



HAWAII STATE ETHICS COMMISSION

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

March 24, 2015

The Honorable Karl Rhoads, Chair
The Honorable Joy A. San Buenaventura, Vice Chair
Honorable Members
House Committee on Judiciary
Hawaii State Capitol, Room 305
415 S. Beretania Street
Honolulu, Hawaii 96813

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

Hearing: Tuesday, March 24, 2015, 2:00 p.m.
State Capitol, Conference Room 325

The State Ethics Commission (“Commission”) strongly supports S.B. No. 996, S.D. 2, 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 officials, and 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 Judiciary Committee
Chair Karl Rhoads, Vice Chair Joy San Buenaventura

Tuesday 03/24/2015 at 2:00 PM in Room 325
SB996 Relating to Ethics

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

Dear Chair Rhoads, Vice Chair San Buenaventura and members of the Committee:

Common Cause Hawaii supports SB996.

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**, and ask that the Act be effective upon approval.



League of Women Voters of Hawaii

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COMMITTEE ON JUDICIARY
Rep. Karl Rhoads, Chair
Rep. Jon San Buenaventura, Vice Chair

March 24, 2015, 2:00 p.m.
Conference Room 325

SB 996, SD2 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 01/07/2059. (SD2)

TESTIMONY
Legislative Committee, League of Women Voters of Hawaii

Chair Rhoads, Vice Chair San Buenaventura, and Committee Members:

The League of Women Voters of Hawaii **supports SB 996, SD2**, to provide the State Ethics Commission the funds it needs to develop an effective electronic filling system.

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. Thank you for the opportunity to testify.

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THE HOUSE OF REPRESENTATIVES
THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2015

COMMITTEE ON JUDICIARY
Testimony on S.B. 996 SD2
Hearing: March 24, 2015

(RELATING TO ETHICS)

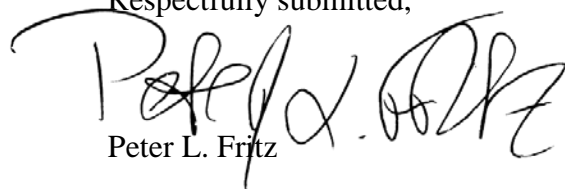
Chair Rhodes, Vice Chair San Buenaventura, and members of the Committee. My name is Peter Fritz. I am an attorney and an individual with a disability. I have served on the State Rehabilitation Advisory Council and the Disability and Communication Access Board and I am familiar with the issues faced by individuals with disabilities when trying to access information on state websites. I am testifying in support of this bill.

This bill appropriates 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.

The Americans with Disability Act (“ADA”) will have its 25th anniversary on July 26, 2015. Standards for accessibility of electronic information were established in Section 508 of the Rehabilitation Act and these standards were incorporated into Comptroller’s Memorandum 2010-28. While the availability of information posted electronically on the Internet has increased accessibility to information for individuals with disabilities, unfortunately the design of the current Ethics Commission’s website is not completely accessible to users with disabilities and does not meet the standards of Title II of the ADA, Section 508 or Comptroller’s Memorandum 2010-28. In a nutshell, some of the electronic forms currently on the website are not accessible to visually impaired individuals using text to speech software such as JAWS[®] or screen magnification programs such as ZoomText.

I support an appropriation that that includes redesigning the website so that individuals with disabilities can access information on the website and file required statements electronically.

Respectfully submitted,



Peter L. Fritz