



OFFICE OF ENTERPRISE TECHNOLOGY SERVICES

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Testimony of
DOUGLAS MURDOCK
Chief Information Officer
Enterprise Technology Services

Before the

HOUSE COMMITTEE ON FINANCE
Monday, February 25, 2019

HOUSE BILL 1426, HD 1
RELATING TO THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

Dear Chair Luke, Vice Chair Cullen and members of the committee:

The Office of Enterprise Technology Services (ETS) supports this measure, which appropriates operating budgets for the Department of Accounting and General Services. We submit comments as it pertains to the operating budget for our program IDs AGS 130 and AGS 131.

We respectfully request that the budget appropriations listed in items K-20 and K-21 in HB No. 964 from the Governor's Executive Budget be inserted in this bill. These figures include our current expenditures as appropriated in Act 53, SLH 2018 with collective bargaining adjustments as well as additional funding requests.

ITEM NO.	PROGRAM	PROGRAM ID	EXPENDING AGENCY	FISCAL YEAR 2019-2020	M O F	FISCAL YEAR 2020-2021	M O F
K 20	INFORMATION TECH & COMMUNICATION SVCS ENT TECH SVCS - GOVERNANCE & INNOVATION	AGS130					
	OPERATING			35.00 13.00		35.00 13.00	
			AGS	20,764,698 7.00	A	20,990,360 7.00	A
			AGS	1,469,669	B	1,469,669	B
			AGS	3,000,000	U	3,000,000	U

K ENT TECH SVCS-OPER & INFRASTRUCTURE
 21 MNTNCE

AGS131

	92.00		92.00	
	15,050,939	A	15,050,939	A
	1.00		1.00	
	173,560	B	173,560	B
	33.00		33.00	
	3,312,584	U	3,312,584	U

We appreciate your consideration of new operating budget requests in AGS 130 for the following:

Request for Special Fund ceiling increase. This request increases the special fund ceiling for AGS 130 by \$150,000 each year for the Shared Services Technology Special Fund, which is necessary to address increasing fringe benefit costs. There is enough revenue in the fund to support the expenditure ceiling increase.

Request for Cybersecurity Capability enhancements. This request appropriates \$1,038,240 in FY 20 and \$1,263,902 in FY 21. Cyber security is the process of protecting and recovering networks, devices, and programs from any type of cyberattack. Cyberattacks are an evolving danger to organizations, employees, and consumers. They may be designed to access or destroy sensitive data or extort money. They can, in effect, destroy businesses and damage people’s financial and personal lives.

The best defense is a strong cyber security system with multiple layers of protection spread across computers, networks, and programs. This request provides the various tools needed to build a strong defense to recognize and avoid threats before they’re able to infiltrate our network.

Request for Mobile Device Manager (MDM) software. This request adds \$150,000 in each year of the biennium. Mobile device management (MDM) solutions provide organizations with end-to-end security — meaning the mobile apps, network and data used by the mobile device (in addition to the mobile device itself) are managed by an organization's IT department with a single mobile device software product. This is a way to control and secure the personal digital assistants and smartphone that employees use. With technology becoming more accessible, allowing employees to conduct business anytime and anywhere, it is important to have controls in place to prevent malicious activity on mobile devices, such as laptops, tablets, and smartphones. MDM allows mobile devices that are used for State business to be managed to ensure devices are kept up to date, patched and could be wiped in the event the device is lost or stolen.

Thank you for this opportunity to provide testimony on this bill.

DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER
AUDREY HIDANO
DEPUTY COMPTROLLER

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

WRITTEN TESTIMONY
OF
CURT T. OTAGURO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE ON FINANCE
ON
FEBRUARY 25, 2019, 2:00 P.M.
CONFERENCE ROOM 308, STATE CAPITOL

H.B. 1426 H.D. 1
RELATING TO THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

Chair Luke, Vice Chair Cullen, and members of the Committee, thank you for the opportunity to testify before you on H.B. 1426, H.D. 1.

The Department of Accounting and General Services (DAGS or Department) appreciates the opportunity to provide comments in support of this measure, the purpose of which is to establish additional amounts and positions to be appropriated and authorized for the fiscal biennium (FB) 2019-2021 operating budget of the programs under the purview of the House of Representatives Standing Committee on Legislative Management (LMG). We ask that the funding requests that are proposed in the Governor's FB 2019 -21 operating budget for these select programs be added to this bill.

OVERVIEW OF DAGS

The mission of the Department is to attain maximum value for the state taxpayers in providing physical, financial, and technical infrastructure support for state departments and agencies, so they may accomplish their missions. The Department's goal is to strive for quality and consistency in the delivery of essential support services and our activities reflect a continuing commitment towards cost efficiency, productivity, relevancy and timeliness of services.

DAGS programs under the purview of this committee with requests for additional resources include:

- AGS-102 Expenditure Examination
- AGS-111 Archives - Records Management
- **AGS-130 Enterprise Technology Services - Governance and Innovation**

- AGS-221 Public Works - Planning, Design, and Construction
- AGS-231 Central Services - Custodial Services
- AGS-232 Central Services - Grounds Maintenance
- AGS-233 Central Services - Building Repairs and Alteration

The following provides details of the program requests under review by LMG, with the exception of the Enterprise Technology Services (ETS) program (AGS-130) which will be submitting testimony separately for your consideration.

Budget Requests – Operating:

<u>Prog ID</u>	<u>Description of Addition</u>	<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>
AGS102	Conversion of 1.00 Temporary Position to Permanent	A	1.00	(1.00)	\$ -	1.00	(1.00)	\$ -

Two permanent positions authorized in Act 124, SLH 2016 with 6 months funding, for additional support for the Expenditure Examination program, were approved for full funding in Act 53, SLH 2018; however, both positions were also converted from Permanent to Temporary status. One of the positions was filled as of April 2017, while still a permanent position as authorized. This request is to convert the position back to permanent status from temporary as this position is a critical resource needed to meet ongoing operational needs of Central Payroll and provide support due to the increased complexity of collective bargaining agreements, federal and state reporting requirements, and statewide training requirements, as well as to implement and support new systems. The position performs functions that are permanent in nature.

<u>Prog ID</u>	<u>Description of Addition</u>	<u>MOF</u>	<u>FY20</u>			<u>FY21</u>		
			<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>
AGS111	Add 1.00 permanent Office Assistant and Additional Operating Funds	A	1.00	-	\$ 92,240	1.00	-	\$ 107,940

Personnel - The State Archives is requesting one additional FTE position due to increased utilization of the Public Research Room and State Archives' Services; increase in service requests has pushed the turnaround time from a target 7-10 days out to 6-8 weeks, with up to three months in the case of large orders. Other Current Expenses - funds for a contracted security guard to provide monitoring of the public research room and security cameras. This will provide a level of security corresponding to the importance of the items stored in the State Archives, reduce theft in the Public Research Room, and ensure that research room protocols are enforced. Funds are also requested for a) document shredding; insufficient funds has resulted the periodic annual deferral of destruction of eligible boxes, resulting in a multi-year backlogs that has greatly reduced capacity for incoming boxes, and b) specialty archival supplies for the rehousing of archival photographs and records.

AGS111	Add Funds for IT Services	B	-	-	\$ 200,000	-	-	\$ -
<p>The Digital Archives is moving into production and is requesting a \$200,000 one-time expenditure authority for testing and rollout of the Digital Archives preservation system. As the system has the responsibility of preserving digital records of enduring legal, historical and fiscal value in an authentic state in perpetuity, it is essential that the system function as designed to international standards. Having a set of outside analysts review, comment and improve the system is an important part of ensuring the highest quality product we can produce.</p>								
AGS233	Eliminate Interdepartmental Transfer "U" Fund for AAFES Building Maintenance	U	-	-	\$ (100,000)	-	-	\$ (100,000)
<p>With the AAFES building turned over to OHA, the fund which had set aside \$100,000 for yearly maintenance of the building is no longer necessary.</p>								

Prog ID	Description of Addition	MOF	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
AGS231	Add one Building Manager Position and Funds	A	1.00	-	\$ 26,478	1.00	-	\$ 52,956
<p>Currently 3 Building Managers oversee the servicing of some 70+ state facilities that require building management services that address custodial cleaning services, building machinery problems such as air conditioning, elevator operation etc. State buildings have also been impacted by homeless and vagrants using the buildings as a temporary resting area resulting in health and safety concerns/complaints from building occupants. One additional building manager to our existing three building managers will enable the geographical area to be split more equitably and increase efficiency and response time to building occupant concerns and lead to faster resolution to problems.</p>								
AGS232	Add funds for Motor Vehicle Purchase - Replacement of 3/4 ton Refuse Truck	A	-	-	\$ 300,000	-	-	\$ -
<p>The existing refuse truck is 15 years old and has nearly 145,000 miles. The program has only one refuse truck and mechanical breakdowns are occurring more frequently. When the refuse truck is down, the use of private vendors is not a viable option because their existing equipment cannot pickup the state's trash bins. A replacement truck is sought as the truck has exceeded its useful life of 10 years and the program is facing increasing repair costs.</p>								

AGS221	Add 3.00 Permanent Positions and Funding for P3 Staffing and Related Requirements	A	3.00	-	\$ 156,453	3.00	-	\$ 300,906
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The request is to provide for three positions and related furnishings and equipment to staff a P3 (public-private partnership) office within the Public Works Division (PWD), Public Works Administrator's office. The requested positions will provide internal staffing to provide assistance to other State departments and agencies for the identification, definition, procurement and oversight of the development of P3 structures and the related contractual arrangements of such public-private partnerships on behalf of the State. Other support will include developing guidelines and related templates, training, and other resource support to other State departments and agencies. As many of these projects will include a planning, design, and construction component to the overall structure of these arrangements, this function is expected to closely coordinate their efforts with the existing Planning, Project Management, Construction Management and Leasing branches within PWD.

Thank you for the opportunity to submit testimony for funding at the appropriate levels to facilitate our ability to fulfill our mission.