding. Lastly, 249 fundraisers were held in 2016 with 62 of those fundraisers occurring during the 2017 legislative session by legislators.

Plan, organize, participate, and host trainings to inform and educate on campaign finance laws and rules. Community presentations to candidate and noncandidate committees, corporations, legislators, community groups, contractors, certified

public accountants, political parties, etc., on various areas of campaign finance laws are regularly delivered when requested. In anticipation of the 2016 election, campaign finance presentations to candidates and committees were planned and delivered in May and June 2016. The only other training presentation provided during this period was speaking at the Kokua Council (8/22/16). At the Council on Governmental Ethics Laws' ("COGEL") Annual Conference in December 2016, Executive Director Izumi-Nitao participated by serving on the Steering Committee and chairing the Nominating Committee for a third term. In April 2016, she attended the COGEL mid-year meeting in Chicago, IL. Additionally, requests to respond to media inquiries are regularly addressed.

Explore and implement social and other media applications to inform and educate on campaign finance laws and rules. The Commission regularly uses e-blasts as well as Facebook and Twitter accounts to inform and educate committees, interested parties, subscribers, and the public on campaign finance. We have found the e-blasts to be especially effective in sending out time sensitive information such as reporting deadline reminders and changes in the law. It also permits us to notify interested parties about registering for training classes, publication of new educational tools, and other campaign finance information. Efforts to not overuse the email system and reserve it for distribution of important announcements is always a consideration. During this period, the CSC email system was employed 84 times and we have 843 total subscribers. Notably, subscribers are separated into three groups – candidates (326 subscribers), noncandidate committees (268 subscribers), and the public (249 subscribers), thereby permitting us to target relevant audiences with the e-blast.

Since July 2011, we have been employing social media tools such as Facebook and Twitter to leverage our capabilities to increase, enhance, and supplement our communication efforts to inform the public of important and time sensitive campaign finance information. During this fiscal year, we issued 321 tweets.

Every year, we attend the PCATT (Pacific Center for Advanced Technology Training) IT Symposium / Conference to identify and learn new ways to improve and educate committees and the general public in campaign finance. This year, the symposium was entitled "A Glance at the Future of Education and Security" and highlighted future trends in education and cybersecurity, utilizing open data for collaboration, increasing data fluency as a core competency for success at the human technology frontier, and learning the basics of coding for problem solving.

Raise public awareness and increase visibility of the Commission's work, hold at least one Commission meeting in a neighbor island county each year. This action item has been deferred due to budgetary constraints, but continues to be considered. Raising public awareness and increasing visibility of the Commission's work are always considerations when the Commission communicates with the public.

- **One Year** - Continue to drive the public to our website and utilize social media applications as well as employ our email system to inform and educate.

Revise and update guidebooks, manuals, and cyber learning videos. Arrange a Commission meeting in a neighbor island county.

- **Two Year/Five Year** – Plan, organize, and host trainings in election years. Continue to identify mechanisms to increase public education, awareness and access. In an economic upswing, consider holding a National Campaign Finance Law Forum in Hawaii.

C. Goal - Increase the technological capacity to improve access, reduce paperwork, and increase compliance.

- **Past Year Accomplishments**

Increase the Commission's analytical capability. During this period, there were no changes to the Commission's electronic filing systems as a result of legislative enactments to improve transparency and disclosure. The Commission continues to rely on its searchable database to run queries on various campaign finance issues.

Maintain awareness of newer technology, including electronic filing systems and hardware/software or applications, for consideration of integration and/or implementation. The Commission works closely with ETS and as a result has benefitted from their expertise and assistance in consolidating and maximizing our hardware/software applications.

For the 2016 election, the Commission employed eSign forms for committees to use as an additional and alternative way to submit forms. The new tool was made available through ETS' commitment to employ new technology to improve government efficiency, services, and communication. The success of eSign was tremendous and we have received and processed 893 eSign documents during this fiscal period.

The Commission has also commenced research on identifying online fine payment mechanisms, but has decided to delay launching of this additional payment method until FY 2018 to better effectuate its employment both internally and externally.

The annual COGEL conference is another source from which we learn about other campaign finance systems and technology. During this period, however, there were no plans nor funding to alter our electronic filing systems.

Maintain awareness of the implications of technological changes on all aspects of campaign finance including political contributions. The annual COGEL conference has been a great venue for the Commission to learn about technological changes or advances employed by other campaign finance offices. During this fiscal year, there were no technological changes that the Commission deemed viable for employment in Hawaii; however, we remain receptive to all new ideas.

- **One Year** - Continue to work and meet with ETS to identify areas and ways to further this goal including developing visualizations and graphics to our data and examining other applications to increase, supplement, and enhance communication with candidates, committees, and the public. Evaluate current systems, hardware, and software to determine whether upgrades are needed. Update all systems to conform with new laws.
- **Two Year/Five Year** - As ETS is able to complete our work orders with respect to our electronic filing systems, we will continue to collaboratively identify analyses capability of contributions and expenditures data. In recognition that technology plays a critical role in communicating, it is important to remain abreast of newer applications and social media which will enable us to more effectively improve access, increase compliance, and meaningfully engage stakeholders and interested parties.

D. Goal - Upgrade the training for and ability of the committees to comply with campaign finance laws.

○ **Past Year Accomplishments**

Explore new methods for training and disseminating information. The Commission continues to work with the Office of Elections and county clerks in providing informational packets to be given to candidates who file their nomination papers. Further, for the 2016 election, the Office of Elections agreed to include on their Candidate Profile worksheet, a section that the candidate would initial acknowledging that he/she understood that they need to register with the Commission and file reports. Prior to, and after each election, the Commission meets with the Office of Elections to ensure the process of certifying compliance that campaign finance reports had been filed and payments of fines had been made so that the winning candidates are able to be sworn into office.

Offer training to committees to improve compliance with campaign finance laws and rules. In an effort to prepare candidates for the numerous reporting requirements and understand the laws regarding campaign finance, training classes were offered across the State and were reported in the previous annual report.

Publish guidebooks, manuals, and e-learning videos on how to comply with campaign finance laws and rules as well as how to use the electronic filing systems. Guidebooks, manuals, and e-learning videos have always been available on the Commission's website. For the 2016 election, the Commission revised and posted new cyber learning videos, guidebooks, and manuals on the Commission's website.

- **One Year** - Update guidebooks, manuals, and cyber learning videos. We will continue to work closely with the Office of Elections concerning certification

of elected officials if they have been delinquent with their reports and paying fines. Renew our instructor certification with Board of Accountancy.

- **Two Year/Five Year** – Explore other avenues for training and disseminating information.

E. Goal - Encourage compliance.

- **Past Year Accomplishments**

Develop escalating penalties for repeat and gross violations, and disseminate information about the penalties. The Commission continues to find that there are some candidate and noncandidate committees who do not file their reports. To this extent, the Commission has been invoking administrative fines pursuant to HRS §11-410(a) and (h) as a means to take a stronger punitive stance to those committees who completely fail to file reports by the statutory deadline. The Commission further finds that there are some candidate and noncandidate committees who do not comply with Commission orders when a campaign finance violation has been determined. To this extent, the Attorney General's Office – Civil Recoveries Division has been assisting the Commission to obtain judicial enforcement of Commission orders.

During this fiscal year, which represents an election year, there were 36 complaints of which:

- 21 complaints yielded a preliminary determination of a campaign finance violation resulting in \$6,125 in assessed administrative fines
 - 4 of the 21 complaints yielded a preliminary determination of a campaign finance violation, but due to noncompliance, were referred to the Attorney General's Office – Civil Recoveries Division to seek judicial enforcement pursuant to HRS §11-410(d)
- 9 complaints were withdrawn or dismissed due to a finding of no campaign finance violation(s) or compliance prior to the complaint being heard by the Commission at a HRS Sunshine Meeting
- 1 complaint failed due to a tie vote
- 1 complaint was referred for criminal prosecution
- 4 complaints are pending

Simplify and expedite disposition of campaign finance violations. Representative of this strategy are conciliation agreements which are essentially settlement agreements negotiated by the staff and approved by the Commissioners in a publicly noticed meeting. In this fiscal year, there were 67 conciliation agreements which were approved resulting in a total of \$11,483.54 in administrative fines.¹

¹ There were actually 69 conciliation agreements in this fiscal period; however, 2 became complaints due to noncompliance.

Seek enforcement of the campaign finance laws and rules against violators.

During this fiscal year, a total of \$56,965.12 was assessed in administrative fines and \$28,376 was escheated to the HECF due to campaign finance violations. Most of the Commission's enforcement actions were a result of late or unfiled reports. Because this was an election year, there were at least four reports filed by approximately 650 committees. Due to late filed reports, a total of \$26,327.47 was assessed in fines which did not involve a complaint or a conciliation agreement from 115 candidate committees and 64 noncandidate committees. Notably, this was the first election that the public was able to view all reports filed by the candidates prior to the general election.

Other campaign finance violations that occurred during this period that did not include the issuance of an administrative complaint or a conciliation agreement which resulted in a total of \$13,029.11 in assessed fines include:

- 26 advertisements missing the proper disclaimer resulting in \$650 in fines
- 18 failures to report a contribution resulting in \$4,500 in fines
- 11 failures to report expenditures resulting in \$2,750 in fines
- 8 late fundraiser notices resulting in \$250 in fines
- 6 excess contributors resulting in \$2,950 in fines
- 3 community/charitable contributions made during a prohibited period resulting in \$700 in fines
- 2 failures to report a loan resulting in \$200 in fines
- 2 prohibited expenditures resulting in \$166.45 in fines
- 1 prohibited use of campaign funds for personal use resulting in a \$862.66 fine

Evaluate the effectiveness of training modules and revise them as needed. In preparation for the 2016 election, the Commission reviewed and revised its training modules (i.e., guidebooks, manuals, e-learning videos, powerpoint presentations).

Evaluate the effectiveness of communication efforts and revise them as needed.

Current efforts to communicate have been successful – especially, our website, e-blasts, and tweets. We have noticed that oftentimes our tweets get retweeted. The Commission will continue to identify other mechanisms to communicate with multi-generational audiences and employ such tools as needed.

Encourage compliance to call the Commission, visit the Commission's office, and/or go to the Commission's website for information to comply with campaign finance laws and rules. The Commission handles numerous phone calls, walk-ins, and inquiries daily. There is a computer located in our office for committees to file their reports and to seek our assistance.

- **One Year** – Continue to pursue enforcement actions to encourage compliance as well as offer conciliation agreements (where appropriate) to expedite campaign finance violators.

- **Two Year/Five Year** – Identifying other strategies to increase and encourage compliance.

F. Goal - Increase and stabilize the Commission's institutional capacity to carry out its mission.

- **Past Year Accomplishments**

Develop proposals to stabilize funding. The Commission's operating expenses and public financing programs are funded by the HECF which is a trust fund within the state treasury. See, HRS §11-421. The Commission's beginning balance at the close of fiscal year 2016 was \$1,513,301.40. In fiscal year 2017, a total of \$211,495.04 in revenue was realized and a total of \$926,613.89 in expenditures/encumbrances was incurred, thereby closing fiscal year 2017 with a balance of \$795,546.22.

For the past eleven fiscal years (FY 2007 - FY 2017), the Commission has been operating at a net deficit and the fund has not been generating enough revenue to sustain operations. Primary revenue sources for the HECF are generated from the \$3 state income tax check-off, the interest generated from the principal, and any funds that escheat to the HECF pursuant to campaign finance laws. This year, the \$3 tax check-off generated \$164,254 (which is \$15,581 less than last year), the interest yielded \$9,274.49, and the escheats/false name/surplus/anonymous contributions totaled \$34,273.52. Although we regularly remind people about the \$3 tax check-off through newsletters, public appearances, informational and educational materials, as well as request the Comptroller to approve paystub messages to government employees, the revenue from the tax check-offs has been inadequate.

Fortunately, this legislative session, the Commission's operating expenses including salaries and administrative expenses were absorbed by the Executive Branch and approved in Act 49 (H.B. 100). The Commission was close to declaring that the funds in the HECF were nearing depletion such that there would be no public funding in the 2018 election, but thanks to Act 49, the HECF is expected to be able to pay for public funding for qualified candidates in the 2018 election.

Plan for potential staff transitions and ensure position descriptions are current.

There were no staff transitions during this period. The new Administrative Assistant transitioned quickly and has performed well. Upon the passage of Act 49 (H.B. 100), Commission staff worked closely with Department of Accounting and General Services to transition trust funded positions to general funds.

Continue Commissioner development through trainings and conferences as well as issuing a Commissioner handbook and orientation of new Commissioners.

Commissioners are regularly updated on any new or developing issues and provided information from annual COGEL conferences. This year's COGEL

conference in December 2016 was held in New Orleans, LA, and was attended by Chair Bryan Luke and Commissioner Kenneth Goodenow. Two Commissioners' terms expired on June 30, 2016 and one Commissioner's term expired on June 30, 2017; however, Governor Ige has not appointed their successors. Fortunately, these three Commissioners have continued to attend the Commission meetings such that the Commission has been able to continue operations and business.

- **One Year** – Monitor trust fund monies. Continue to add processes and procedures to each position binder to provide smoother transitions in the future. Review the current strategic plan in anticipation of it ending in 2018 and seek approval of a new strategic plan for 2018-2023.
- **Two Year/Five Year** – Monitor Commission operations to assess whether there are sufficient general funds to cover operating costs and public funding. Implement, oversee, and annually report on the new strategic plan for 2018-2023.

IV. Performance Measures

- A. Customer Satisfaction measure – In September 2017, the Commission invited registered candidates, committees, corporations, and email subscribers to participate in an online survey to help the Commission evaluate and improve the effectiveness of operations and communications. The survey was divided into five areas: 1) general background information of the survey taker; 2) communication with or access to the Commission; 3) education and training provided by the Commission; 4) compliance and enforcement; 5) public funding; and 6) questions related to the HECF, Super PACs and independent expenditures, as well as a general comment question. The deadline to complete this survey is October 31, 2017 so the Commission is unable to report any findings at this time. Notably, this is the sixth year of this survey and past findings have been helpful to the Commission.
- B. Program Standard measure – The number of serious campaign spending law violations should decline as compliance increases as a result of the Commission's widely-publicized investigations, as training sessions increase, as enforcement remains proactive and stable, as public use of the Commission's website increases including employment of more user friendly tools such as graphics of the data contained in our electronic filing systems.
- C. Cost Effectiveness measure – We believe we can be cost effective if we can continue to carry out our duties and responsibilities without increasing costs significantly. We continually look for new ways to work more efficiently and implement changes accordingly.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS 879, Office of Elections

Contact Person/Phone: Rhowell Ruiz, 453-8683

I. Goal

To provide secure, accessible, and convenient election services to all citizens statewide.

II. Objectives and Policies

To maximize voter participation in the electoral process by developing policies and procedures that encourages registration and turnout.

A. Direct and coordinate election services statewide and assist counties with county elections.

1. Provide election services statewide.
2. Prepare, procure, and control inventory of election ballots for state and concurrently conducted county elections statewide.
3. Provide secure, accessible, and convenient voting services to all eligible voters statewide.
4. Process, tabulate, and distribute election results statewide.
5. Provide computer support services (hardware and software applications) for elections (state and county) and related agencies.
6. Provide logistical and warehousing support for elections (state and county) and related agencies.

B. Provide voter registration services to qualified citizens.

1. Maximize voter registration statewide.
2. Equalize voter registration between districts statewide.

The Office of Elections coordinates its activities to maximize and equalize voter registration in close participation with the Offices of the City/County Clerks.

- C. Provide public education with respect to voter registration and information.

Election information must be made more available to the public. We foresee continued utilization of the Internet and print and electronic media to provide voter education and candidate information.

- D. Maintain data relating to registered voters, elections, apportionment, and districting.

We strive to increase accessibility of information by making statistical data readily available to the general public. We will continue to post election reports, results, and other pertinent information on our office Internet website.

- E. Serve as secretary and furnish all necessary technical services to the Reapportionment Commission.

The Reapportionment Commission convened in 2011. The Office of Elections is responsible for providing administrative and technical support to the Reapportionment Commission. The office has worked with the Department of Census Bureau to ensure records are maintained and updated for the reapportionment.

- F. Provide staff support to the Elections Commission

The Office of Elections shall provide staff support to the Elections Commission as requested. The duties of the Elections Commission are to hold public hearings, investigate and hold hearings for receiving evidence of any violations and complaints, adopt rules pursuant to chapter 91, employ a full-time chief election officer, and advise the chief election officer relating to elections.

- G. Provide staff support to the Board of Registration

We shall continue to provide staff support to the Board of Registration. The purpose of the Board is to hear and decide appeals that arise from a voter challenge or from an appeal of a clerk's decision regarding voter registration.

H. Conduct elections in compliance with all federal and state laws.

This includes, but not limited to, the Help America Vote Act (HAVA), Voting Right's Act (VRA), National Voter Registration Act (NVRA), Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA), Voting Accessibility for the Elderly and Handicapped Act, and American with Disabilities Act (ADA).

III. Action Plan with Timetable

A. Past Year Accomplishments (FY2017)

1. Conducted the 2016 Primary and General Elections.
2. Procured election supplies for the 2018 Primary and General Elections, implemented procedures for 2016 Elections.
3. Migrated to a single Statewide Voter Registration System.

B. One-Year (FY2018)

1. Primary and General Elections.
2. Review, assess and evaluate the 2016 Elections activities.
3. Conduct stand-down activities from the 2016 Elections.
4. Conduct preventive maintenance on election equipment.
5. Implement new election procedures and materials based on evaluation of 2016 Elections.
6. Continue design of the Election Management System.
7. Initiate and continue preparations for the 2018 Primary and General Elections, including procurement of election equipment, supplies, materials and services.

C. Two-Year (as of June 30, 2019)

1. To have conducted the 2018 Primary and General Elections.

2. Implement any new procedures for the 2018 election cycles, including Same Day Voter Registration at polling places on election days.
3. Conduct stand-down activities from the 2018 Primary and General Elections. Review, assess and evaluate 2018 activities.
4. Develop and implement inventory and human resources components of the election management system.

D. Five Years (as of June 30, 2022)

1. To have conducted the 2020 Primary and General Elections.
2. To have implemented new procedures for the 2020 Primary and General Elections.
3. To have conducted stand-down activities from the 2020 Primary and General Elections.
4. To have assessed and implemented new procedures for the 2022 Primary and General Elections.
5. To maintain and monitor the Election Management System, in order to assess and if necessary, alter aspects of the system based on its initial usage during the 2018 and 2020 Primary and General Elections.
6. To maintain and monitor Statewide Voter Registration System, in order to assess and if necessary, alter aspects of the system based on its initial usage during the 2018 and 2020 Primary and General Elections.
7. To have provided support to the Reapportionment Commission to conduct the 2021 Reapportionment based on the 2020 Census data.

IV. Performance Measures

A. Customer Satisfaction Measure

The number of complaints and challenges we receive, on or following each election. This data is important to determine how effectively voters have been

informed of their rights and responsibilities and how effectively we have served their communities.

B. Program Standard Measure

The number of people who continue to register to vote and cast their vote on Election Day.

C. Cost Effectiveness Measure

No effective measurement of benefit is available except for feedback from voters and expenditures not exceeding budget amount.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-881/State Foundation on Culture and the Arts

Contact Person/Phone: Jonathan Johnson, Executive Director/586-0301

I. Goals

The mission of the State Foundation on Culture and the Arts is to promote, perpetuate, preserve and encourage culture and the arts as central to the quality of life of the people of Hawai‘i. The agency adheres to the Strategic Plan adopted in 2013, effective through June 30, 2018. The plan is required as a condition of the agency’s federal partnership with the National Endowment for the Arts (NEA).

II. Objectives and Policies

1. ADVOCACY: Advance the arts and culture in Hawai‘i through advocacy
2. ACCESS: Increase accessibility to arts and cultural programs for underserved groups
3. EDUCATION: Strengthen arts education pre-K through 12 and plan for lifelong learning.
4. NATIVE HAWAIIAN: Actively encourage and support Native Hawaiian culture, arts, artists and practitioners
5. SUSTAINABILITY: Build capacity and maximize assets to ensure the Hawai‘i State Foundation on Culture and the Arts is strong, sustainable, and capable of achieving its goals

III. Action Plan with Timetable

A. Past Year Accomplishments

1. Acquired 76 works of art for the Art in Public Places collection and commissioned two public art works.
2. Unveiled portrait of former Governor Abercrombie.
3. Opened four new exhibits in HiSAM. Initiated Arts Chat meetings.
4. Served 94 public and charter schools and 15,600 people statewide through the Artists in the Schools Program, Art Bento, and professional development initiatives for teaching artists and classroom teachers.

B. One Year

1. Begin work on the SFCA 2019-2023 Strategic Plan.
2. Initiate Artists in the Schools – Art in Public Places (AITS-APP) program for Neighbor Islands.
3. Expand Artists in the Schools Program (AITS) to include 97 schools and 14,000 students

C. Two Years

1. Expand as needed Artistic Teaching Partners roster on Neighbor Islands.
2. Expand Artists in the Schools Program (AITS) to include 100+ schools and 17,000 students; incorporate AITS-APP program in qualifying schools.
3. Facilitate Ali`i Memorial Task Force comprised of sixteen Native Hawaiian community leaders to discuss the placement of the Spirit of Lili`uokalani statue and the commissioning works of art commemorating members of the Hawaiian monarchy; offer summary of task force suggestions to the Legislature in January 2018.

D. Five Years

1. Promote the arts in Hawai`i via a strong online presence.
2. Increase SFCA's partnership with the Statewide Cultural Exchange Program (SCEP) to reach underserved communities.
3. Introduce HiSAM exhibit featuring college art.

IV. Performance Measures

- A. **Customer Satisfaction measure** – The SFCA Folk Arts Program had a review by an advisory committee with recommendations forwarded to the SFCA Commission. Panelists evaluate the SFCA Grants programs and give recommendations to the SFCA Board of Commissioners for approval. Final reports from contracting organizations provide both the SFCA and the National Endowment for the Arts (NEA) with comparative data regarding the effectiveness of grant activities in the community. Grant applications and all contract forms are online at our agency's website. Museum evaluations occur through attendance, independent visual arts reviewers, media coverage and SFCA debriefings. Arts education activities evaluated by teachers and teaching artists.
- B. **Program Standard measure** – Assess effectiveness of strategic plan implementation through formal and facilitated benchmarking process. Align FY 2017 agency projects and
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FY2018 grants projects with strategic plan. Assess competitiveness of federal partnership application based on panelist comments received from the NEA as well as an internal review panel to ensure quality of NEA partnership application. Facilitated discussions with administrators of the Western States Arts Federation with staff and Commission further delineate action steps needed for the strategic plan. The SFCA provides the NEA with federal descriptive reports, documenting use of grant funds and interpreting effectiveness.

- C. **Cost Effectiveness measure** – Continue to provide programs and services capable of reaching a broad-based constituency; assess the amount of staff time involved in providing these services and implementing programs; monitor audience and participant group attendance at SFCA supported/sponsored events; target specific underserved populations such as rural, incarcerated, immigrant and low income families, youth/students, older adult communities, and persons with disabilities. Provide NEA with federal descriptive reports, documenting use of grant funds.
 - D. **Media coverage measure** – In the interest of transparency, use of best practice approaches when promoting the agency and its programs. The SFCA not only responds to inquiries from the media, but also continually provides the public with requested information regarding its collections, exhibitions, programs and acquisitions policies. Public perception of our agency is important to us. We are striving to communicate consistently and coherently on policy and issues.
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DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES, AND POLICIES

January 2018

Program ID/Title: AGS-889/Spectator Events & Shows/Stadium Authority

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I. Goals

A. Office of the Manager and the Administrative Services Office

Continuing commitment to overall management of the Aloha Stadium with consideration and emphasis on cost efficiency, productivity, and customer service.

B. Engineering and Maintenance Branch

To provide a facility that is safe, clean, and comfortable for conducting sporting and recreational events.

To provide a smooth transition to either a new or refurbished stadium with little or no effect on patrons attending events at the stadium.

To provide a smooth integration of the new HART rail transit station towards ensuring that patrons will be able to optimally utilize this new transit option.

C. Box Office Branch

Continued effort to improve ticket selling services to the general public, as well as, continued review of internal controls and efficiency of box office operations.

D. Security Branch

Ensure the safety of employees, licensees, participants, spectators, and VIP's; ensure the security of the facility against crime; and continue awareness, and education of potential criminal and terrorist-type activity.

E. Events Branch

Continue to coordinate and provide events in a pleasant, safe, and enjoyable environment.

II. Objectives and Policies

A. Office of the Manager and the Administrative Services Office

1. Ensuring proper oversight and management of the operations of the Aloha Stadium, including its branches, and offices.
2. Continue to evaluate all options to address the stadium facility and maximizing use of its property.
3. Streamlining processes through computerization and automation of program functions to increase productivity and reduce costs.
4. Continuing review of Rules and Regulations of the Stadium Authority and provide recommendations that will benefit both the general public and the Stadium Authority.
5. Continuing review of contracts and bid document process to ensure a balance between revenue maximization and the provision of public service is achieved by the agency.
6. Continuing conversion to paperless/digital office environment.

B. Engineering and Maintenance Branch

1. Continuing implementation of repair and maintenance programs and projects to minimize and retard facility deterioration caused by normal wear and aging.
2. Continuing implementation of capital improvement projects to ensure facility conformance with current health, safety, and operational requirements.
3. Continue to coordinate and communicate with the Stadium Authority Board committee(s) on work required to provide a smooth transition to either a new or refurbished stadium and to minimize any inconvenience to patrons attending events at the stadium.
4. Continue working closely with HART's design and construction team to ensure that patrons will be able to optimally utilize this new transit option.
5. Serve on the Hawaii Interagency Council for TOD that coordinates TOD work on state owned properties.

C. Box Office Branch

1. Continuing implementation of computerization and automation of various daily tasks to increase productivity and reduce costs.
2. Continuing to update box office policies and procedures.
3. Increase ticket distribution points and methods by which customers may purchase tickets to increase ticket sales.
4. Expansion of charge-by-phone services for events other than UH, providing convenience, streamlining payment, and reducing the cash handling process.

D. Security Branch

1. Improve security and emergency procedures and continue education and training on terrorist-type activities and concerns, as well as emergency preparedness in the event of varying levels of disaster.
2. Increase training involving the Americans with Disabilities Act policies to prevent any discriminatory issues from arising.
3. Train and update contract security on the rules and policies associated with the stadium that includes the provision of courteous and professional customer service. Additional training in recognizing suspicious persons, vehicles, and items in relation to terrorism.
4. Emphasize customer service policies while enforcing the Rules and Regulations of the Stadium Authority.
5. Maintain and improve working relationships, communication, and training with other public safety agencies and maintain updated information on Homeland Security and terrorist alerts.
6. Maintain informational relationships with the “street element” to be in position to receive advance notice of potential problems at the stadium that may include gang fights, graffiti, theft, vandalism, auto break-ins, etc.

E. Events Branch

1. Continue training of events personnel in customer service.
2. Continue evaluating events personnel to insure they meet the operational standards of Events Branch.
3. Continue briefing of events personnel before major events to insure information needed to serve our customers is understood by all events personnel.
4. Provide latest safety equipment and training to events personnel.
5. Provide latest communication equipment to events personnel.
6. Improve pre-event planning, operational programs, and critiquing events with licensees to increase attendance and success of events.
7. Continue to improve working relationships with other state, county, and applicable federal agencies.
8. Continue to improve Americans with Disabilities Act (ADA) parking accommodations for applicable patrons.
9. Continue customer service improvements to enhance guest experience and satisfaction.

III. Action Plan with Timetable

A. Office of the Manager and the Administrative Services Office

1. Past Year Accomplishment
 - a. Reviewed and completed assessment of program functions to determine and address feasibility of computerizing program functions. This is an ongoing activity.
 - b. Reviewed contracts and bid documents to ensure maximization of revenues to the agency. This is an ongoing process.
 - c. Addressed procurement for various priority items.
 - d. Participated in ongoing discussions and meetings involving Honolulu Authority for Rapid Transportation (HART) and its impact that the rail guideway and transit stop will have on Stadium operations. Conducted extensive review, monitoring, and oversight of the right-of-entry for various components of the rail project and its effect on stadium property.

- e. Successfully completed the transfer and lifting of the deed restrictions on the stadium property. Completed ongoing discussions and meetings involving the Department of Interior, National Parks Service Federal and city administration and city council as it relates to the transfer and lifting of the deed restriction.
- f. Participated in ongoing discussions and meetings involving maximizing use of the Aloha Stadium and its surrounding property area.

2. One Year

The above-mentioned objectives and policies are ongoing projects and will be performed on a continual basis. Special emphasis will be on items d. and f. as well as multi-year contracts that are in line for re-bid.

Continue to evaluate options for the future of the stadium and its property based on research, reports, and studies.

Continue to discuss and refine the year around recruitment process for part-time intermittent positions at the Aloha Stadium.

Continue to review applicability and effectiveness of the Rules and Regulations of the Stadium Authority for consideration to update.

Continue to keep the Stadium Authority Board and the Comptroller apprised of Stadium operations including the outcome of plans and studies appropriated by the Legislature. This is an ongoing process.

3. Two Years

Continue to assess, monitor, furnish, and implement the Stadium with essential technological tools to improve efficiency and marketability of the Stadium and to equip the administrative offices with the essential business tools that will support and keep it up to date in the business technology environment.

Continue close administrative involvement with items d. and f. and keeping the Stadium Authority Board and Comptroller updated.

Continue to evaluate options for the future of the stadium and its property based on research, reports, and studies.

Continue to review applicability and effectiveness of the Rules and Regulations of the Stadium Authority for consideration to update.

Continue to evaluate year around recruitment program to determine effectiveness and feasibility of the program.

The above-mentioned objectives and policies are ongoing projects that will be performed on a continuing basis.

4. Five Years

Continue close administrative involvement with items d. and f.
The above-mentioned objectives and policies are ongoing projects and will be monitored and performed on a continuing basis.

Continue to evaluate options for the future of the stadium and its property based on research, reports, and studies.

Continue to review applicability and effectiveness of the Rules and Regulations of the Stadium Authority for consideration to update.

B. Engineering and Maintenance Branch

1. Past Year Accomplishment

- a. Completed replacement of the facility's field turf on an aggressive installation schedule with significant support from DAGS-PWD.
- b. Repaired potholes in the parking lots (ongoing)
- c. Repaired rusted storm drain, sewer and water piping (ongoing)
- d. Replaced broken asphalt curbing with concrete curbs in parking areas (ongoing monitoring and repair).
- e. Repair deteriorated and/or damaged spectator seats (ongoing with implementation in phases).
- g. Beautification of grounds project initiated. Landscaped areas surrounding the front sculpture.
- h. Repaired broken and rusted parking lot lighting (ongoing as needed).

- i. Repaired spalling in stands and concrete ceiling over North Tunnel and Deadwood Storage areas. (Note this is an ongoing project.)
2. One Year
 - a. Continuing to implement repair and maintenance programs and projects to minimize facility deterioration caused by normal wear and aging.
 - 1) Throughout the year, assess condition of the facility, and based on this assessment, develop list of repair and maintenance projects.
 - 2) Replace broken and obsolete equipment and tools with new more energy efficient equipment and tools.
 - 3) Throughout the year, perform emergency repairs as needed, and maintenance work to rectify health, safety, and/or operational deficiencies.
 - 4) Continuing implementation and monitoring of capital improvement projects needed to ensure safe operation of the facility.
 - 5) Implement additional capital improvement program requirements, initiate steps to obtain authorizations and budgets to implement needed projects.
 - 6) Implement workforce efficiency adjustments to streamline workforce and maximize use of existing part-time intermittent workers.
 - b. Continue to improve landscaping at various locations within the stadium complex.
 - c. Continue to monitor conditions of seats and initiate action to replace unsafe seats, as needed.
 - d. Coordinate repair and continue liaison activities with the Department of Accounting and General Services Public Works Division (DAGS-PWD) for the Stadium's capital improvement projects.

- e. Continue to seek comments and direction from the Stadium Authority Board on options for design and construction of new or refurbished stadium.
 - f. Work with HART on design and construction of station interface with stadium facilities.
- 3. Two Years
 - a. Continue to oversee the upkeep and maintenance of the field turf system.
 - b. Continue to identify worn and obsolete equipment and tools and where possible replace with new more energy efficient, safe, and proper working tools.
 - c. Coordinate with DAGS-PWD to identify, support, and obtain an allocation for general obligation funding from the State Legislature for various capital improvement projects.
 - d. Implement repair and maintenance programs and projects to minimize and retard facility deterioration caused by normal wear and aging.
 - e. Participate and work with the Request for Proposals (RFP) Committee on design and construction of a new or refurbished stadium as well as development of the Stadium property to optimize and provide best use for the property while closely coordinating work so as to minimize impact to patrons.
 - f. Work with HART on design and construction of station interface with stadium facility. Coordinate implementation of startup and operation of Station as interim terminus.
- 4. Five Years
 - a. Complete construction on a new Engineering and Maintenance Management Branch Office and Operations Building.
 - b. Coordinate and liaison with DAGS – PWD to address new and ongoing capital improvement projects.
 - c. Monitor and coordinate the repair and maintenance programs and projects to minimize facility deterioration caused by normal wear and aging.

- d. Continue to provide support to the RFP Committee, consultants, and other parties involved in the design and construction of a new or refurbished stadium; focusing on a smooth transition from the existing facility to a new facility.
- e. Review status of newly opened HART station, evaluate the effectiveness of the interface with stadium facility, and report findings to the Stadium Authority Board.

C. Box Office Branch

1. Past Year Accomplishment

- a. Continue to share in the use of the University of Hawaii's computerized ticketing system that has improved ticket selling services to the general public and tightened internal controls and efficiency of box office operations. Scanning of tickets has strengthened security measures to detect counterfeit and duplicate tickets.
- b. Have automated various daily tasks.
- c. Box office policies and procedures have been updated to reflect changes in procedures with the University of Hawaii's computerized ticketing system.
- d. Continued use of University of Hawaii's outlets and on-line ticketing services has provided the general public with various options in purchasing tickets. The system has proven to eliminate long lines to purchase tickets by providing the "print-at-home" option. Scanning of tickets at most entry gates has also proven to move people into the stands at a quicker pace.
- e. Continued printing of all parking passes internally for the 2017 UH football season with real-time barcode scanning capabilities. This process has helped to improve and strengthen internal parking controls and has decreased the possibility of duplicate parking passes. This has also reduced the preparation and printing costs of parking passes for the stadium as well as the Licensee.
- f. Prints parking passes for most stadium events to save on outside printing costs.

2. One Year

- a. Computerization and automation of various daily tasks to increase productivity and reduce costs.
 - 1) Continuing to review and analyze various daily tasks within the next six months.
 - 2) Continue to recommend to stadium management how various daily tasks can be improved and/or enhanced.
- b. Continue to update box office policies and procedures. Update policies and procedures within the next year to reflect changes in using UH's computerized ticketing system.
- c. Continue to evaluate and refine upgraded scanning equipment to allow tickets purchased via smartphones to be scanned at all turnstiles, thereby eliminating the need for customers to stand in line at the box office. Another positive feature will enable customers to email additional tickets to latecomers who would be arriving later during an event via smartphone.
- d. Continue to monitor and evaluate the integration of Stadium's computerized parking pass system with the University of Hawaii's computer system allowing UH to print reserved parking passes on site to promote greater efficiency and expedite turnaround time for purchasers to receive their passes.

D. Security Branch

Projects are ongoing and continuous.

1. Past Year Accomplishment

- a. Trained with various agencies to address homeland security, emergency preparedness, and interoperability communications.
- b. Maintained contacts with various military, federal, state, county, and non-governmental agencies to include names and communication access to improve infrastructure security and disaster response.
- c. Evaluated and revised Emergency and Evacuation Procedures.

- d. Installation of additional security surveillance cameras and equipment.
 - e. Continue computerization of various tasks and forms to increase productivity and reduce costs.
 - f. Implemented automated fan text messaging system.
 - g. Increased anti-terrorism and customer service training to vendors operating on stadium property.
- 2. One Year
 - a. Continue to review, analyze, and improve access control points, operations and procedures, and infrastructure security during event and non-event hours. If funding available, implement installation of access control devices.
 - b. Review placement of security cameras and if funding available, implement expanded camera network and recording system for other key entry and vantage point areas.
- 3. Two Years
 - a. Continue to develop and refine the surveillance camera system network and installation of access control devices for key entry and vantage points. Evaluate previous year outcomes and adjust goals and objectives as is necessary.
 - b. Given adequate budget funding, renovation or construction improvement of the security office area. Evaluate previous year and adjust goals and objectives as is necessary.
 - c. Continue to seek grants to upgrade stadium security portable radios to 700 MHz system.
- 4. Five Years

Installation or construction of a Command Center to monitor all event activities and to provide an area to consolidate emergency response and stadium operations personnel. Evaluate previous year and adjust goals and objectives as necessary.

E. Events Branch

1. Past Year Accomplishment

- a. Reviewed and augmented briefing program for parking attendants, ushers, and scoreboard personnel.
- b. Reviewed and assessed safety programs at venue.
- c. Produced additional Public Service Announcements for PA Announcers and Scoreboard.
- d. Planned and/or operated successful events this past year with the UH, Hawaii Bowl, ILH, OIA, HHSAA, and many other licensees.
- e. Revised Employee & Policy handbook.
- f. Trained events personnel on Emergency and Evacuation Procedures.
- g. Reviewed program functions that were manually accomplished, automated functions where possible and as budget permitted.
- h. Where applicable, provided training for non-events staff in customer service and assistance.
- i. Assisted Security Branch in installing additional security cameras.
- j. Continue to implement new parking pass procedures for UH football.
- k. Continue to install new and replacement scoreboard equipment.
- l. Assisted UH with a student parking plan for UH football games.
- m. Review facilities accommodations to the Skybox, Pressbox, and Field Suites to enhance guest experience for VIPs and sponsors, and to assist in generating additional revenue.

2. One Year

- a. Continue review of existing and available equipment to improve the efficiency of Events Branch.

- b. Continue to train events personnel in customer service and assistance. Where applicable, extend training to entire stadium staff.
 - c. Continue to plan and operate events at Aloha Stadium with licensees and enhance relationships with licensees.
 - d. Continue to revise and upgrade Employee & Policy handbook.
 - e. To ensure the safety of the public, participants and staff, continue to review, refine, and upgrade Emergency Response Plan and Evacuation Procedures.
 - f. Continue to review existing operational procedures for various types of events to enhance service to our licensees while reducing costs to our private sector partners (licensees).
 - g. Continue to foster inter-agency cooperation with Department of Transportation, Honolulu Police Department, etc. to enhance service and security for the public and licensees.
 - h. Continue to review facilities to enhance guest experience and to assist in generating revenue for the stadium.
3. Two Years
- The above-mentioned items are ongoing projects and will be performed on a continual basis.
4. Five Years
- The above-mentioned items are ongoing projects and will be performed on a continual basis.

IV. Performance Measures

A. Administrative Services Branch

- 1. Customer Satisfaction Measure
 - a. Review of Rules and Regulations of the Stadium Authority. New amendments are in effect from calendar year 2016.

- b. Review of contracts and bid documents to ensure maximizing revenues to the agency.

2. Program Standard Measure

Program standards comparable to private sector will be developed and monitored. Areas of concern will be corrected through established response procedures.

3. Cost Effectiveness Measure

- a. Computerization and automation of program functions to increase productivity and reduce costs.
- b. Review of Rules and Regulations of the Stadium Authority.
- c. Review of contracts and bid documents to ensure maximizing revenues to the agency.

B. Engineering and Maintenance Branch

1. Customer Satisfaction Measure

Number of complaints from spectators ranging from broken seats, water roof leaks, backed up plumbing and water puddles on the concourses are consistent with the condition of the aged stadium.

2. Program Standard Measure

Staff Standard Operating Procedures (SOP) is to address the issues either real-time and/or within a few days depending on the depth of repairs required. Labor Costs during event mode is a charge back to Licensee. Non-event mode labor costs are part of Legislature allocated Operational Repair and Maintenance fiscal budget.

3. Cost Effectiveness Measure

Annual costs will be co-monitored by Administrative Branch to ensure expenditures are within reason and will be evaluated and corrective measures, where possible, will be implemented.

4. Interface Standards (New/Refurbished Stadium and HART Station)

Ascertain how timely and effectively our interface has worked with the entities responsible for the above facilities, and review patrons' response to above facilities.

C. Box Office Branch

1. Customer Satisfaction Measure

No complaints were received from the public on upgrading of the ticketing system.

2. Program Standard Measure

Service provided is current with industry standards.

3. Cost Effectiveness Measure

Purchase of updates to the computerized ticketing system is relatively costly and no effective measure on benefits is available at this time. However, without this purchase, there would be a considerable decrease in service to the public.

D. Security Branch

1. Customer Satisfaction Measure

Number of complaints received from the general public regarding security measures were considerably fewer than previous year as the public became more familiar with increased security measures taken as a result of 9-11. Program did not receive any complaints from other agencies regarding joint-task operations.

2. Program Standard Measure

Security services provided to the public are consistent with those for other large public-sector facilities. Input received from other agencies has not indicated any areas lacking in procedures or policies.

3. Cost Effectiveness Measure

There has not been any considerable increase in cost associated with security measures. Most of the costs if any have been passed onto the licensees as the cost of doing business in a large spectator venue. This is consistent with other large facilities across the nation.

E. Events Branch

1. Customer Satisfaction Measure

Positive feedback from customers has outweighed the negative feedback. Fewer complaints received via stadium's "Anonymous Guest Hotline" during stadium events.

2. Program Standard Measure

None available.

3. Cost Effectiveness Measure

Training and purchase of equipment has been costly, no effective measurement of benefit is available except for feedback from customers and their attendance to events.

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-891/ Enhanced 9-1-1 Board

Contact Person/Phone No.: Courtney Tagupa, Executive Director/ 391-7971

I. Goal

The goal of the State of Hawaii Enhanced 9-1-1 Board (the Board) is to provide adequate cost recovery for the wireless service providers (WSP), Voice Over Internet Protocol (VoIP) and 9-1-1 public safety answering points (PSAPs) in order to provide enhanced 9-1-1 service for public access as stipulated in Act 168, SLH 2011 signed into law by the Governor June 27, 2011.

II. Objectives and Policies

The objective of the Board is to administer the collection of the monthly 9-1-1 surcharge for the purposes of ensuring there is adequate funding to deploy and sustain enhanced 9-1-1 service and to develop and fund new and emerging enhanced 9-1-1 technologies. The Board disbursements from the fund pay for the reasonable costs to lease, purchase, or maintain all necessary equipment. This includes computer hardware, software, and database provisioning, required by the public safety answering point to provide technical functionality for the wireless enhanced 9-1-1 service including any expenses associated with the planning phases and training of personnel in any new and emerging technologies pursuant to the Federal Communications Commission order and the Congressional New and Emerging Technologies Act.

III. Action Plan with Timetable

The Board's action plan is to develop and implement the policies and procedures to meet the goals and objectives of the Board.

A. Past Year Accomplishment (FY 2016-17)

1. The Board collected revenues totaling \$10,390,413:
 - a. Wireless revenue - \$9,088,244.
 - b. VoIP revenue - \$1,220,393.
 - c. Interest earned - \$81,776.
2. The Board incurred expenditures and encumbrances totaling \$10,199,995:

- a. \$9,186,486 PSAP reimbursements.
 - b. \$667,000 Department of Budget and Finance special fund assessments.
 - c. \$209,083 Payroll.
 - d. \$77,977 Wireless Service Provider cost recovery.
 - e. \$36,659 Board and Committee member interisland travel
 - f. \$22,790 Other Board administrative expenses.
3. The Board developed and implemented a 5 year strategic budget plan for the Enhanced 9-1-1 Fund.
4. The Board successfully completed the annual CPA audit of the Enhanced 911 Fund.
5. The Board organized a Governor's Press Conference for the Statewide Launch of Text-to-911 on October 13, 2016. This new software allows cell phone users to text 911 emergency calls when voice calls are physically impossible or a voice call would place the caller in imminent danger of being detected by the perpetrator.
6. The Board voted to exercise its option to renew its existing contract with its CPA firm for an additional year.
7. The Board hired a temporary full-time Administrative Services Assistant who reports to the Executive Director.
8. The Board reintroduced prepaid legislation as part of the Governor's administrative budget that allows the Board to collect a surcharge fee of 1.5% at point of sale on prepaid wireless mobile phone service to establish parity with surcharge fees collected among postpaid wireless and Voice over Internet Protocol (VoIP) users to ensure the continuity of modernization of PSAP computer hardware and software with new and emerging technologies. The legislature took no action to pass the bill.

B. One Year (FY 2018)

1. The Board will continue to monitor and modify as needed the 5 year Strategic Budget Plan through FY2022.
2. The Board will continue to assist PSAPs in the funding of current and future emerging technologies advancements to improve 9-1-1 services for the public.

3. The Board will continue to assist in the planning, implementation, and community outreach efforts given the expanded capabilities of the new Next Generation IP network that will include texting, pictures, and video.
4. The Board will develop and will make recommendations to the legislature on amendments to Chapter 138, HRS to assure statewide coordination for 9-1-1 services and further improve the advancements of the IP network implementation for the Next Generation of 9-1-1.
5. The Board will continue to support public education of Text-to-911 wireless mobile phone service and Smart911 database.
6. The Board will plan and prepare for a successful completion of the annual CPA audit.
7. The Board will procure an independent CPA audit firm to continue its annual audit of the E911 fund account.
8. The Board will continue to provide PSAP and WSP cost reimbursements from the 9-1-1 Fund in order to provide technical functionality for statewide NG 9-1-1 services.
9. The Board will be tracking the progress of the telecommunications service providers in satisfying the FCC mandates for location accuracy in locating cell phone users outdoors or indoors for first responder rescues.
10. The Board will be applying for a grant through the 911 Grant program that is specially earmarked for the State PSAPs.

C. Two Years (FYs 2018 & 2019)

1. The Board will continue to provide PSAP and WSP reimbursements from the 9-1-1 Fund in order to provide technical functionality for statewide NG 9-1-1 services.
2. The Board will reintroduced prepaid legislation as part of the Governor's administrative budget that allows the Board to collect a surcharge fee of 1.5% at point of sale on prepaid wireless mobile phone service to establish parity with surcharge fees collected among postpaid wireless and Voice over Internet Protocol (VoIP) users to ensure the continuity of modernization of PSAP computer hardware and software with new and emerging technologies.

3. The Board will continue to evaluate the long term financial needs and make recommendations to the legislature on necessary adjustments to the fund and the monthly surcharge.
4. The Board will continue to monitor and modify as needed the 5 year Strategic Budget Plan through FYs 2023 and 2024.
5. The Board will assist PSAPs in planning and facilitation of current and future technological advances to modernize and improve 9-1-1 services for the State of Hawaii.
6. The Board will develop and make recommendations to the legislature on modifications to Chapter 138, to assure statewide coordination for 9-1-1 services and move the State towards implementation of the Next Generation 9-1-1 technologies that will enable the public to send texts, photos, videos and other data.
7. The Board will establish and implement policies and procedures for the collection of prepaid wireless mobile phone surcharge fees should the legislature pass related legislation.
8. The Board will plan and prepare for a successful completion of the annual CPA audit.
9. The Board will be tracking the progress of the telecommunications service providers in satisfying the FCC mandates for location accuracy in locating cell phone users outdoors or indoors for first responder rescues.

D. Five Years (FYs 2018, 2019, 2020, 2021, 2022)

1. The Board will continue to provide PSAP and WSP reimbursements from the 9-1-1 Fund in order to provide technical functionality for statewide NG 9-1-1 services.
2. The Board will reintroduced prepaid legislation as part of the Governor's administrative budget that allows the Board to collect a surcharge fee of 1.5% at point of sale on prepaid wireless mobile phone service to establish parity with surcharge fees collected among postpaid wireless and Voice over Internet Protocol (VoIP) users to ensure the continuity of modernization of PSAP computer hardware and software with new and emerging technologies. If the bill passes, the Board will consider a plan to adjust the rates, if warranted, on the

post-paid and pre-paid surcharge fees that is consistent with the 5 year strategic plan.

3. The Board will continue to evaluate the long term financial needs and make recommendations to the legislature on necessary adjustments to the fund and the monthly surcharge.
4. The Board will continue to monitor and modify as needed the 5 year Strategic Budget Plan through FYs 2023 and 2024.
5. The Board will assist PSAPs in planning and facilitation of current and future technological advances to modernize and improve 9-1-1 services for the State of Hawaii.
6. The Board will develop and make recommendations to the legislature on modifications to Chapter 138, to assure statewide coordination for 9-1-1 services and move the State towards implementation of the Next Generation 9-1-1 technologies that will enable the public to send texts, photos, videos and other data.
7. The Board will establish and implement policies and procedures for the collection of prepaid wireless mobile phone surcharge fees should the legislature pass related legislation.
8. The Board will plan and prepare for a successful completion of the annual CPA audit.
9. The Board will be tracking the progress of the telecommunications service providers in satisfying the FCC mandates for location accuracy in locating cell phone users outdoors or indoors for first responder rescues.

IV. Performance Measures

The Board developed the following measures of effectiveness, which were reported under the annual performance measure review:

- A. Number of Wireless/VoIP/Wireline 911 calls to county PSAPs.
- B. Number of Public Educational Outreach Programs during fiscal year.
- C. Percent of E911 Funds Disbursed for New Technology for PSAPs.

Furthermore, by the nature of this Board, the standard performance measures of Customer Satisfaction, Program Standard, and Cost Effectiveness are not applicable.

- A. Customer Satisfaction Measure – NA
- B. Program Standard Measure – NA
- C. Cost Effective Measure – NA

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2018

Program ID/Title: AGS-901/General Administrative Services

Contact Person/Phone No.: Kerry Yoneshige/586-0690

I. Goal

The goal of the General Administrative Services program is to provide efficient and effective executive management of the department, internal management and fiscal services, human resources management services, and to streamline and reengineer work processes through computerization, networking and greater utilization of Internet technology.

II. Objectives and Policies

The major objectives of the General Administrative Services program are to enhance program effectiveness and efficiency by formulating policies, allocating resources, administering operations and personnel, and providing DAGS employees with immediate access to information to support their job functions by supplying e-mail, Internet, departmental knowledge database and computer application systems to enhance their work experience and customer service.

III. Action Plan with Timetable

The General Administrative Services program's action plan is to continue to provide executive, administrative, personnel and information technology services as required to meet the goals and objectives of the department.

A. Past Year Accomplishment

1. Administrative Services Office

- a. Continuously processed encumbrances and payments on a timely basis to ensure the employees are paid on time and that vendors are paid promptly.
- b. Maintained the system of accounts in accordance with the State Accounting System.
- c. Coordinated, prepared, and submitted annual reports to the legislature.

- d. Compiled and submitted required departmental biennium budget documents for the fiscal year 2018.
 - e. Administered the purchasing card (pCard) program which includes all eligible divisions, staff offices, district offices, and attached agencies. For FY 17, average monthly pCard purchase transactions represented 51% (or approximately 1,174 purchase transactions) of total purchase transactions.
 - f. Coordinated and maintained the State of Hawaii eProcurement System (HiePRO) during the year for the department's procurements of \$15,000 to less than \$100,000.
 - g. Executed the smooth July 1, 2016 transition of the Office of Information Practices program from the Office of the Lieutenant Governor to DAGS pursuant to Act 92, SLH 2015.
 - h. Engaged the services of a Certified Public Accounting (CPA) firm to perform an internal control and procurement compliance audit on various DAGS' programs for the fiscal year 2016.
 - i. Initiated a comprehensive in-house staff training program to improve its operations and to provide training skills for the supervisors. Eight training sessions were conducted during the fiscal year.
2. Personnel Office
- a. Continuously processed personnel transactions on a timely basis to ensure that employees properly and promptly received compensation, benefits and other employment services; and to ensure that the human resources needs of all of the department's programs were met.
 - b. Completed 147 recruitment actions. Completed 274 position classification actions.
 - c. Advised programs on grievances, contract interpretations, consultations with unions, investigations of employee incidents, disciplinary actions, substandard performance, safety issues, recruitment and selection, personal services contracts and family leave.
 - d. Multiple staff participated, as team members, in the State payroll modernization project's review and evaluation process.

- e. Expedited the establishment and filling of multiple key positions for the Enterprise Technology Services, Accounting Division, and District Offices.
 - f. Further developed and improved electronic new employee on boarding processes to include fillable online employment forms, electronic signatures, and informational videos.
 - g. Collected and compiled Quarterly Staffing Reports to the Department of Budget & Finance; quarterly Grievance Reports to the Department of Human Resources Development (DHRD); Annual Vacation and Sick Leave Accruals to DAGS – Accounting Division, and annual Occupational Safety and Health Administration (OSHA) Report to the Department of Labor and Industrial Relations
3. Systems and Procedures Office
- a. Modified the Public Works Division's Employee Timesheet Reporting to disable the calculations for fringe benefits since the employees are now being paid from general funds instead of special funds.
 - b. Cut-over the reverse proxy server for departmental web based applications from the IBM iSeries 9406-800 to an Intel based PC server.

B. Year 1

1. Administrative Services Office - Provide continuous administrative support to the department by:
- a. The timely processing of encumbrances and payments to ensure the employees are paid on time and that vendors are paid promptly to avoid any late vendor payment interest charges. Maintenance of a system of accounts in accordance with the prescribed State Accounting System.
 - b. The coordination, preparation, and submission of annual reports to the Legislature.
 - c. The preparation and coordination of departmental budgets for the Department of Budget and Finance and the Legislature.
 - d. The administration of the pCard program for the department.

- e. In-house staff to perform the internal control and procurement compliance audit on selected DAGS programs for the fiscal year 2017 instead of engaging the services of a CPA firm.
- f. The continuation of a comprehensive in-house staff training program to improve its operations and to provide training skills for the supervisors.
- g. Replace and train three key personnel capably and efficiently to ensure a smooth transition for the future.

2. Personnel Office

- a. Continue to process personnel transactions on a timely basis to meet the needs of employees and programs.
- b. Ensure that the Department continues to comply with all State and Federal employment laws, rules, and regulations; and collective bargaining agreements in the most efficient and effective manner.
- c. Continue to participate in the statewide program and policy development efforts to ensure that the department's human resource needs, concerns, and wants are addressed.
- d. Continue to develop new policies, programs, guidelines and training that meet the needs of departmental managers and employees, and help improve relationships and operations both within and outside of the Department.

3. Systems and Procedures Office

- a. Migrate all of the department's web hosted computer applications from the IBM iSeries 9406-800 server to an Intel based PC server.
- b. Rewrite the Risk Management Application system from a client based system using Microsoft Access to a web browser based system.

C. Year 2

- 1. Administrative Services Office - Continuation of items a to d in Year 1.
- 2. Personnel Office – Continuation of items a to d in Year 1.

3. Systems and Procedures Office

- a. Start to redesign all ten departmental computer application systems currently residing on the IBM iSeries minicomputers.

D. Year 5

1. Administrative Services Office – Continuation of items a to d in Year 1.

2. Personnel Office – Continuation of items a to d in Year 1.

3. Systems and Procedures Office

- a. Code, test and implement the redesigned ten departmental computer application systems that were originally residing on the IBM iSeries minicomputer, to a PC server platform.
- b. Develop and implement a departmental cost control system that will utilize the office staff and open source software for this project. This system is intended for management to better monitor their expenditures.
- c. Design, configure and implement a departmental data warehouse that will hold data from all the various computer application systems pertaining to DAGS. Management will be able to extract data to support future plans or decisions. For example, management could query the data warehouse to find out the payroll costs to maintain the Kalanimoku Building on an ongoing basis.

IV. Performance Measures

- A. Customer Satisfaction Measure – If there are suggestions and/or complaints, an annual written survey/evaluation for agencies affected by each office will be developed and distributed. The results will then be evaluated and any area of concern identified by the users will be addressed.

B. Program Standard Measure

- 1. Administrative Services Office – Monitor the number of days to internally process vendor payments to achieve the performance standard of seven working days, number and amount of instances of interest paid for late vendor payments as compared to other state departments, and timeliness and accuracy of budget submissions to the Department of Budget and Finance.

2. Number of Request for Personnel Actions received and processed within a reasonable time period. Number and type of policies, programs, guidelines and training developed, implemented, and/or provided.
3. Systems and Procedures Office – Number of user requests completed by the desired completion date. Number of man-hours saved due to implementation or enhancement of computer system. Number of DAGS' users with e-mail and Internet access. Number of hits per month to the departmental intranet site.

C. Cost Effectiveness Measure

1. Administrative Services Office – Reduction of interest on late vendor payments. Continue to monitor funding requirements of DAGS' programs to ensure compliance with appropriation limits. Office expenditures not exceeding budget amount.
2. Personnel Office – Provide programs and services with little or no additional cost. Office expenditures not exceeding budget amount.
3. Systems and Procedures Office – Job assignments completed within projections. Greater utilization of electronic routing and filing of documents. Office expenditures not exceeding budget amount.