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**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**TESTIMONY BY RODERICK K. BECKER
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 1593, H.D. 1, S.D. 1**

**April 3, 2019
10:25 a.m.
Room 211**

RELATING TO INFORMATION TECHNOLOGY

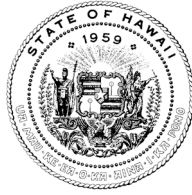
House Bill (H.B.) No. 1593, H.D. 1, S.D. 1, requires the Department of Education (DOE), in consultation with the Office of Enterprise Technology Services (ETS), to develop and procure a uniform financial database for use by all State agencies; and appropriates an unspecified amount of general funds in FY 20 and FY 21 to DOE for this purpose.

The department supports the intent of this bill to improve government accountability and transparency. We believe it would be more beneficial for the State to invest in an Enterprise Resource Planning (ERP) system which would integrate the State's budget, finance and personnel data. Such systems can be designed to track projects and grants through a uniform chart of accounts.

The department feels that ETS would be the more appropriate expending agency for a statewide database or an ERP project, as they have the appropriate technical expertise, with the Departments of Budget and Finance and Accounting and General Services consulting. DOE could also be consulted and be the pilot department.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



DOUGLAS MURDOCK
CHIEF INFORMATION
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Testimony of
DOUGLAS MURDOCK
Chief Information Officer
Enterprise Technology Services

Before the

SENATE COMMITTEE ON WAYS AND MEANS
Wednesday, April 3, 2019

HOUSE BILL NO. 1593, HD1, SD1
RELATING TO INFORMATION TECHNOLOGY

Dear Chairs Dela Cruz, Vice Chairs Keith-Agaran, and members of the committee:

The Office of Enterprise Technology (ETS) supports the intent of HB1593, HD1, SD1, that requires the department of education, in consultation with ETS, to develop and procure a uniform financial database, with parameters, benefits, and features that are compatible to the software system being implemented by ETS for use by all state agencies.

With the highly successful launch of the new State Payroll system used by all employees, departments, and branches of state government, we have developed the experience, financial and technology skillsets, and inter-departmental relationships to begin building a uniform financial system for all state agencies.

Thank you for opportunity to testify on this measure.



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

LATE

Date: 04/03/2019
Time: 10:25 AM
Location: 211
Committee: Senate Ways and Means

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: HB 1593, HD1, SD1 RELATING TO INFORMATION TECHNOLOGY.

Purpose of Bill: Requires the department of education, in consultation with the office of enterprise technology services, to develop and procure a uniform financial database, with parameters, benefits, and features that are compatible to the software system being implemented by the office of enterprise technology services for use by all state agencies. Appropriates moneys. Takes effect on 7/1/2112. (SD1)

Department's Position:

The Department of Education (Department) supports the intent of HB 1593 HD1 SD1, which supports the Department of Education's efforts to modernize its financial management system.

The Department has adopted a financial system modernization plan and is replacing its financial management system. The plan to do so was presented to the Board of Education on February 21, 2019. The Department is willing to serve as a pilot for other agencies. We anticipate a cloud-based, software-as-a-service solution, which would make it easy for other agencies to adapt a comparable solution. The Department is planning on working with the Department of Accounting and General Services (DAGS), the Office of Enterprise Technology Services (ETS) and Department of Budget and Finance (B&F) as we develop our financial system to ensure alignment.

The Department has completed a Request for Information (RFI), which received twelve Responses, and has scheduled demonstrations by the responders.

Based on the RFI responses, we respectfully request that the appropriation be directed to the Department so long as it doesn't diminish from other Department priorities. We estimate expenses of \$1,000,000 in fiscal year 2019-20 for project work and \$1,000,000 in fiscal year 2020-2021 for recurring licensing of the anticipated cloud-based software as a service solution and request an appropriation.

Thank you for the opportunity to provide testimony on this measure.

The Hawaii State Department of Education seeks to advance the goals of the Strategic Plan which is focused on student success, staff success, and successful systems of support. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.