

JAN 22 2016

A BILL FOR AN ACT

RELATING TO INFORMATION TECHNOLOGY.

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

1 SECTION 1. The purpose of this Act is to authorize the
2 chief information officer, with approval of the governor, to
3 transfer and expend general funds as well as non-general funds
4 to executive departments and agencies for expenditure on
5 projects approved by the office of enterprise technology
6 services.

7 SECTION 2. Act 119, Session Laws of Hawaii 2015, is
8 amended by amending section 41 to read as follows:

9 "SECTION 41. Provided that, of the appropriation for
10 information management and technology (AGS130):

11 (1) The following amounts may be expended by the chief
12 information officer for any of the projects listed
13 under paragraph (2) and for no other purpose:

14 (A) \$6,100,000 in general funds, \$1,800,000 in
15 special funds, \$7,700,000 in federal funds,
16 \$600,000 in other federal funds, and \$100,000 in
17 revolving funds in fiscal year 2015-2016; and



(B) \$5,500,000 in general funds, \$1,600,000 in special funds, \$15,200,000 in federal funds, and \$80,000 in revolving funds in fiscal year 2016-2017;

(2) The projects, the amounts under paragraph (1) for which may be expended, are the following:

(A) Information technology system upgrades and repair and maintenance for rabies quarantine (AGR131);

(B) Datamart upgrades for information processing and communication services (AGS131);

(C) Statewide voter registration system for the office of elections (AGS879);

(D) Child support enforcement (keiki) system modernization feasibility study for child support enforcement services (ATG500);

(E) Computer hardware and software compliance upgrade for the Hawaii housing finance and development corporation (BED160);

(F) ALIAS project completion for professional and vocational licensing (CCA105);



- 1 (G) Complaints management system replacement for
- 2 regulated industries complaints office (CCA112);
- 3 (H) Student information system for state
- 4 administration (EDN300);
- 5 (I) Security management and compliance plan
- 6 administration and monitoring for general support
- 7 for health care payments (HMS902);
- 8 (J) Kauhale on-line eligibility assistance (KOLEA)
- 9 system maintenance and operation for general
- 10 support for health care payments (HMS902); and
- 11 (K) Information technology system conversion for
- 12 general administration (TRN995);
- 13 (3) Before expending any amount for a project listed under
- 14 paragraph (2), the chief information officer shall
- 15 consult with the governor and all administrative heads
- 16 of the departments or agencies with jurisdiction over
- 17 the listed projects;
- 18 (4) The chief information officer, with the approval of
- 19 the governor, shall identify the ~~[non-general]~~ funds
- 20 to be expended on the projects, and:



1 (A) The governor shall direct the administrative
2 heads of the departments or agencies with
3 jurisdiction over the projects to expend the
4 identified [~~non-general~~] funds as required by the
5 chief information officer; or

6 (B) Alternatively, the chief information officer,
7 with the approval of the governor, may delegate
8 to the administrative head of a department or
9 agency the authority to expend the identified
10 [~~non-general~~] funds for a project in accordance
11 with the chief information officer's direction.

12 For the purpose of this paragraph, the chief
13 information officer shall comply with any matching
14 requirement for the expenditure of federal funds or
15 other federal funds;

16 (5) When directing or authorizing the expenditure for the
17 listed projects, the chief information officer, to the
18 fullest extent possible, shall strive for a
19 commonality and efficiency of information technology
20 systems;



- 1 (6) The governor, after consultation with the chief
2 information officer, may establish not more than 5.00
3 temporary positions exempt from the civil service and
4 assign them to assist departments or agencies with
5 projects funded under this section;
- 6 (7) If any part of the amount specified under paragraph
7 (1) becomes unnecessary because of completion, delay,
8 or abandonment of a project or other reason, the chief
9 information officer shall notify the legislature in
10 the report required under paragraph (9);
- 11 (8) The difference between the amount specified under
12 paragraph (1) (A) or (B) for a fiscal year and the
13 amount expended or encumbered for the projects listed
14 under paragraph (2) for that fiscal year shall lapse
15 on June 30 of that fiscal year and shall not be
16 expended by the chief information officer for any
17 other purpose; and
- 18 (9) The chief information officer shall submit a report to
19 the legislature not later than twenty days prior to
20 the convening of the regular session of 2016 on the
21 expenditures made under this section and a discussion



1 of the operational and financial feasibility of
2 sustaining such a process as a means of increasing
3 oversight and transparency and better managing of the
4 state's information systems."

5 SECTION 3. Statutory material to be repealed is bracketed
6 and stricken.

7 SECTION 4. This Act shall take effect upon its approval.
8

INTRODUCED BY: _____

Jim
Daniel
Michelle L. Leland



S.B. NO. 2541

Report Title:

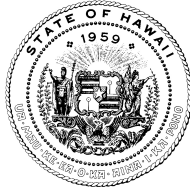
Information Technology; Chief Information Officer; Authorization to Use or Transfer Funds; State Budget

Description:

Authorizes the State CIO to use or transfer funds, appropriated in the 2015 State budget Act, to executive departments and agencies for projects that have been approved by the governor.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.





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INFORMATION AND COMMUNICATION
SERVICES DIVISION

OFFICE OF INFORMATION MANAGEMENT
AND TECHNOLOGY

Testimony of
TODD NACAPUY
Chief Information Officer, State of Hawai'i

Before the

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS

Friday, March 11, 2016; 11:00 a.m.
State Capitol, Conference Room 312

SENATE BILL NO. 2541
RELATING TO INFORMATION TECHNOLOGY

Chair Kawakami, Vice Chair Kong, and Committee Members:

My name is Todd Nacapuy, Chief Information Officer (CIO) of the State of Hawai'i. I am testifying in **support** of Senate Bill No. 2541, Relating to Information Technology, which clarifies the State CIO's authority, with approval of the governor, to transfer and expend general funds and non-general funds appropriated in the 2015 Executive Budget (Act 119) to executive departments and agencies for projects approved by the CIO-led Office of Enterprise Technology Services.

Act 119 did not specifically permit the transfer of general funds to the expending departments. This bill authorizes the CIO to transfer funds appropriated in Act 119 to the departments. This is part of the State's new information technology (IT) governance process that evaluates, approves and monitors IT investments and projects. Those processes will ensure that State resources are managed and completed successfully.

Additionally, due to the delay in transferring general funds until after this provision may be enacted this year, we would support departments who request expediting the passage of this bill and/or an extension of time to expend general funds, to the extent allowable, for the purposes of completing Act 119 projects.

S.B. No. 2541 is also consistent with recommendations made in ETS' Report to the Legislature on Expenditures and the Operational and Financial Feasibility of Sustaining IT Governance, submitted December 31, 2015, pursuant to Section 41 of Act 119, SLH 2015, and available at <http://ets.hawaii.gov>.

Thank you for the opportunity to testify in support of this bill.



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

Date: 03/11/2016

Time: 11:00 AM

Location: 312

Committee: House Economic Development &
Business

Department: Education

Person Testifying: Kathryn S. Matayoshi, Superintendent of Education

Title of Bill: SB 2541 RELATING TO INFORMATION TECHNOLOGY.

Purpose of Bill: Authorizes the State CIO to use or transfer funds, appropriated in the 2015 State budget Act, to executive departments and agencies for projects that have been approved by the governor.

Department's Position:

Chair Kawakami and members of the House Committee on Economic Development & Business, thank you for this opportunity to submit testimony in strong support of SB 2541.

The Department of Education (DOE) is currently implementing its new Student Information System (SIS) and funding for this project has been unavailable since the beginning of this current fiscal year. The DOE has been working continuously with the State's Chief Information Officer (CIO) since the beginning of FY 15-16 to release funding for this project, and the CIO has been fully supportive of the release of these funds. The DOE respectfully requests approval and expedited passage of SB2541.

Thank you for the opportunity to provide testimony in strong support of SB2541.