

**SB 830**

**EDT**

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TESTIMONY  
OF  
RUSS K. SAITO, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
SENATE COMMITTEE  
ON  
ECONOMIC DEVELOPMENT AND TECHNOLOGY  
ON  
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S.B. 830

RELATING TO GOVERNMENT SHARED SERVICES TECHNOLOGY

Chair Fukunaga and members of the Committee, thank you for the opportunity to testify on S.B. 830.

The Department of Accounting and General Services (DAGS) strongly supports this bill. By establishing the shared services technology special fund, this bill will enable the State to reduce its information technology costs by compelling participating state departments and agencies to contribute to this fund to optimize their purchasing power via bulk purchases, multi-department and statewide contracts and agreements, decreased administrative costs and reduced processing times.

Executive Branch Cabinet departments coordinate their Information Technology (IT) strategies via an IT Governance Committee that includes members from all Cabinet departments. This Committee has identified the creation of a streamlined IT planning and acquisition process

as a critical need. DAGS' ICSD is depended on to provide administration, management and maintenance of statewide IT services. DAGS offers three examples to illustrate how the proposed technology shared services fund will work: e-mail encryption, offsite recovery and generic IT consulting services.

1. E-mail encryption. A single department acquired an e-mail encryption system to comply with Social Security number redaction. The entire State could benefit from this solution. Had DAGS' ICSD procured the initial configuration that the purchasing department installed in the State Data Center, it would be relatively easy to expand the solution statewide.
2. Offsite recovery setup. One department requiring offsite data recovery service contracted with an outside service. Several other departments subsequently wanted to use that service. Had DAGS' ICSD procured the initial service, it would be relatively easy to add capacity to support those other departments at nominal costs.
3. Consulting Services. The State uses Gartner as a resource for technology research and consulting. Gartner offers a discount when 10 or more "seats" are ordered together, meaning the State pays more for services when each department subscribes separately. With this fund, the administration time and processing involved in creating 10 or more procurements would be reduced to one agreement. Without this fund, each participating department could agree to letters of intent to repay DAGS' ICSD. The ICSD would then use its funds to purchase the statewide membership contract, pay the vendor, and then collect from the departments. This extra administrative cost and delay are unnecessary.

There are many other situations in which individual acquisitions of information technology services has resulted in costs that could have been avoided or effectiveness that could have been improved. Large consolidations and reorganizations have been attempted by other enterprises to address this issue. The creation of the shared services technology special fund will make the acquisition, provision, maintenance, and operation of information technology hardware, software, and services more effective and less costly for the State, and will achieve many of the advantages of organizational consolidation without the risk and complexity of physically consolidating. DAGS strongly recommends that this Committee approve passage of this bill.

Thank you for the opportunity to testify on this matter.