

JAN 25 2012

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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 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 between  
3 departments, duplication of efforts and redundant processes, and  
4 aging legacy systems. Further, the State's current level of  
5 investment on 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 strategic plan will include an enterprise architecture for the  
7 State and will serve as the basis for annual tactical operation  
8 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 preceded and be implemented in fiscal year 2012-13 in order for  
13 the State to realize the greatest benefits of the overall  
14 transformation 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 much  
22 thereof as may be necessary for the fiscal year 2012-2013, for

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

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

8 (2) Develop and execute pilot projects that will increase  
9 current operational capabilities; and

10 (3) Develop and implement a governance structure to ensure  
11 alignment of resources to strategic objectives, reduce  
12 and simplify complex procedures and processes, and  
13 realize future cost savings.

14 All projects initiated and implemented will align to the  
15 information technology strategic plan.

16 SECTION 3. The director of finance is authorized to issue  
17 general obligation bonds in the sum of \$ or so much  
18 thereof as may be necessary for fiscal year 2013 for the  
19 planning, designing and requirements gathering necessary to  
20 develop and implement an integrated financial and human resource  
21 management system for the State of Hawaii.

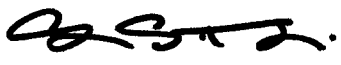
S .B. NO. 2780

1 SECTION 4. The appropriations made for capital improvement  
2 projects authorized in this Act shall not lapse at the end of  
3 the fiscal biennium for which the appropriation is made;  
4 provided that all appropriations are unencumbered as of June 30,  
5 2013, shall lapse as of that date.

6 SECTION 5. The sum appropriated shall be expended by the  
7 office of information management and technology within the  
8 department of accounting and general services for the purposes  
9 of this Act.

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

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INTRODUCED BY: 

BY REQUEST

# SB. NO. 2780

**Report Title:**

Relating to the Department of Accounting and General Services.

**Description:**

To appropriate moneys 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.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

DEPARTMENT: Accounting and General Services

TITLE: A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES.

PURPOSE: The purpose of this Act is to appropriate funds for the business and technology transformation initiative to prepare the State for the larger transformation activities that will be defined in the forthcoming information technology strategic plan. This Act also issues general obligation bonds for the planning, designing and requirements gathering necessary to develop and implement an integrated financial and human resource management system for the State of Hawaii.

MEANS: Appropriation of general funds and general obligation bond funds.

JUSTIFICATION: General funds are appropriated to: develop and implement business process reengineering and information technology transformation activities that are required as foundational elements and to begin mitigating the critical challenges the State currently faces; develop and execute pilot projects that will increase current operational capabilities; and develop and implement a governance structure to ensure alignment of resources to strategic objectives, reduce and simplify complex procedures and processes, and realize future cost savings. General obligation bonds are appropriated for the planning and development of statewide, integrated financial and human resources management system. Funds will be used to secure consultant services to gather specific system requirements, create a request for proposal and evaluate all submissions.

Impact on the Public: Public and businesses will experience improved delivery of services and programs with expanded online options, a more transparent and responsive government, and increased access to information.

In addition, streamlined processes will also allow for timely vendor payments, accurate reporting, and increased customer service.

Impact on the Department and other Agencies:

Streamlining workflow processes allowing for departments to focus on customer service and access to a wider range of new technologies to support core missions. The initiative will also benefit state government with efficiently aligned services, reduced costs and elimination of redundancies, increased reliability and security, and improved outcomes and accountability.

An upgraded, integrated financial management system will eliminate duplication of efforts among multiple departments, provide more accurate and timely reporting, facilitate information sharing among the departments charged with financial responsibilities, and result in future cost savings.

GENERAL FUND: \$

OTHER FUNDS: General Obligation Funds \$

PPBS PROGRAM  
DESIGNATION: AGS-131

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: July 1, 2012.