



HAWAII STATE ETHICS COMMISSION

State of Hawaii • Bishop Square, 1001 Bishop Street, ASB Tower 970 • Honolulu, Hawaii 96813

April 2, 2015

The Honorable Sylvia Luke, Chair
The Honorable Scott Y. Nishimoto, Vice Chair
Honorable Members
House Committee on Finance
Hawaii State Capitol, Room 306
415 S. Beretania Street
Honolulu, Hawaii 96813

Re: **S.B. No. 996, S.D. 2, H.D. 1, Relating to Ethics**

Hearing: Thursday, April 2, 2015, 2:00 p.m.
State Capitol, Conference Room 308

The State Ethics Commission (“Commission”) strongly supports S.B. No. 996, S.D. 2, H.D. 1, which will appropriate funds to the Commission to develop a system for legislators, state officials, state employees, members of state boards and commissions, candidates for state elective office, lobbyists and lobbying organizations to electronically file required forms with the Commission.

In 2014, the Commission received over 4,000 filings from legislators, state officials, state employees, members of state boards and commissions, candidates for state elective office, lobbyists, and lobbying organizations. Those filings included over 1,900 Financial Disclosure Statements filed by legislators, state officials, state employees, and members of state boards and commissions; over 200 Candidate Financial Disclosure Statements filed by candidates for state elective office; over 180 Gifts Disclosure Statements filed by legislators, state officials and state employees; and over 1,700 lobbying expenditure reports filed by lobbyists and organizations that are engaged in lobbying activities. In 2015, the Commission expects to receive roughly the same numbers of filings and an additional 300 lobbyists’ registrations.

Prior to 2013, all of the forms were required to be submitted to the Commission in paper format. In 2013, the Commission explored developing a web-based system to allow forms to be submitted electronically; however, for budgetary reasons, the Commission was unable to afford the systems proposed by private computer consultants (over \$100,000). The Commission opted to develop a significantly less costly system that allows a user to complete a fillable pdf form and to email that document to the Commission.

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Unfortunately, the system does not work well. More specifically, it requires a user to open and complete the fillable pdf form using Internet Explorer; it does not allow a user to successfully submit the completed form using any other internet browser. If a user completes the form using a browser other than Internet Explorer, the fields in the document may appear “blank;” the form may not be received by the Commission, notwithstanding the user’s electronic “submission” of the form; and, of greater concern, neither the user nor the Commission receive notice of the system failure. And, the system does not work if the user is accessing and submitting the form using an Apple computer or iPad.

Many users have experienced, first hand, the issues with the current system. In many cases, users may have not satisfied their statutory obligation to file the required forms, notwithstanding their attempt to do so, because the completed form was not received by the Commission before the filing deadline.

The Commission understands that the current system is incompatible with today’s technology and a new system needs to be developed. The Commission also has received complaints that the fillable pdf forms may not be ADA compliant. The Commission understands that the below proposals to develop an electronic filing system will address the ADA compliance issue. If the Commission is unable to develop and implement a new electronic filing system, the Commission must consider requiring that all forms be submitted in paper format to address the issues and problems created by the system for users. In the Commission’s opinion, it is a disservice and a step backwards to return to requiring paper filings.

The Commission has received two quotations to develop and implement an electronic filing system that will be compatible with the Commission’s current SharePoint database.

Proposal 1 (Hawaii Information Consortium):

Hawaii Information Consortium (“HIC”), the state’s portal manager, estimates the cost to develop the system to be approximately \$100,000. HIC also estimates an annual hosting and support service fee of \$10,000. The Commission understands the required annual hosting fee to be the cost to “host” an external computer server, i.e., a server outside of the Commission’s firewall. Users will access the system through the external server, not through the Commission’s internal network. The support service fee also includes the cost of technical support, updates, and maintenance.

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In addition, to integrate the system into the Commission's SharePoint database, the Commission received an estimate from Premier Solutions, the Commission's current SharePoint consultant, of approximately \$20,000. HIC's quotation does not include integrating the electronic filing system with the SharePoint database.

The total quotation for Proposal 1 is approximately \$130,000.

Proposal 2 (Premier Solutions):

Premier Solutions has proposed to develop and implement an electronic filing system for the Financial Disclosure Statements filed annually by legislators, state employees, members of state boards and commissions, and candidates for approximately \$125,000. However, Premier Solutions' quotation does not include developing and implementing an electronic filing system for the other types of forms that the Commission receives, i.e., the Gifts Disclosure Statements and the lobbying filings. Those filings are significant in number, and the Commission believes that it is necessary to allow those forms to be submitted electronically.

The Commission has not received an updated proposal from Premier Solutions that would include the additional forms. The Commission, however, understands that the estimated cost likely will be significantly higher than HIC's quotation.

The Commission strongly urges the Committee to support the development and implementation of an electronic filing system that is compatible and works with any internet browser, using any computer platform.

Thank you for considering the Commission's testimony.



House Finance Committee
Chair Sylvia Luke, Vice Chair Scott Nishimoto

Thursday 04/02/2015 at 2:00 PM in Room 308
SB996 SD2 HD1 Relating to Ethics

TESTIMONY OF SUPPORT
Carmille Lim, Executive Director, Common Cause Hawaii

Dear Chair Luke, Vice Chair Nishimoto and members of the Committee:

Common Cause Hawaii supports SB996 SD2 HD1.

SB996 would appropriate funds to the state ethics commission to design and develop a system that allows filers to electronically file required statements and reports with the state ethics commission.

Currently, any “electronic filing” that the Ethics Commission requires (e.g. lobbyist expenditures) is in an antiquated format. That is: these reports can be filed via emailing a pdf form online, which is not searchable, and its data cannot be extracted in spreadsheet formats-- thus making it more difficult for interested citizens to analyze available data. Ideally, we would have an electronic system that would require electronic filing and data input capabilities that would give citizens the ability to search, extract, and analyze data filed with the Ethics Commission. We feel that SB996 would give the Ethics Commission the resources and flexibility to set this sort of system up.

Thank you for the opportunity to offer testimony **supporting SB996 SD2 HD1**, and ask that the Act be effective upon approval.



League of Women Voters of Hawaii

49 South Hotel Street, Room 314 | Honolulu, HI 96813

www.lwv-hawaii.com | 808.531.7448 | voters@lwv-hawaii.com

Thursday, April 2, 2015, 2:00 p.m.

Conference Room 308

SB 996, SD2, HD1, RELATING TO ETHICS

Appropriate funds to the state ethics commission to design and develop a system that allows filers to electronically file required statements and reports with the state ethics commission.

Effective upon approval. (HD1)

TESTIMONY

Legislative Committee, League of Women Voters of Hawaii

Chair Luke, Vice Chair Nishimoto, and Committee Members:

The League of Women Voters of Hawaii **supports SB 996, SD2, HD1**, to provide the State Ethics Commission the funds it needs to develop an effective electronic filing system. Our understanding is there are more than 1,800 people currently filing reports and disclosures, including several hundred volunteers who generously provide service to our state Boards and Commissions. Under Act 230, passed by the legislature last year, many Board and Commission members will be filing financial disclosure statements for the first time this June. We shouldn't be making it difficult for any of these people to complete the required financial disclosure.

We support an effective date of "upon approval" or the beginning of the 2015-2016 fiscal year, as suggested by Rep. Karl Rhoads.

We absolutely agree, "that it is in the best interests of the filer and the public for the state ethics commission to design and develop a system that allows filers to electronically file the required statements and reports with the state ethics commission."

The League of Women Voters of Hawaii urges you to pass SB 996, SD2, HD1. Thank you.



League of Women Voters of Hawaii

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, April 01, 2015 12:38 PM
To: FINTestimony
Cc: barbarapolk@hawaiiantel.net
Subject: Submitted testimony for SB996 on Apr 2, 2015 14:00PM

SB996

Submitted on: 4/1/2015

Testimony for FIN on Apr 2, 2015 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Polk	Individual	Support	No

Comments: The State government, including the legislature, has made great strides in recent years in making information available to the public on-line. This bill, for quite a minor cost, proposes to continue that progress by requiring that all required reports to the State Ethics Commission be filed electronically, resulting in considerable saved staff time in making these reports available to the public. I urge you to support SB996.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, April 01, 2015 2:17 PM
To: FINTestimony
Cc: christinet54@gmail.com
Subject: Submitted testimony for SB996 on Apr 2, 2015 14:00PM

SB996

Submitted on: 4/1/2015

Testimony for FIN on Apr 2, 2015 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
christine trecker	Individual	Support	No

Comments: Until our State Ethics Commission has effective filing technology, it will remain handicapped in providing the transparency necessary for good government. The estimated cost to update to an electronic filing system is insignificant compared to what Hawaii citizens will gain by having a properly functioning system.

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From: mailinglist@capitol.hawaii.gov
 Sent: Wednesday, April 01, 2015 4:41 PM
 To: FINTestimony
 Cc: ejohnson.OLA@lava.net
 Subject: Submitted testimony for SB996 on Apr 2, 2015 14:00PM

SB996

Submitted on: 4/1/2015

Testimony for FIN on Apr 2, 2015 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
R. Elton Johnson, III	Open Law Alliance	Support	No

Comments: Registering strong support for this bill. Suggesting, however, that the references to "electronic filing" in this measure are inadequately descriptive, and that it would be best to make it explicit that the requisite format for these submittals is "fielded" searchable data that can actually be used (not just a text-searchable jumble without distinct searchable text fields). Mahalo, R. Elton Johnson, III Open Law Alliance

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finance1-Kim

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, April 01, 2015 5:25 PM
To: FINTestimony
Cc: rechung.fujihira@gmail.com
Subject: *Submitted testimony for SB996 on Apr 2, 2015 14:00PM*

SB996

Submitted on: 4/1/2015

Testimony for FIN on Apr 2, 2015 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Rechung Fujihira	Individual	Support	No

Comments:

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