



Information Technology Steering Committee (ITSC)

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

Meeting Minutes

Friday, October 26, 2018, 10:00 a.m.

1151 Punchbowl Street, Room 410, 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
Kelly Taguchi, Spectrum
Kevin Thornton, Judiciary, State of Hawai'i
Representative Kyle Yamashita, Hawai'i State Legislature
Marcus Yano, SystemMetrics Corporation
Garret Yoshimi, University of Hawai'i

Members Excused:

Benjamin Ancheta, `Ekahi Health System

Other Attendees:

Valri Kunimoto, Deputy Attorney General, State of Hawai'i
Todd Omura, ETS
Michael Otsuji, ETS
Vincent Hoang, ETS
Caroline Julian-Freitas, ETS
Danny Cup Choy, HPPA
Myoung Oh, Spectrum
Leslie Mullens, Playbook Consulting Group, Facilitator

I. Call to Order

Quorum was established. Chair Nacapuy was delayed at another meeting so Member Yoshimi called the meeting to order at 10:20 a.m.

II. Review and Approval of October 3, 2018 Meeting Minutes

A motion was made to approve the minutes by Member Sakuda and seconded by Member Nishida. The motion carried by unanimous vote.

III. Public Testimony on Agenda Items

No written or oral testimony was given.

IV. State Information Technology Strategic Plan

Per HCR 94, ITSC is requested to submit a State Information Technology Strategic Plan ("the plan") to the Hawai'i State Legislature prior to its 2019 regular session.

Leslie Mullens, the facilitator for development of the plan, presented an update of the engagement planner. (Chair Nacapuy entered the meeting at 10:29 a.m.)

- Member Thornton asked for clarification of the schedule and when the ITSC would receive the draft plans for review. Ms. Mullens replied that as with prior meetings, the documents would be distributed a week before the meetings.
- Member Sakuda noted that the meat of the plan is developed at the workshops and is subsequently provided for ITSC review but wanted to know what happens if the ITSC is in disagreement. Member Yoshimi feels that the ITSC role is to steer the document development. If the ITSC sees areas that are starting to diverge from previous conversations or there are concerns being raised or not being raised, the ITSC then has the opportunity to checkpoint the conversations.

A. **Vision Statement** – Discussion and Appropriate Action

Alternatives were discussed.

1. *Transformative technology that benefits the people of Hawai‘i and the ‘āina*
 2. *Transform Hawai‘i’s state government to provide easy access for all through technology and transparency*
 3. *Modernize Hawai‘i through transparent, efficient government that supports people’s needs and creates opportunities*
 4. *Effective, efficient government through innovation technology (and transparency)*
 5. *Transform (Modernize) state government to make life in Hawai‘i better*
- Chair Nacapuy reviewed the thought processes that went into crafting the vision statement and wants to include “transformative technology” and to indicate how that benefits the people of Hawai‘i.
 - Member Sakuda suggested, “A transformative technology-driven government that serves the people of Hawai‘i and the ‘āina.” The elements she liked were serving Hawai‘i and the ‘āina/people/citizens through a government that is effective, modern, and transformative.
 - The facilitator noted that transparency was a big concern for some in the workshop. Chair Nacapuy is not sure if that should be part of the vision statement or one of the pillars, and noted that ETS is not able to ensure transparency because it does not own the data. Member Thornton noted that all IT can do is support transparency and business process; IT provides the tools to support it. Chair Nacapuy gave examples of the difficulties of achieving transparency, even within the state government between agencies.
 - Member Nishida noted that in the end, the ITSC is responsible for measuring the effectiveness of the vision statement and is concerned that it is setting up the CIO for failure. Member Sakuda said that the CIO rating on some items is dependent on others. The CIO said that would make it too easy for him to “kick the can down the road” to say he couldn’t do it because of others. Member Nakaoka suggested making the reason why something couldn’t get done transparent. If the system doesn’t work, it should be shown why. Member Nakaoka suggested

changing the wording to be more of an assisting role than a leading role in Business Process Re-engineering (BPR), as it is in the private sector. Chair Nacapuy noted that unfortunately, in state government, nothing happens without someone wielding a big stick. He has attempted to break down silos and explain the “why” to encourage staff engagement, which takes a lot of time and effort.

- Member Yoshimi suggested that IT can empower, enable, and accelerate the processes, but business has to drive processes. Chair Nacapuy agreed and has learned that he cannot focus solely on trying to fix the process, but on how ETS could effectively make something happen within the given parameters. If creating a vision statement, it has to be around transforming and leading state government, despite constraints. The facilitator suggested the next workshop should be framed around discussing the limitations of IT, so as not to create from the wrong space, and to be able to define the role as a catalyst, enabler, and supporter of business needs, leading to critical success factors.
- Val Kunimoto offered a suggestion that comes out of her observations of ETS, that “ETS tries to maximize the state’s resources and engage transformative technology that benefits and serves the people of Hawai‘i.” Enterprise-wise, ETS is saving money while producing the required services.
- Member Sakuda offered another suggestion: “An effective, efficient government serving Hawai‘i through transformative technology and transparency”. Ms. Kunimoto suggested including accessibility. Chair Nacapuy likes the word “accessible”, as it lends itself to open data.
- Representative Yamashita said the difficulty is that everything cannot be absolute. Efficiency and transparency conflict, so the ITSC should exercise caution.
- The facilitator reminded a goal for the vision statement is to be a bridge between administrations so that it won’t be rescinded in the advent of a new regime.
- Michael Otsuji explained the background in selecting the word “‘āina”, that it doesn’t only mean “land”, but also represents the heart, the moral compass, and spiritual connection.
- The facilitator asked if the word “access” needs to be included. Members felt the word is indicated by saying “**all** the people of Hawai‘i”.
- The final vision statement suggested was “transformative technology-driven government that serves all the people of Hawai‘i and the ‘āina.”

B. “Big Rocks”: Priorities for the Strategic Plan – Discussion and Appropriate Action

A list of priorities were presented for ITSC review:

1. Improve **IT Infrastructure** – modernize and standardize for efficiency and effectiveness
2. **Enterprise-wide PMO** (Project Management Office): **Centralization of IT Services/Shared Services Model**
 - Chair Nacapuy said the term PMO is not accurate. The discussion was around IT as a whole. PMO is only part of the intention for enterprise-wide service offerings. It should be about centralization of services.
3. Effective **Change Management** Planning and Execution

4. Develop and Apply a **Business Process Re-engineering (BPR)** Model
 - Chair Nacapuy explained the need for BPR to improve on legacy processes affecting efficiencies. If not required by law, administrative directive, or executive memo, we should examine the necessity of the process.
 - Per ITSC discussion, BPR would be a *Key Capability*, a next level step, instead of being identified as a *Strategic Priority*.
5. Establish **Data Governance** (system and principles) – Single platform and “source of truth” for shared data
 - Chair Nacapuy stated that data is our biggest asset, and it is not being used and managed to its full potential. We are not able to pull the data, make sense of the data, or provide accurate information to users, such as the legislature, in order to make informed and prudent decisions. Defining what data should look like, what the structure should be for interagency exchange.
6. Define and Apply a **Cybersecurity Strategy**
 - Chair Nacapuy noted that cybersecurity is currently a top priority for ETS as we approach the upcoming elections.
7. **IT Governance in Procurement**
 - Chair Nacapuy sees that every department wants centralized procurement. Every department procures differently and needs help and guidance. He noted that in one state government, the Chief Procurement Officer (CPO) is also the Chief Information Officer (CIO), in part because much of the large scale purchases are related to modernization efforts.
8. **Evolve Partnerships** between IT and each business unit
 - Chair Nacapuy explained that this priority focuses around determining what services ETS can provide and what that partnership looks like. Ideally, the other departments would know what resources are available and how ETS is able to help them.

ITSC discussion:

- Member Sakuda suggested that action verbs be used in the statements to help clarify intention. The facilitator agreed and stated that in the next review, the ITSC will receive strategy statements to accompany each priority, including identifying the problem to be solved, expected challenges, near and long term objectives, key metrics, and benefits.
- Member Yoshimi noted that it would be beneficial to also determine who are the stakeholders external to IT that need to participate. Some of the priorities are not controlled by ETS. Everyone needs to be on board in order to be successful. Designing and mapping are only useful if the business units are participating as opposed to blocking.
- Chair Nacapuy questioned if some items on the list should be in the strategic plan. For example, BPR is not a service provided by ETS. Member Yoshimi noted that BPR is something ETS empowers and enables. Chair Nacapuy agreed, but it is not something ETS can effect without business buy-in. The issue is that items on the list that aren't under ETS control may not happen, and it could be put under the *Change Management* priority. Ms. Mullen noted that it could also be under

Evolve Partnership. Member Sakuda noted that it's important to know and indicate who is responsible for what and that the plan involves a system, not an individual department. Member Thornton asked if the plan should include only what ETS can accomplish or build a "field of dreams". Otherwise, the phrase can be worded differently. Member Yano expressed a concern that if BPR is put in the plan, does that mean ETS becomes the driver of the model, and suggested that the term "enabler" of BPR would be more within the ETS scope. Member Sakuda noted that other departments have to take ownership of their role. Member Thornton suggested the legislature could institute rules, but Members Yoshimi and Yano pointed to the reality of expectations around agencies following the rules. Member Yoshimi said it's important for BPR not to be dropped entirely from the document but perhaps be cited as a critical success factor—external stakeholder engagement. Member Yano noted that in the private sector, BPR is generally driven by the fiscal or financial entities because of the inefficiencies they see. Purse strings can drive the movement and not IT, but BPR should remain a tenet although it's not IT-centric. Member Nishida cautioned that coming up with a document by itself will not change anything. There are two parts, strategic and tactical. Strategic is long term vision and he agrees BPR shouldn't be dropped completely, but it should not be listed as a tactical priority if the organization is not mature enough to achieve the tactics.

- Member Yano asked how the priorities roll up to the vision statement, and would the vision change if the priorities change. The vision statement alternatives were reviewed at this point.
- Member Thornton asked if a unit would need to be created for BPR as with PMO, a team of people who have the skillset to assist. He asked about the legislature's role, and remarked that a lot of these initiatives will be difficult to achieve without the staff/budget. Chair Nacapuy thinks the issue is bigger, that unless the laws are changed, there may not be continuity across administrations.
- Representative Yamashita said the key for a group like ITSC is to focus on key foundation items that are difficult to move in the future and set a solid foundation for the next group to build upon. The foundation items are the hardest to put in place, and once you get them in place, they are the hardest to change.
- Chair Nacapuy mentioned having talked about the ITSC, as an independent group, being the entity to appoint the CIO, but that's a mountain to move. Representative Yamashita noted that many board entities were created to get around the barriers to movement, but the true fix is in procurement, a difficult foundational piece to fix. If we can fix that, then the entities are no longer required and there wouldn't be all the different systems and processes within state government making it difficult to understand how government works. There is one procurement code, but it is administered differently by every department.
- Chair Nacapuy suggested that more "wordsmithing" is needed and some priorities could be combined, adding wording such as "support" or "assist". Member Nishida thought that *Shared Services* and *BPR* are similar, and that centralization could be opening a can of worms. Chair Nacapuy believes in centralization of IT services, but there should **not** be only one IT organization across the entire state

government. Certain entities, such as DOT, DHS, DOE, that are federally funded, should be left alone, because they deal with specifically different issues.

However, small departments having an IT division may be unnecessary or redundant, e.g., ETS sits within DAGS, but DAGS has a separate IT division.

The smaller agencies can benefit from the *Shared Services Model*, and some services, such as security, can be offered to the larger departments in an enterprise services agreement. Legislative support is needed for this initiative. ETS would need to prove return on investment, that funds savings can occur.

Chair Nacapuy believes that close to \$80 million per year could be saved from reducing, combining, and doing efficiencies of scale.

- Member Yoshimi asked if *Centralization of IT Services/Shared Services Model* should be combined with *IT Governance/Procurement*. Member Yano made a connection that *Centralization of IT Services* essentially enables all the other priorities except for *Evolve Partnership*. Centralization would lead to a focus on improving *IT Infrastructure*, enables effective *Change Management* and *BPR*, allows for establishment of a *Data Governance* strategy, a *Cyber Security Strategy*, and *IT Governance/Procurement*, because it's coming from a central space. The only thing outside that's still needed is effective business partnerships. The facilitator agreed, but said that all the items on their own will take heavy lifting and need to be noted.
- Member Yano noted another way to look at it is that all the priorities are the driver to eventually get to a *Centralization of IT Services/Shared Services Model*. Chair Nacapuy agreed that the need for the other priorities stem from lack of centralization of services and reiterated the intention is not to create one IT office.
- Ms. Kunimoto asked if *Data Governance* is not part of the Office of Information Practices (OIP). Chair Nacapuy and Vincent Hoang replied no, that OIP has to do more with information and record requests, and data governance has to do with data ownership, data classification, access level, and security.
- Member Thornton thought that transparency needed to be added somewhere in the list. Chair Nacapuy agreed and said it should be part of the *Data Governance* model, to establish an open data governance model. Accessibility must be independent of the way data is stored, managed, and secured. Member Kuroiwa noted that HRS 92F is reactionary in that OIP views data as closed until asked to be open, which is what may cause confusion as far as transparency goes. If the owner of the data says no, then the data is not open, but if the owner says yes, then data governance goes on to classify the data and define what is public data.
- Chair Nacapuy would like to see in the plan and in statute that the ITSC not only advises, but also **grades** the CIO, so that the position is publicly accountable. Chair Nacapuy said that the CIO position has too much power, and it should be limited. The way to limit power is for the CIO to be graded by an external body and to make that grade public. The elements of the strategic plan should be used to evaluate the CIO.
- Member Sakuda asked how to ensure the long term plans get addressed over administration changes, e.g., procurement and the financial system. Representative Yamashita noted that often things are financially driven, and the

obstacles to improvement are operating in silos. Member Sakuda suggested adding under *Evolve Partnership* that business imperatives drive technology solutions. Member Yano noted that part of the challenge is that silos will do business in their own separate ways. Representative Yamashita gave a historical perspective on how a business silo was created when facilities were moved from DAGS to DOE jurisdiction. Facilities, planners, and engineers were transferred over, but the accountants remained behind, so there was no transfer or continuity of knowledge in that aspect.

- The facilitator noted that some of the discussion may need to be at the cabinet level. Chair Nacapuy affirmed that there are discussions, but difficulties are found in the middle tier. Representative Yamashita agreed that the discussion needs to be at that middle level, and he has asked for meetings with the managers rather than at the directors' level. Member Thornton said that the middle level doesn't always know what the direction is and that road maps could help.
- Representative Yamashita said the missing part is that the priority should be financially driven. Chair Nacapuy suggested "improve IT infrastructure that results in a positive return on investment (ROI)", and that infrastructure changes should not happen if there is not a positive ROI.
- Member Sakuda asked if workforce development should be part of the plan. The facilitator noted that it is a key capability and is already part of the ETS goals.
- Member Yano questioned if the list will be kept at eight separate priorities. The facilitator noted that wording would be added to indicate a support role in lieu of a driver role, but there could be consolidation at the next workshop.

C. Next Steps

- The next workshop will be on October 30, 2018.
- Notes from the workshop and a summary will be provided to the ITSC for the November 15, 2018 meeting

V. Good of the Order

A. Announcements

1. The Center for Digital Government ranked the State of Hawai'i first among fifty states in emerging technologies/innovation, according to the 2018 Digital States Survey. This designation surprised the CIO.
2. In the December 13, 2018 meeting, the CIO grading process will occur.

B. Next Meeting: November 15, 2018, 10:00 a.m., 1151 Punchbowl Street, Room 410, Honolulu, Hawai'i.

VI. Adjournment

There being no further business to discuss, Chair Nacapuy called for a motion to adjourn the meeting. A motion was made by Member Thornton and seconded by Member Yoshimi. The meeting adjourned at 12:20 p.m.