

OFFICE OF ENTERPRISE TECHNOLOGY SERVICES

P.O. BOX 119, HONOLULU, HI 96810-0119
Ph: (808) 586-6000 | Fax: (808) 586-1922
ETS.HAWAII.GOV

Testimony of
DOUGLAS MURDOCK
Chief Information Officer
Enterprise Technology Services

Before the

SENATE COMMITTEE ON GOVERNMENT OPERATIONS
SENATE COMMITTEE ON TECHNOLOGY
Tuesday, March 19, 2019

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

Dear Chairs Thielen and Keohokalole, Vice Chairs Inouye and English, 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 | M O F | FISCAL YEAR | 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.

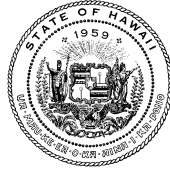
The best defense is a strong cyber security system with multiple layers of protection spread across computers, networks, and programs. This request provides the various tools needed to build a strong defense to recognize and avoid threats before they’re able to infiltrate our network.

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.

HB 1426, HD1
TESTIMONY OF DOUGLAS MURDOCK
Chief Information Officer, Office of Enterprise Technology Services
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Thank you for this opportunity to provide testimony on this bill.

DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER
AUDREY HIDANO
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

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

LATE

WRITTEN TESTIMONY
OF
CURT T. OTAGURO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE SENATE COMMITTEES
ON
GOVERNMENT OPERATIONS AND TECHNOLOGY

MARCH 19, 2019, 3:10 P.M.
CONFERENCE ROOM 225, STATE CAPITOL

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

Chairs Thielen and Keohokalole, Vice Chairs Inouye and English, and Members of the Committees, 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 for the following programs under the purview of the House of Representative standing committee on Legislative Management:

- 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

H.B. 1426, H.D.1, provides unspecified amounts for appropriations and positions for the programs under review in this measure. The Department concurs with the Senate position in both H.B. 116, S.D.1 and H.B. 2, H.D.1, S.D.1, with amendments, as follows:

1. Concurrence with funding as provided in H.B. 116, S.D. 1:

PROGRAM APPROPRIATIONS

| ITEM NO. | PROG. ID | PROGRAM | EXPENDING AGENCY | APPROPRIATIONS | | | |
|----------|----------|---------|------------------|-----------------------|-------|-----------------------|-------|
| | | | | FISCAL YEAR 2019-2020 | M O F | FISCAL YEAR 2020-2021 | M O F |

LMG - LEGISLATIVE MANAGEMENT

2. AGS111 - ARCHIVES - RECORDS MANAGEMENT

| | | | |
|-----------|-----|----------|----------|
| OPERATING | AGS | 200,000B | 0B |
| | | 0* | +1.00* |
| | AGS | 76,500A | 107,940A |

3. AGS130 - ENTERPRISE TECHNOLOGY SERVICES - GOVERNANCE AND INNOVATION

| | | | |
|-----------|-----|------------|------------|
| OPERATING | AGS | 1,188,240A | 1,413,902A |
|-----------|-----|------------|------------|

4. AGS221 - PUBLIC WORKS - PLANNING, DESIGN, AND CONSTRUCTION

| | | | |
|-----------|-----|----------|----|
| OPERATING | AGS | 250,000A | 0A |
|-----------|-----|----------|----|

5. AGS231 - CENTRAL SERVICES - CUSTODIAL SERVICES

| | | | |
|-----------|-----|---------|---------|
| OPERATING | AGS | +1.00* | 1.00* |
| | | 52,956A | 52,956A |

6. AGS232 - CENTRAL SERVICES - GROUNDS MAINTENANCE

| | | | |
|-----------|-----|----------|----|
| OPERATING | AGS | 300,000A | 0A |
|-----------|-----|----------|----|

2. Concurrence with funding as provided in H.B. 2, H.D.1, S.D. 1 for conversions of positions from temporary to permanent, ceiling increases/decreases, and reductions:

PROGRAM APPROPRIATIONS

| ITEM NO. | PROG. ID | PROGRAM | EXPENDING AGENCY | APPROPRIATIONS | | | |
|------------------------------|-----------|--|------------------|-----------------------|-------|-----------------------|-------|
| | | | | FISCAL YEAR 2019-2020 | M O F | FISCAL YEAR 2020-2021 | M O F |
| LMG - LEGISLATIVE MANAGEMENT | | | | | | | |
| 1. | AGS102 | EXPENDITURE EXAMINATION | | | | | |
| | OPERATING | | AGS | -1.00# | | -1.00# | |
| | | | | +1.00* | | +1.00* | |
| 3. | AGS130 | ENTERPRISE TECHNOLOGY SERVICES - GOVERNANCE AND INNOVATION | | | | | |
| | OPERATING | | AGS | 150,000B | | 150,000B | |
| 7. | AGS233 | CENTRAL SERVICES - BUILDING REPAIRS AND ALTERATIONS | | | | | |
| | OPERATING | | AGS | -100,000U | | -100,000U | |

3. Amendment to correct position status of positions deleted in H.B. 2, H.D.1, S.D. 1, for AGS-221 – positions inadvertently deleted as permanent positions but should be reflected as temporary positions as shown below:

Program ID: AGS221 PUBLIC WORKS – PLANNING, DESIGN, AND CONSTRUCTION
 Structure #: 110308010000
 Subject Committee: GVO GOVERNMENT OPERATIONS

| SEQ# | EXPLANATION | FY2020 | | | FY2021 | | |
|----------|--|--------|------|-------------------|--------|------|-------------------|
| | | Perm | Temp | Amt | Perm | Temp | Amt |
| 2000-001 | SENATE ADJUSTMENT: REDUCE (2) PERMANENT POSITIONS AND FUNDS FOR PUBLIC WORKS (AGS221). | | | (2.00) (62,442) A | | | (2.00) (62,442) A |
| ***** | | | | | | | |
| | DETAIL OF SENATE ADJUSTMENT: (2) PERM BUILDING COORDINATOR STUDENT I (#102613, #102229, 31,331 EACH) | | | | | | |

Thank you for the opportunity to submit testimony on this matter.