

HB 2225

**RELATING TO
INFORMATION
TECHNOLOGY**

A BILL FOR AN ACT

RELATING TO INFORMATION TECHNOLOGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 27-43, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "§27-43 Office of enterprise technology services; chief
4 information officer; information technology steering committee;
5 establishment; responsibilities. (a) There is established
6 within the department of accounting and general services the
7 office of enterprise technology services, which shall be headed
8 by a full-time chief information officer to organize, manage,
9 and oversee statewide information technology governance. The
10 chief information officer shall be appointed by the governor as
11 provided in section 26-34. The chief information officer shall
12 report directly to the governor and, in conjunction with the
13 information technology steering committee, shall:
14 (1) Develop, implement, and manage statewide information
15 technology governance;
16 (2) Develop, implement, and manage the state information
17 technology strategic plans;



- 1 (3) Develop and implement statewide technology standards;
- 2 (4) Work with each executive branch department and agency
- 3 to develop and maintain its respective multi-year
- 4 information technology strategic and tactical plans
- 5 and road maps that are part of the State's overall
- 6 information technology strategic plans, road maps, and
- 7 directions;
- 8 (5) Coordinate each executive branch department and
- 9 agency's information technology budget request,
- 10 forecast, and procurement purchase to ensure
- 11 compliance with the department or agency's strategic
- 12 plan and road map and with the office of enterprise
- 13 technology services' information technology governance
- 14 processes and enterprise architecture policies and
- 15 standards, including policies and standards for
- 16 systems, services, hardware, software, and security
- 17 management;
- 18 (6) Report annually to the governor and the legislature on
- 19 the status and implementation of the state information
- 20 technology strategic plan;



- 1 (7) Perform other necessary or desirable functions to
- 2 facilitate the intent of this section;
- 3 (8) Employ persons exempt from chapters 76 and 89;
- 4 (9) Provide centralized computer information management
- 5 and processing services, coordination in the use of
- 6 all information processing equipment, software,
- 7 facilities, and services in the executive branch of
- 8 the State, and consultation and support services in
- 9 the use of information processing and management
- 10 technologies to improve the efficiency, effectiveness,
- 11 and productivity of state government programs;
- 12 (10) Establish, coordinate, and manage a program to provide
- 13 a means for public access to public information and
- 14 develop and operate an information network in
- 15 conjunction with overall plans for establishing a
- 16 communication backbone for state government; and
- 17 (11) Adopt rules, pursuant to chapter 91, necessary for the
- 18 purposes of this part.
- 19 (b) The following information technology projects shall be
- 20 required to adhere to the statewide information technology
- 21 governance established under subsection (a):



- 1 (1) Any information technology project that requires
2 technology resources estimated at \$1,000,000 or
3 greater;
- 4 (2) Any information technology project that requires
5 oversight by the chief information officer; or
- 6 (3) Any information technology project identified by the
7 chief information officer that will leverage business
8 and operational efficiencies and benefits for multiple
9 departments or agencies.
- 10 (c) Information technology projects meeting the criteria
11 established under subsection (b) shall be reviewed in a manner
12 established by the chief information officer to ensure that
13 project execution, and associated expenditures, are sufficiently
14 evaluated and receive approval by the appropriate governing
15 body.
- 16 [~~b~~] (d) There is established an information technology
17 steering committee to assist the chief information officer in
18 developing the State's information technology standards and
19 policies, including but not limited to:



- 1 (1) Assisting the chief information officer in developing
2 and implementing the state information technology
3 strategic plans;
- 4 (2) Assessing executive branch departments' progress in
5 meeting the objectives defined in the state
6 information technology strategic plans and identifying
7 best practices for shared or consolidated services;
- 8 (3) Ensuring technology projects are selected based on
9 their potential impact and risk to the State, as well
10 as their strategic value;
- 11 (4) Ensuring that executive branch departments maintain
12 sufficient tools to assess the value and benefits of
13 technology initiatives;
- 14 (5) Assisting the chief information officer in developing
15 state information technology standards and policies;
16 and
- 17 (6) Clarifying the roles, responsibilities, and authority
18 of the office of enterprise technology services,
19 specifically as it relates to its statewide duties.

20 The information technology steering committee shall consist
21 of eleven members, with four members to be appointed by the



1 senate president, four members to be appointed by the speaker of
2 the house of representatives, one member to be appointed by the
3 chief justice, and one member to be appointed by the governor,
4 and shall include representatives from executive branch
5 departments, including large user agencies such as the
6 department of education and the University of Hawaii; the
7 judiciary; the legislature; and private individuals. The chief
8 information officer shall serve as the chair of the committee
9 and shall ensure that the committee is evaluated periodically.

10 ~~(e)~~ (e) There is established within the department of
11 accounting and general services a special fund to be known as
12 the shared services technology special fund to be administered
13 and expended by the chief information officer for the purposes
14 of this subsection. Three per cent of the receipts collected
15 from special funds pursuant to section 36-27 shall be deposited
16 into the shared services technology special fund. Any law to
17 the contrary notwithstanding, the moneys in the fund shall be
18 used to fund the operations of the chief information officer and
19 the information technology steering committee, including the
20 employment and training of staff and any other activities deemed



1 necessary by the chief information officer to carry out the
2 purposes of this section.

3 [~~(d)~~] (f) The chief information officer and the
4 comptroller may raise funds to defray administrative costs and
5 may accept donations of money and personal property on behalf of
6 the information technology steering committee; provided that all
7 donations accepted from private sources shall be expended in the
8 manner prescribed by the contributor, and all moneys received
9 shall be deposited into the information technology trust
10 account. The chief information officer may also directly
11 receive donated personal services and personal property for
12 which funding is not required.

13 [~~(e)~~] (g) The chief information officer shall submit an
14 annual report to the governor and the legislature no later than
15 twenty days prior to the convening of each regular session of
16 the legislature on the activities and programs under the
17 authority of the chief information officer and the information
18 technology steering committee, and the expenditures of all
19 moneys received from all sources and deposited into the
20 information technology trust account and the shared services
21 technology special fund."



1 SECTION 2. Section 27-43.6, Hawaii Revised Statutes, is
2 amended by amending subsections (a) and (b) to read as follows:

3 "(a) The chief information officer shall identify the
4 information technology projects of the executive branch,
5 including those of the department of education and the
6 University of Hawaii, that shall be subject to independent
7 verification and validation. The chief information officer
8 shall have full discretion to require independent verification
9 and validation of the information technology project if the
10 chief information officer determines the project:

- 11 (1) Accomplishes critical state or department priorities;
- 12 (2) Has statutory, regulatory, or judicial mandates;
- 13 (3) Is highly complex, broad in functionality, requires
14 significant organizational change management, or
15 supports a large stakeholder base;
- 16 (4) Has a history of difficult and challenging system
17 implementation; or
- 18 (5) Is a new implementation, replacement, or complete
19 system redesign.

20 (b) If the chief information officer identifies an
21 information technology project for independent verification and



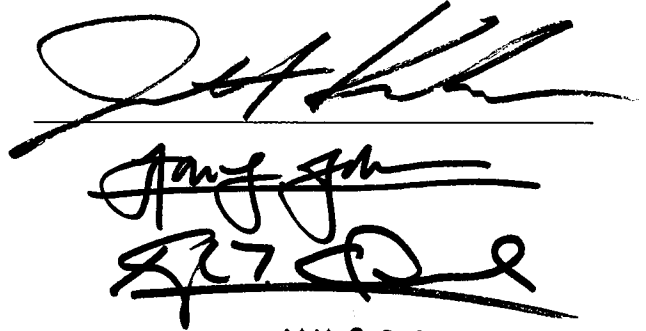
1 validation, the sponsoring department or agency shall cooperate
2 with the chief information officer and the independent
3 verification and validation contractor during the independent
4 verification and validation process."

5 SECTION 3. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 4. This Act shall take effect upon its approval.

8

INTRODUCED BY:



JAN 22 2018



Report Title:

Chief Information Officer; Information Technology Projects;
Verification and Validation

Description:

Provides the Chief Information Officer with full discretion to require independent verification and validation of the information technology projects if certain criteria are met. Requires certain information technology projects to adhere to statewide information technology governance and provides a review process developed by the chief information officer for the information technology project.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



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TESTIMONY

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

Before the

HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT
Thursday, February 8, 2018
9:00 A.M.
State Capitol, Conference Room 309

HOSUE BILL NO. 2225
RELATING TO INFORMATION TECHNOLOGY

Dear Chair Ling, Vice Chair Holt and members of the committee:

I am Todd Nacapuy, Chief Information Officer for the State of Hawai'i and head of the Office of Enterprise Technology Services (ETS), testifying in support, with comments, of HB. 2225, Relating to Information Technology, which provides the Chief Information Officer discretion to require independent verification and validation of information technology projects, and require certain information technology projects to follow statewide information technology governance review processes.

This bill amends Section 27-43 to include the mandatory governance process for information technology (IT) programs and projects that is now in place for the Executive Branch. During the past year, this IT governance process has demonstrated its value to maximize IT resources, increase efficiency, reduce waste, and improve transparency and accountability. The methodical reviews and monitoring processes ensure those projects achieve intended objectives and provide clear return on investments.

The bill further emphasizes the importance of third party, independent verification and validation (IV&V) reviews, where appropriate, to ensure that State modernization projects are successful. ETS is presently coordinating several IV&V contracts with departments, as required under Section 27- 43.6 that became effective on July 1, 2017.

The current statute is silent about who funds and accounts for IV&V costs. To correct this ambiguity, we request the committee consider adding the language below to clarify that when departments know that IV&V will be required, they include estimated IV&V costs in their budget and spending requests:

(b) If the chief information officer identifies an information technology project for independent verification and validation, the sponsoring department or agency shall cover the independent verification and validation costs and cooperate with the chief information officer and the independent verification and validation contractor during the independent verification and validation process.

This will more accurately depict and record total costs of large IT projects.

Thank you for allowing me to testify in support and offer comments on this bill.

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**LATE
TESTIMONY**