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# A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. In March 2011, the State launched an initiative  
2 to modernize and transform the State's technology  
3 infrastructure, systems, processes, and procedures. The State  
4 subsequently hired its first full-time chief information officer  
5 in July 2011 to oversee the development and implementation of a  
6 statewide information technology strategic plan. In September  
7 2011, the first phase of the State's modernization initiative  
8 was completed with the publishing of the "Baseline of  
9 Information Management and Technology and Comprehensive View of  
10 State Services" report. The findings and recommendations in  
11 this report provide the basis for the strategic direction that  
12 the State needs to take going forward. The development of the  
13 statewide information technology strategic plan, which will  
14 include a business transformation strategy, is currently under  
15 development and is anticipated to be delivered by the chief  
16 information officer in July 2012.

17           The report explains that the State's budget reductions over  
18 the last decade and lack of centralized governance of



1 information technology and information resource management have  
2 resulted in minimal integration of business processes between  
3 departments, duplication of efforts and redundant processes, and  
4 aging legacy systems. Further, the State's current level of  
5 investment in information technology and information resource  
6 management is inadequate compared to benchmark standards found  
7 in other states and existing best practices.

8 It is recognized that technology alone cannot address the  
9 State's needs; simply automating obsolete or stove-piped  
10 processes will not lead to better outcomes. What is required is  
11 a re-thinking of the existing business processes throughout  
12 state government, in every department, in order to take full  
13 advantage of the transformation capabilities modern technology  
14 offers. It is the chief information officer's and business  
15 transformation executive's intention to embark upon a  
16 prioritized enterprise-wide re-evaluation of business processes  
17 and their enabling technologies in order to advance Hawaii to a  
18 more agile, responsive, and transparent future state.

19 The re-thinking of business processes and the  
20 transformation of the State's information technology  
21 infrastructure and framework will result in increased  
22 efficiencies through greater collaboration and information



1 sharing, improved effectiveness through eliminating  
2 redundancies, enhanced levels of information security, future  
3 cost savings, and business processes that will more closely  
4 align with the business needs of the State. Additionally, the  
5 new information technology framework that will be documented in  
6 the strategic plan will include an enterprise architecture for  
7 the State and will serve as the basis for annual tactical  
8 operation plans going forward.

9 Funding for the defined initiatives resulting from the  
10 strategic plan cannot be funded until fiscal year 2013-2014, but  
11 there are basic and critical foundational elements that must be  
12 implemented in fiscal year 2012-13 in order for the State to  
13 realize the greatest benefits of the overall transformation  
14 initiative.

15 The purpose of this Act is to appropriate moneys for the  
16 business and technology transformation initiative to prepare the  
17 State for the larger transformation activities that will be  
18 defined in the forthcoming information technology strategic  
19 plan.

20 SECTION 2. There is appropriated out of the general  
21 revenues of the State of Hawaii the sum of \$ or so



1 much thereof as may be necessary for fiscal year 2012-2013 to  
2 support the information technology transformation initiative by:

- 3 (1) Developing and implementing business process  
4 reengineering and information technology  
5 transformation activities that are required as  
6 foundational elements of the information technology  
7 transformation initiative, and to begin mitigating the  
8 critical challenges the State currently faces;
- 9 (2) Developing and executing pilot projects that will  
10 increase current operational capabilities; and
- 11 (3) Developing and implementing a governance structure to  
12 ensure alignment of resources to strategic objectives,  
13 reduce and simplify complex procedures and processes,  
14 and realize future cost savings.

15 All projects initiated and implemented shall align to the  
16 information technology strategic plan.

17 SECTION 3. The director of finance is authorized to issue  
18 general obligation bonds in the sum of \$ or so much  
19 thereof as may be necessary and the same sum or so much thereof  
20 as may be necessary is appropriated for fiscal year 2012-2013  
21 for the purpose of planning, design, and requirements necessary

1 to develop and implement an integrated financial and human  
2 resource management system for the State of Hawaii.

3 SECTION 4. The appropriation made for the capital  
4 improvement project authorized by this Act shall not lapse at  
5 the end of the fiscal biennium for which the appropriation is  
6 made; provided that all moneys from the appropriation  
7 unencumbered as of June 30, 2014, shall lapse as of that date.

8 SECTION 5. The sums appropriated in sections 2 and 3 of  
9 this Act shall be expended by the office of information  
10 management and technology within the department of accounting  
11 and general services for the purposes of this Act.

12 SECTION 6. This Act shall take effect on July 1, 2012.

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**Report Title:**

Accounting and General Services; Information Technology  
Transformation Initiative

**Description:**

Appropriate moneys for the information technology transformation initiative in fiscal year 2012-2013; authorizes issuance of general obligation bonds for planning, design, and requirements necessary to develop and implement an integrated financial and human resource management system for the State. (SD1)

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