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

P.O. BOX 150  
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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 FINANCE  
ON  
HOUSE BILL NO. 1593, H.D. 1**

**February 27, 2019  
11:00 a.m.  
Room 308**

**RELATING TO INFORMATION TECHNOLOGY**

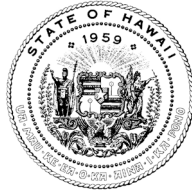
House Bill (H.B.) No. 1593, H.D. 1, requires the Department of Budget and Finance (B&F), in consultation with the Department of Accounting and General Services (DAGS) and the Office of Enterprise Technology Services (ETS), to develop and procure a uniform financial database for use by all State agencies; and appropriates an unspecified amount of general funds in FY 20 and FY 21 to B&F for this purpose.

The department supports the intent of this bill to improve government accountability and transparency. However, we believe it would be more beneficial for the State to invest in an Enterprise Resource Planning (ERP) system which would integrate the State's budget, finance and personnel data. Such systems can be designed to track projects and grants through a uniform chart of accounts. As such, we suggest restarting the ERP project which was put on hold.

The department feels that ETS would be the more appropriate expending agency for a database or an ERP project, as they have the appropriate technical expertise, with B&F and DAGS consulting.

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 FINANCE  
Wednesday, February 27, 2019

HOUSE BILL NO. 1593, HD1  
RELATING TO INFORMATION TECHNOLOGY

Dear Chair Luke, Vice Chair Cullen 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.

Thank you for opportunity to testify on this measure.



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

**Date:** 02/27/2019  
**Time:** 11:00 AM  
**Location:** 308  
**Committee:** House Finance

**Department:** Education

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

**Title of Bill:** HB 1593, HD1 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. (HB1593 HD1)

**Department's Position:**

The Department of Education (Department) supports the intent of HB 1593 HD1, to improve transparency and consistency of finances across state agencies and provides the following comments:

The Department appreciates the revision to remove references to a specific vendor or product in order for procurement to be open, competitive, and transparent.

Regarding Section 1, paragraphs 2 and 3, the Department would like to clarify and inform the Committee that the Department has not replaced its financial database (a.k.a. Financial Management System), but is currently in the initial phases of doing so, having presented plans to the Board of Education on February 21, 2019. The database/software referenced in this measure refers to 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 an organization - specifically limited to capital improvement projects. It is a tool to report and track, rather than a financial system that supports the daily operations and financial transactions of an organization.

As the Department is already planning to move ahead with financial system modernization and replacing its financial management system, 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. The Department is planning on working with the Department of Accounting and General Services (DAGS), the Office of Enterprise Technology Services (ETS) and Department of Budget and Finance (B&F) as we develop our financial system to ensure alignment.

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](http://www.hawaiipublicschools.org).

**HB-1593-HD-1**

Submitted on: 2/26/2019 10:07:38 AM

Testimony for FIN on 2/27/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:

**TRANSFORM**  
**HAWAI'I GOVERNMENT**  
Every Citizen • Every Service • Every Island

February 27, 2019

Rep. Sylvia Luke, Chair  
Rep. Ty J.K. Cullen, Vice Chair  
HOUSE COMMITTEE ON FINANCE  
Conference Room 308  
Hawai'i State Capitol  
Honolulu, HI 96813

RE: Testimony supporting the intent of HB 1593 HD1, Relating to Information Technology

Chair Luke, Vice Chair Cullen, 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 HD1, 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  
Transform Hawai'i Government  
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