

STATE OF HAWAII  
OFFICE OF THE GOVERNOR  
REPORT ON  
RECOMMENDATIONS ON THE HOUSING, FUNDING, AND PROPOSED  
LEGISLATION TO IMPLEMENT ACT 200, SLH 2010  
FEBRUARY 2011

SUBMITTED TO  
THE TWENTY-SIXTH STATE LEGISLATURE  
IN RESPONSE TO ACT 200, SLH 2010

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Background

Pursuant to Act 200, SLH 2010 (the Act), the Governor's Office (the Office) is required to submit a report to the legislature prior to the convening of the regular session of 2011.

Implementation Approach

The implementation will have two phases.

1. The first can be viewed as the planning phase. During this phase, the Chief Information Officer (CIO) will focus on strategic actions to include the completion of the Information Technology Strategic Plan (the Plan) with the assistance of the Information Technology Steering Committee and will remain in the Governor's Office. The Plan will become the State's technology vision and serve as the road map to implement the vision. More specifically, the Plan will become the basis for the long term statewide technology transformation, operational organizational structure for the CIO and consolidated IT staff, and the required technology budget. The organizational structure and budget will be submitted through revisions to the Act for the 2013 legislative session and the budget requests will be included in the Biennium Budget for fiscal years 2014 and 2015. A timetable outlining the critical milestones is as follows:
  - a. Hiring of CIO July 1, 2011
  - b. Commencement of work on the Plan project July 1, 2011
  - c. First meeting of the Information Technology Steering Committee August 1, 2011
  - d. First draft of the Plan April 30, 2012
  - e. Completion of the Plan August 31, 2012
  - f. Acceptance of the Plan September 2012
  - g. Biennium budget requests submitted December 2012
  - h. Revisions to Act 200, SLH 2010 addressing organizational structure completed January 2013
2. The second phase will be the implementation of the Plan July 1, 2013

## Recommendations Requested by the Legislature

The Act asked for recommendations in three areas. Our responses are as follows:

1. The most appropriate state agency to house the CIO and any personnel under the authority of the CIO; whether as the executive of a separate agency or as part of an existing agency;

*During the planning phase or until June 30, 2013, the CIO should remain in the Governor's Office with a small staff of senior technology professionals. At this time, Information and Communications Services Division will remain under the Department of Accounting and General Services and continue to manage daily IT operations. During the implementation phase starting July 1, 2013, the operational structure for the CIO will be implemented to include consolidation of IT staff as/when required by the Plan.*

2. The appropriate funding level for the shared services technology special fund;

*Until June 30, 2013, the annual funding level should be 3% of the shared funds not excluded under Act 200 (approximately \$1.2 million annually). This will allow for the salaries and benefits for the CIO, five technical staff, and support staff with funding available for studies in addition to the Plan. This will be augmented by a grant from a philanthropic organization. This annual funding will be increased to implement the Plan upon Plan completion and approval.*

3. Any legislation necessary to implement these recommendations.

*The Office has submitted legislation which will:*

- a. *Enable the CIO to employ exempt staff without regards to chapters 76, 78 and 89 and establish their compensation.*
- b. *Move administration of the shared services technology special fund from Budget and Finance to the Department of Accounting and General Services.*
- c. *Establish the annual amount of funding for the shared services technology special fund at 3% of the shared funds not excluded under Act 200 (approximately \$1.2 million annually) to fund salaries for the exempt staff, purchase required office equipment, and engage consultants as needed. This amount will increase prior to second phase plan implementation.*