



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/06/2019

Time: 10:10 AM

Location: 309

Committee: House Economic Development &
Business

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: HB 1593 RELATING TO INFORMATION TECHNOLOGY.

Purpose of Bill: Requires the Department of Budget and Finance, in consultation with the Department of Accounting and General Services and the Office of Enterprise Technology Services, to develop and procure a uniform financial database for use by all state agencies. Appropriates moneys.

Department's Position:

The Department of Education (Department) supports the intent of Hb 1593, to improve transparency and consistency of finances across state agencies and provides the following comments:

The Department would follow Hawaii Revised Statutes (HRS) for procurement processes and respectfully requests the specific vendor/system name be removed from this bill. We also would like to suggest that a pilot-oriented approach would be consistent with current technology best practices.

The Department technology team will be presenting their plans to continue modernizing financial systems to the Board of Education on February 19, 2019. Thus, the Department is already committed to continuing the improvement of the financial systems. This includes building upon the Caspio product named in the draft bill and already procured by the Department. However, the Caspio system is an analysis tool that pulls financial data from the circa 1990 Financial Management System and, therefore, supports only an inquiry piece of the complex financial processes required of a large organization like the Department.

As the Department is already planning to move ahead with financial system modernization, the Department is willing to serve as a pilot for other agencies. We anticipate a cloud-based, software-as-a-service solution, which would make it easy for

other agencies to adapt a comparable solution. However, we would certainly work with the Department of General Services (DAGS) and the Office of Enterprise Technology Services (ETS) on procurement and implementation, but defer to them on their specific needs and technical solutions.

Thank you for the opportunity to provide testimony on this measure.

The Hawaii State Department of Education seeks to advance the goals of the Strategic Plan which is focused on student success, staff success, and successful systems of support. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.

TRANSFORM
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February 6, 2019

Rep. Angus L.K. McKelvey, Chair
Rep. Lisa Kitagawa, Vice Chair
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
Conference Room 309
Hawai'i State Capitol
Honolulu, HI 96813

RE: Testimony supporting the intent of HB 1593, Relating to Information Technology

Chair McKelvey, Vice Chair Kitagawa, and Committee Members:

My name is Christine Sakuda and I serve as the executive director of Transform Hawai'i Government (THG), a coalition of organizations and individuals who believe in improving government services and business practices through technology to ensure that policymakers, State employees, local residents and businesses have convenient and secure access to reliable information and data on demand.

THG supports the intent of House Bill 1593, Relating to Information Technology, which requires the Department of Budget and Finance, in consultation with the Department of Accounting and General Services and the Office of Enterprise Technology Services (ETS), to develop and procure a uniform financial database for use by all state agencies.

Finance is one of the core functional areas within an Enterprise Resource Planning (ERP) system through which important administrative functions are managed. These functions include human resources, payroll, time and attendance, finance, grants, acquisition, and budget. In March 2015, the Ige Administration announced a move to a targeted approach to ERP, focusing on modernizing and improving individual ERP functional areas through targeted projects, with the intent of integrating these components as they come online.

Following significant progress in modernizing the State's human resources and payroll systems over the last three years, a uniform financial database is a logical next step in moving forward with other ERP functional areas, provided that appropriate resources and funds are available and such a project aligns with ETS' long-term implementation strategy and timeline for ERP-related systems.

Thank you for the opportunity to provide testimony supporting the intent of this important bill.

Respectfully submitted,



Christine Sakuda
Executive Director
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DAVID Y. IGE
GOVERNOR



RODERICK K. BECKER
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

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

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

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

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

TESTIMONY BY RODERICK K. BECKER
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS
ON
HOUSE BILL NO. 1593

**February 6, 2019
10:10 a.m.
Room 309**



RELATING TO INFORMATION TECHNOLOGY

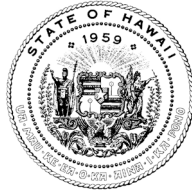
House Bill (H.B.) No. 1593: requires the Department of Budget and Finance (B&F), in consultation with the Department of Accounting and General Services and the Office of Enterprise Technology Services (ETS), to develop and procure an uniform financial database for use by all State agencies; and appropriates an unspecified amount of general funds in FY 20 and FY 21 to B&F for this purpose.

The department recognizes the need to upgrade the State's administrative support systems; however, it has serious concerns with pre-determining a vendor and/or product. The department strongly believes that vendor selection should be open and competitive to ensure transparency and that the best interests of the State are being served.

In addition, the department feels that ETS should be the expending agency for the project, as they have the technical expertise to properly oversee this project.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



DOUGLAS MURDOCK
CHIEF INFORMATION
OFFICER

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Testimony of
DOUGLAS MURDOCK
Chief Information Officer
Enterprise Technology Services

Before the

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
Wednesday, February 6, 2019

HOUSE BILL NO. 1593
RELATING TO INFORMATION TECHNOLOGY

Dear Chair McKelvey, Vice Chair Kitagawa and members of the committee:

The Office of Enterprise Technology supports the intent of HB1593 that requires the Department of Budget and Finance, in consultation with the Department of Accounting and General Services and the Office of Enterprise Technology Services, to develop and procure a uniform financial database for use by all state agencies.

With the highly successful launch of the new State Payroll system used by all employees, departments, and branches of state government, we have developed the experience, financial and technology skillsets, and inter-departmental relationships to begin building a uniform financial system for all state agencies.

We respectfully suggest removing the reference to any particular system to allow us to explore alternatives to ensure the best fit for the state's needs.

Thank you for opportunity to testify on this measure.