



## Information Technology Steering Committee (ITSC)

### AGENDA

Friday, October 26, 2018

10:00 a.m. to 12:30 p.m.

1151 Punchbowl Street, Room 410, Honolulu, Hawai`i

- I. Call to Order
- II. Review and Approval of October 3, 2018 Meeting Minutes
- III. Public Testimony on Agenda Items  
*Any interested person may submit data or views, in writing or in person, to the committee on any agenda item. Testimony must be related to an item on the agenda, and such person shall be required to identify the agenda item to be addressed by the testimony. Each individual or representative of an organization is allotted three (3) minutes, or an amount of time otherwise designated in advance by the chairperson, to provide testimony to the ITSC.*
- IV. State Information Technology Strategic Plan
  - A. Vision Statement – Discussion and Appropriate Action
  - B. “Big Rocks”: Priorities for the Strategic Plan – Discussion and Appropriate Action
  - C. Next Steps
- V. Good of the Order
  - A. Announcements
  - B. Next Meeting: November 15, 2018, 10:00 a.m. to 12:00 p.m., 1151 Punchbowl Street, Room 410, Honolulu, Hawai`i
- VI. Adjournment

Individuals who require special needs accommodation are invited to call ETS at (808) 586-6000 at least three (3) working days in advance of the meeting.



## Information Technology Steering Committee (ITSC)

established for the State of Hawai`i per HRS §27-43(b)

### Meeting Minutes

Wednesday, October 3, 2018, 1:30 p.m.

235 S. Beretania Street, Room 1403, Honolulu, Hawai`i

**DRAFT**

#### **Members Present:**

Todd Nacapuy, Chair, Office of Enterprise Technology Services (ETS), State of Hawai`i  
Jared Kuroiwa, KHON2  
Aryn Nakaoka, Tri-net Solutions  
Michael Nishida, First Hawaiian Bank  
Christine Sakuda, Transform Hawai`i Government  
Kevin Thornton, Judiciary, State of Hawai`i  
Garret Yoshimi, University of Hawai`i

#### **Members Excused:**

Benjamin Ancheta, `Ekahi Health System  
Kelly Taguchi, Spectrum  
Representative Kyle Yamashita, Hawai`i State Legislature  
Marcus Yano, SystemMetrics Corporation

#### **Other Attendees:**

Valri Kunimoto, Deputy Attorney General, State of Hawai`i  
Todd Omura, ETS  
Michael Otsuji, ETS  
Vincent Hoang, ETS  
Caroline Julian-Freitas, ETS  
Al Bonilla, ETS  
David Keane, Department of Human Resource Development, State of Hawai`i  
Jerome Koehler, Hawai`i Information Consortium  
Janet Pick, Hawai`i Information Consortium  
Doug Murdock, Department of Human Services, State of Hawai`i  
Danny Cup Choy, Hawai`i Public Policy Advocates  
Mark Choi, Department of Taxation, State of Hawai`i  
Rona Suzuki, Department of Taxation, State of Hawai`i  
Riley Fujisaki, House Committee on Finance  
Julie Yang, House Committee on Finance  
Jennifer Halaszyn, Department of Accounting and General Services, State of Hawai`i  
Leila Kagawa, Department of Accounting and General Services, State of Hawai`i  
Kristina Donovan, Teksystems  
Ashley Bovey, Teksystems  
Keith DeMello, Anthology, Transform Hawai`i Government  
Peter L. Fritz, Member of the Public  
Christina Uyeno, Hawai`i Interpreting Services  
Sarah Di Bella, Hawai`i Interpreting Services  
Leslie Mullens, Playbook Consulting Group, Facilitator

**I. Call to Order**

Quorum was established, and Chair Nacapuy called the meeting to order at 1:30 p.m.

**II. Review and Approval of July 27, 2018 Meeting Minutes**

Chair Nacapuy called for a motion to approve the minutes of the previous meeting. A motion was made by Member Nakaoka and seconded by Member Sakuda. The motion carried by unanimous vote.

**III. Public Testimony on Agenda Items**

Peter Fritz expressed concern about pdf accessibility of some State agencies. He sent a letter to ETS regarding this manner. Chair Nacapuy acknowledged that the letter was received and asked if Mr. Fritz would like a formal written response to this letter. Mr. Fritz replied that he would, however there may not be a need because the topic would be up for discussion at a meeting on Friday. Chair Nacapuy said they will file an official response.

**IV. Enterprise Project Status Updates**

**A. Department of Taxation's (DoTAX) Tax System Modernization (TSM)**

Rona Suzuki, TSM Project Manager, presented an update on the online tax services project status. Member Sakuda asked how the Road Map financial data is updated, and Mark Choi responded that the data is updated upon completion of deliverables or milestones. Member Thornton asked if 4 phases of the project are covered by the current data, and Ms. Suzuki replied that the current data covers 5 phases. Member Sakuda asked about maintenance and operations. Mark Choi said that information will be added to the Warranty phases to come later. Ms. Suzuki noted that DoTAX is planning for updates to the equipment, which are not part of the original budget. Member Yoshimi asked for confirmation that ETS reviews both contracts and RFP preparation. Chair Nacapuy affirmed that is the case. Member Nishida asked DoTAX if ETS is giving them enough support. Ms. Suzuki said the relationship with ETS has improved. Member Thornton asked if the Cloud First policy applies here. Mark Choi said they are not ready to take on the move to the cloud. The CIO noted that this project was started prior to the cloud policy being in effect.

**B. Department of Human Services' (DHS) Kauhale On-Line Eligibility Assistance (KOLEA)**

Doug Murdock, DHS Enterprise Officer, presented an overview of the Ohana Nui enterprise platform, of which KOLEA is one component. In 2010, the Affordable Care Act required electronic interface for DHS services. KOLEA, for the Medicaid system, was activated in October 2013 and is currently in maintenance and operations phase. The next two systems to be implemented are the Benefits Eligibility Solution (BES), which is in its design phase, and the Social Services Division (SSD) programs,

for child and adult welfare services, is in the request for proposal phase. A roadblock DHS is facing is that the original strategy was developed in 2010 and DHS is working towards finding ways to update the technology.

Member Sakuda asked if the project is mostly federally funded. Mr. Murdock replied that the platform build was 90% federal, 10% state funding. Mr. Fritz asked about requirements. Chair Nacapuy said DHS is investigating a cloud strategy as well as other modernization. He and Mr. Murdock noted that DHS actions often require prior federal approval. Member Sakuda asked if the Sharp Cloud dashboard, for example the SSD IT project data, are kept updated. DHS has a lot to do to keep the data updated due to the amount of large projects, the expansiveness of the platform, and the juggling of legacy systems. Member Nishida asked the CIO if the DHS projects are subject to independent verification and validation (IV&V) auditing. The CIO described the IV&V process and said reports are completed monthly and posted to the ETS website. Member Yoshimi noted the number of legacy systems and platforms with split sponsors and asked if it would be possible to converge the infrastructure into a common platform. Mr. Murdock replied that merging at the database level would be unlikely, but integration may be possible on an enterprise service bus.

C. Department of Accounting and General Services' (DAGS) Payroll and Time and Attendance Modernization (HawaiiPay) – Payroll Phase

Leila Kagawa, Program Manager, gave an overview of the HawaiiPay project, which involves every State agency employee, including the legislature, judiciary, and OHA. The contract was executed in November 2016 and divided into three phases. The first two phases are completed, and the third phase, with DOE and UH, is scheduled for deployment in December 2018. Phase three is in parallel testing, ensuring the old system and new system results are identical. The CIO noted that due to numerous circumstances, the third phase was pushed back from its original October deployment date, which added costs, but the CIO felt it was necessary to get it right. Member Nishida asked if “post mortems” are done at the end of projects, if projected goals were met or for lessons learned. Chair Nacapuy replied that lessons learned are constantly applied throughout projects, and he has no doubt that return on investment has been and will be further achieved. Project Manager, Jennifer Halaszyn, reviewed the testing process and modifications that were done to meet accessibility needs. Member Sakuda asked about the Time and Attendance phase. Ms. Kagawa said that phase would commence at the conclusion of the payroll phase, in Spring 2019 at the earliest. State executives are still planning how the phase would be implemented due to there being 17 different leave systems throughout the state government.

**V. State Information Technology Strategic Plan – ITSC Stakeholder Feedback**  
*Per HCR 94, ITSC is requested to submit a State Information Technology Strategic Plan (“the plan”) to the Hawaii State Legislature prior to its 2019 regular session.*

The Strategic Plan facilitator, Leslie Mullens, reviewed a revised engagement planner, and explained the need for an added ITSC meeting on October 26, 2018 due to the cancelled August meetings, and to ensure that the ITSC is fully engaged in the Strategic Plan development process. The feedback from today and October 26<sup>th</sup> meetings will determine the path of the subsequent planning workshops. ITSC will meet again in November for final feedback and a plan will be presented for ITSC approval in December.

A. The key takeaways from the stakeholder meeting on July 27, 2018 were reviewed.

The Chair Nacapuy asked if the ITSC agrees with the feedback. What should be the big goals. Member Sakuda asked how to get to a strategy. Member Yoshimi asked if the assumption is that the governing principles are based on the governor's platform. Chair Nacapuy stated the plan should not be operational but top level vision goals, and should be revisited every few years. Member Yoshimi asked if the intention is to aim for the broadest goals. Chair Nacapuy replied that is up to the ITSC to decide.

B. The draft guiding principles, purpose, and vision and draft covenants were reviewed.

Member Yoshimi noted there was an objective several years ago to create jobs in the industry. IT job growth is zero. A better approach may be about building a workforce pool, an IT skills base important to the job. IT touches everything; every job is an IT job, therefore it's important to build the infrastructure across the state. Member Nishida wants to know what is the outcome of all this and the statement ETS is seeking. Member Thornton thinks ETS should focus on support the business of government, public services, and businesses. Chair Nacapuy sees that ETS has an opportunity for innovation that can be transformative rather than only focusing on traditional services. Member Thornton believes that setting the standards and the goal for an efficient, well-functioning system should come first, which has not yet been achieved. Member Sakuda likes the concept of an overall goal and vision; however, she is not sure if that is the intent of HCR 94, although both are important. Member Yoshimi thinks without the important vision it's hard to get to operations. Member Nishida agrees that the vision is important to get to the purpose. Chair Nacapuy pointed to the current Road Maps as addressing the operational efficiencies as noted by Member Thornton, which is different than what should be addressed here. The bigger vision or goal for the entire state should be looked at, following what the federal government has gone through. ETS wants to bring the rest of the state along; modernization of the state government will lead to modernization of the entire state of Hawaii. As the state government uses new technologies, opportunities open for commercial entities to use similar platforms and innovations. Member Thornton believes the initial statement is key and agrees with modernization. Member Nishida heard that the CIO wants to be the leader in transforming Hawaii's modernization. Member Sakuda noted the importance of getting buy-in and partnering of departments to achieve their missions, as well as with the community. Member Kuroiwa is thinking about how to reconcile vision with functional. Member Yoshimi noted that constant hurdles to execution and external partnering are built by statute. In the long term, statutory change identification are needed. In the short term, tactical

efficiencies and modernization should be the goal, but start with modernization, with efficiency as a byproduct. Member Sakuda asked about community interface. Is this part of the vision, or part of a guiding principle? Member Thornton notes that the legislature holds the cards with the budget, so at times the Judiciary is unable to obtain the same products and services as executive departments. Member Yoshimi mentioned that restrictions are tied to budget or governance. DOE and UH have separate boards, and OHA, Judiciary, and the Legislature have separate operations. Member Thornton asked if the vision should be aligned with the governor's or separate. Chair Nacapuy said the vision should be independent. Member Yoshimi noted that the ITSC purpose is to set direction beyond government administration. Member Sakuda suggested to add an element of partnership, beyond ETS, and citizen engagement is an important factor to remember. Member Nakaoka said those factors are included in modernization, and that the vision should be a specific one line statement. The next level would be tactical, including open data and online services. Member Kuroiwa suggested that a guiding principle could be "digital first", data-focused, in prioritizing how to collect, manage, and present data. Member Sakuda agreed and emphasized that data is needed to help make decisions.

C. The state standard of excellence criteria were reviewed.

Chair Nacapuy said there should be a metric for measuring how the state is moving forward, harness data and make decisions based on empirical data. A Chief Data Officer is needed, along with data governance models in place. Focus is needed on data, for transparency as well as decision-making; it's where the biggest gap exists. The essential requirements revolve around lack of an enforceable data strategy and centralization of data.

The ITSC broke into two groups to brainstorm ideas for a vision statement. (*Reference IT Steering Committee Meeting 10.3.18 Notes.*)

**VI. Adjournment**

Due to time constraints, the ITSC meeting was ended at this point. A motion was made by Member Thornton and seconded by Chair Nacapuy to adjourn the meeting. The meeting adjourned at 4:39 p.m.

**NEW VISION ELEMENTS:**

- Modernizing State Gov't will modernize the State of HI
- ETS is a leader in transforming Hawaii
  - Setting direction
  - Creating opportunity
  - Modeling a path and success
  - Partnerships (effective, productive)
  - Building the "use cases"
  - Setting standards

**OTHER VISION THOUGHTS:**

- Is ETS's role (solely) to provide IT support/enablement of State Gov't business function?
  - Fix, repair, update/improve
- Modernizing State Gov't will modernize the State of HI \*
  - Infrastructure
  - Workforce development
  - Create opportunity for private via public advancement
- ETS – be a leader in transforming HI \*
  - Setting direction, modeling
- All Branches:  
Judiciary, OHA, DOH, Legislature, UH
  - Partnering with depts. and public/private industry to fulfill their missions and achieve Gov't's strategic goals and vision
  - Navigate procurement challenges to achieve the ETS vision so we can bring ALL necessary partners to the table
  - Also navigate all branches and separate Gov't entities (see above)
  - By-product is efficiency
  - On behalf of...serving Hawaii

**WHAT WILL BE NEEDED TO ACHIEVE THAT VISION? (KEY CAPABILITIES)**

- Marketing

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- Education/Outreach – wins and lessons learned
- Communications
- Governance
- Talent search/retain/build/certify/validate
- \*Enlisted\*
- Standardization – economies of scale
  - Architecture
    - “Designer” vs. “Mechanic”
  - COTS ↔ Innovation ← pick & choose
  - “X-Group” – pushing the limits of “out of the box” solutions for challenge, growth, innovation – talent retention
  - Special Ops
  - No vendor lock
  - Cloud      \$
- ETS needs the authority to enforce programs “Plan”
- CIO and staff should report to a board that lives beyond administration.
- A non-appointed position. What’s the right Governance model?
- Ability to share “true” data in a trusted environment
- Workforce training
- CIO not appointed
- Non-union employees
- Big Stick
- IT fellowship

**BIG QUESTIONS:**

- Centralization of IT Services
- Data Strategy
  - Governance, policies, processes
  - Collect, integrity, use, availability



## Vision Elements

- Transformative technology that benefits the people of Hawaii, and the 'āina.
- Modernize Hawaii for an effective and transparent government.
- Transforming State Government to make life better
  - Eliminate barriers
- Doing business in gov't and with gov't more effectively and efficiently through technology.
- Hawaii is the (innovative) leader for a modernized and transparent government.
  - "Effective, efficient (modern) transparent gov't through innovation"
  - "Effective, efficient gov't through innovation technology"
- ETS leads in modernizing Hawaii through transparent gov't that supports people's needs and creates opportunities.
- Simplistic statement-inspiring, helps maintain drive and pushes us through
- Open data/transparency
- Support culture
- Works to support all the needs with the State of Hawaii
- Creates opportunities

## Vision Adds to Consider

- Gov't transparency
- Hawaii is the leader for a modernized and transparent government. Effective. Efficient. Through innovation.
- Transformative technology that benefits the people of Hawaii and the 'āina.
- Modernize Hawaii for an effective and transparent government.
- Transforming State Gov't to make life (Hawaii) better.
- Simplistic, inspiring
- Open data/transparency
- Support culture
- Works to support all needs
- Creates opportunities

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## “Big Rocks” or Major Goals SUMMARY

- Improve IT infrastructure: more efficiency/effectiveness
- Centralization of IT Services/Shared Services Model (Enterprise-wide PMO)
- Ensure Stakeholder Buy-In via clear goal communications, set point performance/outcome review and course correction
- Effective Change Management Planning and execution
  - Communication, Executive/Director-level support of the change
  - Feedback mechanism
  - Incentive for cross-departmental collaboration
- Business Process Re-engineering Model
- Change Management -> Re-focus on adoption of existing processes
- Establish Data Governance (system & principles)
- Cyber security Strategy
- IT Governance/Procurement
- Evolve partnership between IT and each business unit

## Questions We Have Now (from Post-It's)

- Should all IT staff be non-union?
- How can we make it stick?
- Is there a transition or succession plan for key IT
- Serving Hawaii through responsive technology and transparency
- How can ETS work with the Legislature to communicate benefits to constituents and taxpayers?
  - Can we gather consistent data to demonstrate and compare progress over time?
  - How can we demonstrate value for money and time?
  - How can we simplify this information so the public can understand it?
- What is the role of the private sector in initiatives?

- How do we ensure bottom-up buy-in for projects?
  - What do other organizations do?
  - What does the research say?
- How do we prioritize the goals that we want to achieve?
- How do we create buy-in?
- Why does buy-in happen in some cases but not others?
- How do these “rocks” fit in (get done) given all the current work on our plates?
- How will the “rocks” be prioritized (within the one’s selected)?
- How would trust be achieved to enable the change across all Depts.?
- How would staff engagement or training be accomplished to bridge any disconnect in the new processes?
- We spent a lot of time on the vision. Will a mission statement also be created?
- What happens after the strategic plan is created?
  - How do we implement it?
- How do we make sure we successfully adopt an IT business improvement strategy that empowers staff across administrations?
- How can a service/support organization (ETS) be expected to carry all of this?
  - Change needed and top-down leadership at departments to ensure success
- What is IT leadership role?
- Do we dictate and prioritize?

### “Big Rocks” Details

- IT Governance/Procurement
  - Develop and implement a timely and efficient process to review and evaluate IT investments and expenditures, from budget preparation to execution, to ensure the accountability of the use of State resources, and the development of a cohesive infrastructure.
  - Need for economies of scale
  - Need for standardization of hardware and software

- Lack of end-to-end data/tracking from budget to expenditure to ensure accountability and a cohesive infrastructure

- IT Operations

- Build and maintain reliable, cohesive, interoperable infrastructure across State Gov't to better leverage resources.
- Decentralized operations without a cohesive focus, infrastructure, and skillset (i.e., less efficiencies, lower economies of scale)
- Limited skillset - staff
- Divergent skillsets of staff due to fragmented systems

- Cybersecurity

- Development of policies, procedures, infrastructure, and personnel to protect against cyber threats
- Protect IT infrastructure and data from growing and evolving threats
- Potential fallout (i.e., litigation, health and safety,...)

- Data Governance

- GOAL: Establishment of data governance systems and principles, which include the open data infrastructure and standards.
- PROBLEM: Identification and distribution of public data. The State collects a lot of data but doesn't use it efficiently.

TODAY	GOAL
Concerns about sharing agency to agency and as open data – confidentiality vs. transparency	Clear understanding of what can be shared with whom
Manual processes, e.g., compiling annual report, instead of automatic analysis and reaction	Automated compilation of data for timely and meaningful analysis, and action

Lack of consistent standards, e.g., field names	Consistent standards for data, allowing cross-agency use and analysis
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- GOAL: Facilitate \*adoption\* of a business improvement strategy to consolidate/integrate individual State processes.
  - Why doesn't the State have an enterprise architecture in order to have a consolidated/integrated business improvement strategy?
  - Why doesn't the State drive to be a catalyst and coordinate automation of common department processes in the area of Admin Services, HR, Budget & Finance, e.g., ERP?
  - Dept. SP
    - BRM (why)
    - PRM (how)
    - ES )
    - : ) (what)
    - AS )
    - Tech )

▪ Change Management

- GOALS:
  - Remove barriers to communication
  - Message goes out to all employees the same way
  - Clear channel to give feedback and promise that all feedback will be addressed
  - Incentivize collaboration between department's and between divisions
    - Allow peer-to-peer collaboration
  - Establish a communication plan
  - Communication buy-in
  - Prioritization of guidance
- BIG GOAL: Effectively and efficiently collaborate on the IT strategies among all the departments, business stakeholders, and staff.

- Often times the staff actually doing the work isn't communicated with sufficiently about the direction upper management is going.
- Plans/info is filtered through layers of management so what reaches employees isn't the original message.
- How can we promote staff buy-in through feedback?

▪ Statewide Framework/Platform/Template/Tool Kit

- Proper planning for the project to consider impact on existing program and availability of people and resources
- Build a model plan for business process re-engineering
- Incorporate into readiness process and checklist
  - Ensure the governance process evaluates business readiness for IT implementation
- Build internal capacity
  - Train and provide experience and incentives for State business and IT workers to engage in Kaizen or other BPR processes.
  - Includes discussion of reasons and background in BPR (for program activities)
- ETS consults with agencies on readiness for IT project by asking the right questions.
- RFP alignment to business requirements, scope of work
- Balance admin overhead while improving replicable project success
- ETS builds a model for business process re-engineering that clearly identifies purpose of a project, and incorporates BPR into the governance process, without over-burdening the agencies.
- Business process re-engineering is inadequate, not done, or too late.
- Kaizen
- Leadership is lacking.
- Business side is not owning or accountable for projects.
- Open data is not understood or treated as a goal in business processes.
- People don't understand why certain processes exist, or the end goal they're trying to accomplish.
- Buy-in needs to start at top
- Leaders may not be conveying message properly

▪ Centralization of IT Services:

- Coordination?
- Operation?
- Procurement?
- How can we address the skillsets/capabilities/differences in IT departments across the State and how will centralized IT support the various departments?
  - Do we centralize to one IT Dept. and/or centralize coordination of IT services?
  - How do we approach resource allocation (\$\$, personnel, etc.)?

▪ Change Management:

- Communication – same message to all but customize for audience
- Empowerment from the ground up
- How can we design our strategic plan to be relevant, and encourage/ensure continuity across:
  - Different legislators/leaders
  - Administrations and between branches of Gov't
  - An on-going issue is an aversion to change in State Gov't.
- Something broad and stable may survive this change (e.g., improving overall IT infrastructure/cyber security), and flexible paths.

▪ Progressive Steps Toward End Goals:

- Baby steps (budget allocation) need to be done in any way that supports the overall goal.
- In the past, overarching goal was defined, but the intermediate steps to achieve the goal were ambiguous theory vs. application of strategic plan.
  - Variables
  - Gaps
  - Interpretation

- How do we implement the strategic plan? (High-level)
  - Individual ownership of specific components? (Tactical/Operations)
    - Accountability
    - We need a mechanism to receive feedback from stakeholders and adjust goals as necessary.
- No need for centralization- this can be done as long as the guidance is consistent
  - Email
  - Security?
  - Compliance – Departments should be able to easily partner/share data to better serve people of Hawaii
  - Different needs in various agencies/depts. (Difference in State agencies)
- O’Hana Nui (DHS) concept
  - How do we get better access to Data
  - Services each department brings to give clients complete/holistic services
- IT: How do we utilize to improve Gov’t and service to the people?
- Implementation: How do you draw the line between the various needs of the departments and too much customization (**Operations**)
- Efficiency: communication across agencies must be improved
- How do we improve IT infrastructure to improve efficiency of Gov’t?
  - Centralization?
  - O’Hana Nui
- Business process redesign is bigger than change management
- BIG GOAL STATEMENTS
  - Improve IT infrastructure to increase Gov’t efficiency and effectiveness.
  - Clearly articulate goals to stakeholders and include set points for evaluating current course and if course corrections are required.