## A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

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

- 1 SECTION 1. In March 2011, the State launched an initiative
- 2 to modernize and transform the State's technology
- 3 infrastructure, systems, processes, and procedures. The State
- 4 subsequently hired its first full-time chief information officer
- 5 in July 2011 to oversee the development and implementation of a
- 6 statewide information technology strategic plan. In September
- 7 2011, the first phase of the State's modernization initiative
- 8 was completed with the publishing of the "Baseline of
- 9 Information Management and Technology and Comprehensive View of
- 10 State Services" report. The findings and recommendations in
- 11 this report provide the basis for the strategic direction that
- 12 the State needs to take going forward. The development of the
- 13 statewide information technology strategic plan, which will
- 14 include a business transformation strategy, is currently under
- 15 development and is anticipated to be delivered by the chief
- 16 information officer in July 2012.
- 17 The report explains that the State's budget reductions over
- 18 the last decade and lack of centralized governance of 2012-2454 SB2780 CD1 SMA.doc



- 1 information technology and information resource management have
- 2 resulted in minimal integration of business processes between
- 3 departments, duplication of efforts and redundant processes, and
- 4 aging legacy systems. Further, the State's current level of
- 5 investment in information technology and information resource
- 6 management is inadequate compared to benchmark standards found
- 7 in other states and existing best practices.
- 8 It is recognized that technology alone cannot address the
- 9 State's needs; simply automating obsolete or stove-piped
- 10 processes will not lead to better outcomes. What is required is
- 11 a re-thinking of the existing business processes throughout
- 12 state government, in every department, in order to take full
- 13 advantage of the transformation capabilities modern technology
- 14 offers. It is the chief information officer's and business
- 15 transformation executive's intention to embark upon a
- 16 prioritized enterprise-wide re-evaluation of business processes
- 17 and their enabling technologies in order to advance Hawaii to a
- 18 more agile, responsive, and transparent future state.
- 19 The re-thinking of business processes and the
- 20 transformation of the State's information technology
- 21 infrastructure and framework will result in increased
- 22 efficiencies through greater collaboration and information



- 1 sharing, improved effectiveness through eliminating
- 2 redundancies, enhanced levels of information security, future
- 3 cost savings, and business processes that will more closely
- 4 align with the business needs of the State. Additionally, the
- 5 new information technology framework that will be documented in
- 6 the strategic plan will include an enterprise architecture for
- 7 the State and will serve as the basis for annual tactical
- 8 operation plans going forward.
- 9 Funding for the defined initiatives resulting from the
- 10 strategic plan cannot be funded until fiscal year 2013-2014, but
- 11 there are basic and critical foundational elements that must be
- 12 implemented in fiscal year 2012-13, in order for the State to
- 13 realize the greatest benefits of the overall transformation
- 14 initiative.
- The legislature further finds that the public procurement
- 16 approval process for information technology procurements can
- 17 often extend over a lengthy period. An expedited procurement
- 18 approval process to implement the first group of business
- 19 process reengineering and information technology activities,
- 20 pilot projects to increase current operational capabilities, and
- 21 demonstration projects authorized in the Supplemental
- 22 Appropriations Act of 2012 is essential to meet key deadlines



- 1 tied to the fiscal year 2013-2015 biennium budget cycle for
- 2 implementation of the State's information technology strategic
- 3 plan.
- 4 The purpose of this Act is to expedite implementation of
- 5 the business reengineering process and technology initiatives as
- 6 a foundation for the transformation activities proposed in the
- 7 State's information technology strategic plan by providing a
- 8 twelve-month, expedited process for information technology
- 9 projects authorized in the Supplemental Appropriations Act of
- 10 2012 under information processing and communication services
- **11** (AGS 131).
- 12 SECTION 2. Beginning July 30, 2012, the state procurement
- 13 office and the office of information management and technology
- 14 shall submit monthly reports to the legislature on the status of
- 15 information technology procurements for authorized projects
- 16 undertaken by the office of information management and
- 17 technology to implement the State's information technology
- 18 strategic plan. Where appropriate, the state procurement
- 19 officer may approve exemptions for individual procurements that
- 20 facilitate the immediate deployment of demonstration technology
- 21 projects authorized in the Supplemental Appropriations Act of

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- 1 2012 under information and communication services (AGS 131) that
- 2 will be completed by June 30, 2013.
- 3 The office of information management and technology shall
- 4 also submit a report on the number of information technology
- 5 procurements completed on an expedited basis, the results
- 6 achieved in each technology project, as well as recommendations
- 7 on the feasibility of establishing a new category for
- 8 information technology procurements within the States
- 9 procurement laws.
- 10 SECTION 3. This Act shall take effect on July 1, 2012.

S.B. NO. S.D. 1 H.D. 2 C.D. 1

### Report Title:

Accounting and General Services; Information Technology Transformation Initiative

#### Description:

Expedites implementation of the business reengineering process and technology initiatives as a foundation for the transformation activities proposed in the State's information technology strategic plan by providing a twelve-month, expedited process for information technology projects authorized in the Supplemental Appropriations Act of 2012 under information processing and communication services (AGS 131). (CD1)

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