
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
15 underway and is anticipated to be delivered by the chief
16 information officer in July 2012.

17 The report explained that the State's budget reductions
18 over 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 among
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 The defined initiatives resulting from the strategic plan
10 cannot be funded until fiscal year 2013-2014, but there are
11 basic and critical foundational elements that must be
12 implemented in fiscal year 2012-2013 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 \$10,200,000 or so
22 much thereof as may be necessary for the fiscal year 2012-2013,



1 for the support of the information technology transformation
2 initiative. The sum appropriated shall be used to:

3 (1) Develop and implement business process reengineering
4 and information technology transformation activities
5 that are required as foundational elements for a new
6 state information framework and to begin mitigating
7 the critical information technology challenges the
8 State currently faces;

9 (2) Develop and execute pilot projects that will increase
10 current information technology operational
11 capabilities; and

12 (3) Develop and implement a governance structure to ensure
13 alignment of resources to strategic objectives, reduce
14 and simplify complex procedures and processes, and
15 realize future cost savings in a new state information
16 technology framework.

17 All projects initiated, implemented, and funded pursuant to
18 this Act shall align with the information technology strategic
19 plan.

20 SECTION 3. The director of finance is authorized to issue
21 general obligation bonds in the sum of \$15,000,000 or so much
22 thereof as may be necessary for fiscal year 2012-2013 for the



1 planning, designing, and requirements gathering necessary to
2 develop and implement an integrated financial and human resource
3 management system for the State of Hawaii.

4 SECTION 4. The appropriations made for capital improvement
5 projects authorized in this Act shall not lapse at the end of
6 the fiscal biennium for which the appropriation is made;
7 provided that all appropriations unencumbered as of June 30,
8 2013, shall lapse to the general fund as of that date.

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

13 SECTION 6. The office of information management and
14 technology shall submit a report to the legislature no later
15 than twenty days prior to the convening of the 2013 regular
16 session, on the status of the projects, governance structure,
17 modernization, and integrated financial and human resource
18 management system.

19 SECTION 7. This Act shall take effect on July 1, 2012.



Report Title:

Appropriation; Information Technology Strategic Plan

Description:

Appropriates funds for the business and technology transformation initiative in fiscal year 2012-2013 to prepare the State for the larger transformation activities that will be defined in the forthcoming information technology strategic plan. Requires reports to the Legislature no later than twenty days prior to the convening of the 2013 regular session. Effective July 1, 2012. (HB2518 HD1)

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