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DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

Tuesday, February 3, 2026
3:00 PM
State Capitol, 224

SB2523
MAKING AN APPROPRIATION TO THE DEPARTMENT OF INFORMATION TECHNOLOGY OF THE CITY AND COUNTY OF HONOLULU

Senate Committee on Labor and Technology, Energy and Intergovernmental Affairs

The Department of Transportation (DOT) supports Senate Bill 2523, which appropriates $10,000,000 as a grant-in-aid to the City and County of Honolulu Department of Information Technology (DIT) for upgrading the driver's license and motor vehicle application systems, identified as the Driver License Information System and Motor Vehicle Information System, respectively.

The DOT recognizes the critical importance of modernizing the current mainframe-based system by transitioning to a cloud-based service. This upgrade is essential for improving efficiency, enhancing service delivery, and reducing long-term maintenance costs associated with outdated technology.

Modernizing these systems aligns with our department's commitment to leveraging technology to better serve the public. The transition to a cloud-based service will likely result in faster processing times for driver's licenses and motor vehicle applications, improved data management, and enhanced security measures to protect sensitive information.

Furthermore, this upgrade will facilitate the implementation of online services, similar to those supported in Act 243 signed into law in 2024, which authorized the renewal of driver's licenses online or by electronic means. The modernized system will provide a robust platform for expanding digital services, making it more convenient for residents to access and complete various motor vehicle-related transactions.

The DOT believes that this investment in upgrading the driver's license and motor vehicle application systems will yield significant long-term benefits for both the State of Hawaii and its residents. It will improve operational efficiency, reduce wait times, and enhance the overall user experience for those accessing these essential services.

However, the DOT wishes to make the following comments regarding the funding of this bill and the need for DIT to obtain this funding via grant-in-aid:

- The Driver License Information System and Motor Vehicle Information System are still subject to DOT managerial oversight and quality assurance necessary to ensure that identity credentialing and motor vehicle functions are not impeded during normal business operations for the public, as well as for purposes of compliance with a variety of Federal agencies that oversee some, if not all, identity credentialing or motor vehicle functions (e.g. Federal Motor Carrier Safety Administration, U.S. Department of Homeland Security for the REAL ID Act, the National Highway Traffic Safety Administration, the Social Security Administration).

- The DOT wishes to stress that system modernization will not impact the public with regard to credential or vehicle-related business operations via the County DMVs or equivalent.

- To ensure that the Department of Information Technology completes modernization properly and in line with State priorities regarding compliance with the various Federal agencies involved with identity credentialing and motor vehicle regulation, the DOT proposes that the $10,000,000 requested as grant-in-aid be made a line item allocated to the DOT to administer and expend to the DIT to ensure no issues occur during the modernization process.

If the Legislature is favorable to this proposal, the DOT requests an extension to the fiscal period beyond 2026-2027 to ensure that DIT will have extra time for testing of the new system, troubleshooting, and related.

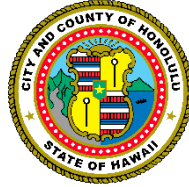Thank you for the opportunity to testify in support of this bill.

February 2, 2026

The Honorable Brandon J.C. Elefante, Chair
The Honorable Rachele Lamosao, Vice Chair
  and Members of the Senate Committee on Labor and Technology

The Honorable Glenn Wakai, Chair
The Honorable Stanley Chang, Vice Chair
  and Members of the Senate Committee on Energy and Intergovernmental Affairs

State Capitol, Conference Room 224
415 South Beretania Street
Honolulu, Hawaiʻi 96813

Dear Chair Elefante, Chair Wakai, Vice Chair Lamosao, Vice Chair Chang, and Members of the Senate Committee on Labor and Technology and Senate Committee on Energy and Intergovernmental Affairs:

SUBJECT: S.B. No. 2523 - Making An Appropriation to the Department of
            Information Technology of the City and County of Honolulu
HEARING: Tuesday, February 3, 2026, 3:00 p.m.

The City and County of Honolulu, Department of Customer Services (CSD), appreciates the opportunity to testify in strong **support** of S.B. No. 2523, which would appropriate funds to the City and County of Honolulu's Department of Information Technology (DIT) for fiscal year 2026-2027 to facilitate upgrades to the State of Hawaiʻi's driver's license and motor vehicle application systems managed and operated by DIT. Pursuant to Section 6-402 of the Revised Charter of the City and County of Honolulu, CSD Division of Motor Vehicles (DMV) administers the driver's license and motor vehicle registration programs for the island of Oʻahu.

The counties' ability to deliver secure, efficient, and customer-centered DMV services is directly dependent on the reliability and capability of its core technology systems. The current driver's license and motor vehicle systems were developed decades ago and operate on aging infrastructure and legacy code that is increasingly difficult to maintain, enhance, and secure.

Modernizing these systems would significantly improve operational efficiency for staff by streamlining workflows, reducing manual processing, and minimizing system constraints that slow transaction times. Faster, more intuitive systems allow staff to complete transactions accurately and efficiently, enabling them to focus on customer assistance and complex cases rather than navigating outdated technology.

From a security and compliance standpoint, system modernization is critical to strengthening safeguards against fraud, identity theft, and unauthorized access. Legacy systems limit the ability to implement modern security controls, monitoring tools, and fraud-detection capabilities. Updated platforms would enhance data protection, improve auditability, and better protect sensitive personal and vehicle information entrusted to county DMVs.

For customers, upgraded systems create meaningful opportunities to expand self-service and remote transaction options. By moving more services online and automating routine transactions, customers can complete business without needing to visit a DMV office, reducing wait times and improving overall access and convenience. At the same time, reduced in-person demand allows DMV offices to operate more efficiently and provide higher-quality service to those who require in-person assistance.

Investment in modernization also positions the counties to remain current with evolving service expectations and regulatory requirements. A flexible, modern system architecture enables future enhancements, integrations, and service innovations without requiring repeated large-scale system replacements.

Finally, workforce sustainability is a growing concern. The current system relies on specialized legacy programming languages that are no longer widely taught or supported. Many of the programmers with expertise in these systems are nearing retirement, creating significant operational risk. Transitioning to modern technologies ensures continuity of operations, expands the pool of available technical talent, and reduces dependency on an increasingly limited workforce.

S.B. No. 2523 represents a critical investment in secure, efficient, and future-ready DMV operations. By improving staff efficiency, enhancing customer experience, strengthening security, and ensuring long-term system sustainability, this measure supports the continued delivery of essential public services. For these reasons, the CSD DMV strongly supports this bill.

Thank you for this opportunity to provide testimony on S.B. No. 2523.
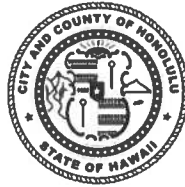
Sincerely,

Kimberly M. Hashiro
Director

DEPARTMENT OF INFORMATION TECHNOLOGY
KA ʻOIHANA ʻENEHANA
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 5TH FLOOR • HONOLULU, HAWAIʻI 96813
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STEPHEN COURTNEY
DEPUTY DIRECTOR
HOPE POʻO

February 2, 2026

The Honorable Brandon Elefante, Chair
The Honorable Glenn Wakai, Chair
  and Members of the Committee on Labor and Technology, and Committee on Energy
and Intergovernmental Affairs
The State Senate
State Capitol, Conference Room 224
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Elefante, Chair Wakai, and Members of the Committees:

SUBJECT: S.B. No. 2523 – Appropriation for Modernizing the State Driver-License &
Motor-Vehicle-Registration System

The City and County of Honolulu Department of Information Technology (DIT)
supports Senate Bill 2523, which appropriates $10,000,000 as a grant-in-aid to the City
and County of Honolulu (City) Department of Information Technology (DIT) for
upgrading the driver's license and motor vehicle registration (DL/MVR) application
systems.

Current Costs and Legacy Infrastructure

The current system, which supports driver licensing, State ID, and motor vehicle
registration, is operated on a legacy mainframe system, established as a Mainframe-as-
a Service contract. This contract costs the DIT $2,900,000 yearly, with the State of
Hawaii providing $900,000 per year for application and database development staff
assigned within DIT.

Why the Legacy Mainframe Must Be Replaced

1. **Technical debt** – The core applications are written in Common Business-
   Oriented Language (COBOL) that is now over 30 years old; documentation is
   sparse and only a handful of senior programmers with COBOL competency

The Honorable Brandon Elefante, Chair
The Honorable Glenn Wakai, Chair
  and Members of the Committee on Labor and Technology, and Committee on Energy
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remain in the City. Any change request is therefore risky, expensive and time-consuming.

2. **Citizen expectations** – Residents desire on-demand, continuously operating self-service portals, mobile driver's licenses, instant fee payment and real-time access to records—capabilities our existing batch-oriented mainframe cannot provide.

3. **Operational inflexibility** – Adding new business rules, integrating with insurers, dealers or law-enforcement agencies, and complying with emerging regulations all require extensive COBOL rewrites and long batch windows.

4. **Cost and sustainability** – Combined county and State staff expenditures exceed $3.8 million annually; hidden integration, security-hardening and data-quality costs further inflate the budget. A modern cloud platform would dramatically reduce on-going hosting, maintenance and staffing expenses.

5. **Security & compliance gaps** – The current mainframe does not meet today's NIST/FedRAMP or DPPA (Driver's Privacy Protection Act) audit-trail standards, exposing the State to potential compliance penalties.

6. **Scalability** – Seasonal tourism spikes regularly overload batch processing in the legacy mainframe, causing licensing and vehicle registration renewal delays. Cloud auto-scaling can meet demand instantly.

Alignment with S.B. No. 2523

Section 1 correctly identifies that Hawaii's unique county-managed DL/MVR system is antiquated and that a cloud-based upgrade will improve sustainability, increase efficiency, improve accessibility for the Department of Motor Vehicles or equivalent and law-enforcement partners, and lower maintenance costs. Section 2 authorizes $10 million for fiscal year 2027-2028, matching the preliminary "AZ MAX" migration estimate as researched by DIT (in-house development, vendor advisory, development, cloud hosting, data migration, testing and contingency). This amount is sufficient to:

- Conduct a full architecture design and knowledge-transfer phase.
- Perform the necessary data-cleansing and safe/secure migration of >2 million driver and vehicle records.

The Honorable Brandon Elefante, Chair
The Honorable Glenn Wakai, Chair
  and Members of the Committee on Labor and Technology, and Committee on Energy
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- Build the required APIs (Application Programming Interface), mobile-license interfaces and secure web services on a cloud platform that meets FedRAMP-High and DPPA requirements.
- Provide training, testing and change-management resources to ensure a seamless transition for both State, county and public users.

Recommendation

The City and the Department of Information Technology/City and County respectfully urge the Committee to pass the bill as drafted. The $10 million grant-in-aid will enable DIT to replace an aging mainframe with a scalable, secure, cloud-native solution that:

- Delivers the modern, on-demand services that Hawaiians expect.
- Improves security posture and compliance with federal and state standards.
- Positions Hawaii's motor-vehicle services to adopt future innovations such as AI-driven chatbots, electronic titling and API-first data sharing.

If the legislature has concerns with provision of funding via the grant-in-aid process, the City and the Department of Information Technology respectfully requests provision of funding via the Hawaii Department of Transportation to ensure that this critically necessary modernization will still be performed under the oversight of the Hawaii Department of Transportation, who provides state oversight of this system as it relates to driver licensing, State ID, and other functions. The City and the Department of Information Technology would greatly prefer to fund this process via appropriation in order to avoid burdening residents with the costs of additional fees if no appropriation is made to address system modernization.

By approving this appropriation, the Legislature will honor the historic partnership between the State and the City and County of Honolulu while safeguarding a critical public-safety function for the next generation of Hawaiians.

Thank you for this opportunity to provide testimony on S.B. No. 2523.

Sincerely,

Brian C. McKee
Director and Chief Information Officer

SB-2523

Submitted on: 1/30/2026 6:03:01 PM
Testimony for LBT on 2/3/2026 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry Support

2523 SB MAKING AN APPROPRIATION TO THE DEPARTMENT OF INFORMATION TECHNOLOGY OF THE CITY AND COUNTY OF HONOLULU.	LBT/EIG	CR 224 & Videoconference	Feb 3, 2026 3:00 PM