



Information Technology Steering Committee (ITSC)

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

Meeting Minutes

Thursday, November 15, 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
Benjamin Ancheta, `Ekahi Health System
Michael Nishida, First Hawaiian Bank
Christine Sakuda, Transform Hawai'i Government
Kevin Thornton, Judiciary, State of Hawai'i
Representative Kyle Yamashita, Hawai'i State Legislature

Members Excused:

Jared Kuroiwa, KHON2
Aryn Nakaoka, Tri-net Solutions
Kelly Taguchi, Spectrum
Marcus Yano, SystemMetrics Corporation
Garret Yoshimi, University of Hawai'i

Other Attendees:

Todd Omura, ETS
Michael Otsuji, ETS
Vincent Hoang, ETS
Caroline Julian-Freitas, ETS
Leslie Mullens, Playbook Consulting Group, Facilitator
Allen Nguyen, SHI International
Wade Powell, Amazon Web Services (AWS)
Michael Hall, Amazon Web Services (AWS)
Mark Anthony Clemente, Representative Matsumoto's Office
Representative Lauren Matsumoto, Hawai'i State Legislature

I. Call to Order

Quorum was established. Chair Nacapuy called the meeting to order at 10:03 a.m.

II. Review and Approval of October 26, 2018 Meeting Minutes

Chair Nacapuy called for a motion to approve the minutes. A motion was made by Member Sakuda and seconded by Member Nishida. The motion carried unanimously.

III. Public Testimony on Agenda Items

No written or oral testimony was given.

IV. State Information Technology Strategic Plan

Leslie Mullens, the facilitator for development of the plan, gave a synopsis on the status of the strategic plan development and next steps. Chair Nacapuy reviewed the draft *State IT Strategic Plan Overview* of IT strategic priorities. Four of the eight priorities are fully defined and the other four priorities require further development.

A. State IT Optimization

1. Strategy: To maximize the ROI (Return on Investment) for every IT dollar spent, ETS will integrate all of the State's smaller IT departments into a single IT organization and structure and will provide an expanded catalog of centralized IT services that all State IT departments can leverage.
 - Prior to the establishment of ETS, there was no ROI review.
 - Chair Nacapuy clarified that integration does not mean reorganization. The intent is to offer support services to the smaller IT agencies that do not have adequate resources to keep up with IT requirements, such as IT security and procurement. ETS has specialists for contracts and procurement so it makes sense that they support this requirement.
 - ETS can also help with role clarity and employee recruitment and retention. Some of the challenges circulate around funding, department head buy-in, union buy-in, and continuity of leadership.
 - Funding can be helped by each department looking at spending and ways to reduce costs and improve ROI.
 - Member Ancheta asked about specific union concerns, e.g., if it's about job loss. Chair Nacapuy said there are many issues, including job retention. Staffing difficulties could be eased with more union flexibility. IT (professional) positions require four-year degrees, but many potential good candidates have the required skillset but lack a degree.
 - ETS saved an estimated \$10 million in calendar year 2018 due to economies of scale. Higher savings were not realized for areas not under CIO control.
2. ITSC discussion
 - Member Nishida noted that the metrics don't match the strategy because the metrics don't mention ROI. Metrics should be about business value obtained, and include something about the catalog of services. The CIO agreed that ROI should be measured, perhaps for projects over \$5 million. Member Nishida mentioned that will also keep it honest; new projects would need to be scrutinized more heavily if previous projects did not meet ROI goals. Chair Nacapuy agreed, but there's no mechanism to prohibit further spending if the department has the budget.
 - Member Sakuda asked how small IT departments differentiate from larger departments. Chair Nacapuy explained that larger departments receiving federal funding would operate differently due to differing funds approval mechanisms and statutory authorities. However, larger departments can still opt to benefit from the ETS catalog of offered services.
 - Member Sakuda asked how the centralized ETS procurement solution would work. Chair Nacapuy explained that the procurement process is not

streamlined by any means, but ETS has experience with procurement laws and vehicles, including price/vendor lists, use of GSA and other tools. The details would need to be determined. Procurement is a complicated statewide issue.

- Representative Yamashita suggested ETS create a checklist of responsibilities since departments have different processes. Chair Nacapuy agreed and noted that memorandums of agreement (MOA) would clearly define services and responsibilities. Representative Yamashita agreed that MOAs would work but are temporary and may not hold through leadership changes. In the long term, something more permanent is needed.
- Member Thornton asked what is the objective of role clarity. Chair Nacapuy explained that often IT staff are doing non-IT tasks. There is a need to clearly define business versus IT tasks.
- Member Sakuda asked for clarification on legislation efforts. Chair Nacapuy noted that some departments do not follow legislation or Administrative Directives.

B. Establish Open Data Governance

1. Strategy: Intentionally design and implement our State systems to make all (the) legally possible State data accessible to the public.

- Chair Nacapuy reviewed the strategic elements in the *State IT Strategic Plan Overview* and explained that the intention is to meet section 508 compliance and to increase awareness of what data is available and accessible.
- Other states have a data governance model in place that Hawai`i could adopt, but it is difficult without a Chief Data Officer (CDO) or someone who has the authority to govern and classify data for the entire state. The Office of Information Practices (OIP) asserts that data governance is not their role.

2. ITSC Discussion

- Member Thornton asked if the CDO requirement should be pointed out in the strategy or define a CDO role in the strategy. Chair Nacapuy noted that the position would need to be established in legislation.
- Representative Yamashita asked if other states have a CDO, and Chair Nacapuy replied that most states have a CDO. The State has a liability gap due to the lack of a data governance framework.
- Member Ancheta asked if the CDO position would be more of a strategic position or an audit position. Chair Nacapuy said it should not be an audit position but often is designed for that purpose.
- Member Sakuda pointed out that the CIO once said data is our biggest asset. While there is a regulation element, most states have a CDO to get a handle around sharing data and making data accessible. Accessibility is the spirit around this strategy as it relates to HCR 94. Member Thornton asked if the strategy should veer away from being about regulation, and Member Sakuda

said regulation should not be a driver of the strategy. Member Ancheta noted that if the goal is to make more data available, how do we do that while maintaining compliance. Member Thornton suggested the term “leveraging data”.

- Chair Nacapuy suggested more wordsmithing is needed, and hears that the ITSC is saying the goal should be geared more towards making data “open” versus “auditable”. Member Thornton suggested adding supplemental information in the plan about the CDO role and requirements.
 - Member Sakuda noted that the contents of the strategy involves more than governance. Member Thornton asked if the term governance implies regulatory. Member Nishida suggested using the term open data “program”, because it encompasses all elements.
 - The facilitator offered comments suggested by Member Yoshida, who was unable to attend today’s meeting: Should the strategy also include “interoperability across agencies while respecting relative privacy and security concerns.” Chair Nacapuy said that would be part of establishing a program and that it’s under the *expected benefits* section. Member Thornton thought it would be part of the longer-term objective of API (application program interface). Chair Nacapuy suggested changing the API objective to “create a data sharing module to support an interoperability framework.”
 - Representative Yamashita asked for further clarification on the CDO role. Chair Nacapuy explained that the primary CDO job is to classify data. Data classification levels (high, medium, low) determine risk and treatment of data. The CDO does not decide if the data is exposed. That is OIP’s role. Member Nishida asked if OIP’s role is as “data privacy officer”. Chair Nacapuy said if someone asks for information, OIP determines if that data can be shared.
 - Chair Nacapuy explained that once the data is classified, it is easier to determine if the data can be shared. Departments often do not know the risks or understand that certain sharing of data can be allowed because security exists around it. Agencies may not know how to share or why they can share.
 - Representative Yamashita expressed that it would be valuable for the legislature to have access to data for better information to work with, such as tax data, and asked who makes the determination what data is shared. Chair Nacapuy replied that a CDO could have the ability to make the determination, as per statute. The CDO could review and cleanse the data, then push the necessary data forward.
3. Metrics – The facilitator asked for ITSC recommendations:
- Chair Nacapuy suggested OIP-received public requests, e.g., turnaround time, response time. Another could be creating a framework by a certain timeframe
 - Member Nishida recommended that the metrics should first be around the near-term objectives, setting up the program structure. Once that’s done, then

other metric objectives can be set. Member Thornton agreed that the foundational piece needs to be established. Chair Nacapuy said setting up a data classification model is relatively easy, but without legislation, the model may be ineffectual.

C. Modernize & Standardize State IT Infrastructure

1. Strategy: Modernize the State’s IT infrastructure to enable state government to be more effective, efficient, and responsive to constituent needs while safeguarding systems and data from future threats.
 - Chair Nacapuy explained that this *modernization* priority is about the tools and hardware (infrastructure), while the *optimization* priority is about procedure.
 - The biggest desired outcome is that the business drives technology. Many adverse outcomes were a result of technology driving the business.
 - Expected benefits include lower risks, cost savings, and less resources allocated to outdated legacy systems repair and maintenance.
2. ITSC Discussion
 - Member Thornton asked about disaster recovery. Chair Nacapuy agreed that business continuity should be added as an *expected benefit*.
 - Member Sakuda asked how to decide which legacy systems to invest in first amongst all those at risk. Chair Nacapuy agreed that there should be an identification and an inventory of legacy systems in danger.
 - Member Nishida asked if ETS is aware of impacts if a system goes down. He suggested a financial calculation could be based on dollar outage per day or dollar outage per incident, and the number of incidents could suggest a financial impact method of prioritization. Chair Nacapuy noted there are other impact concerns, such as the reliability of issuing welfare checks and food stamps, and safety concerns for airplane landing systems, that would affect how one determines priority.
 - Chair Nacapuy stressed the goal should be to not have any major system at end-of-life and out of support. Reality is that many systems are. A measure is needed and an inventory list may help.
 - Member Ancheta suggested that criteria could be established to help determine priority, e.g., how far out of end-of-life, is it past the support window, is it a mission-critical system.
 - Member Nishida suggested that a standard be set, e.g., no system will be more than three versions back of support, then measure from that guideline.
 - Member Sakuda suggested using an outside resource to determine metrics.
 - Chair Nacapuy suggest changing the last near-term objective to “adopt a cloud-first strategy for legacy systems”.

- Chair Nacapuy introduced Vince Hoang, Chief Information Security Officer, to speak to security and compliance mandates. Mr. Hoang noted that some systems were certified by the federal government with the existing structure. If those systems were modernized, the audit clock would reset, so it's prudent to allow those to run its course until the next audit period. Guidelines are being established to evaluate the systems for prioritizing modernization.

D. Define & Apply a Network-wide Cyber Security Strategy

1. Strategy: To protect the State's IT infrastructure and constituent data, we will ensure State interoperability through adoption of cyber security industry best practices across the State's IT system (NIST CSF – Nation Institute of Standards & Technologies Cyber Security Framework).
 - Chair Nacapuy explained Mr. Hoang's approach would be to store the least amount of sensitive information possible to reduce breach risks, e.g., no collection of social security numbers.
 - Chair Nacapuy and Mr. Hoang recommended that the metric for number of breaches be clarified and changed to "number of verified incidents". Further categorization and definition is needed and communication of that definition, e.g., incident vs. misconfiguration or other identification.
2. ITSC Discussion
 - Member Thornton suggested breach repair is included in the cost metric.
 - Member Ancheta asked if it's known how many breaches are caused by human error or lack of training. Chair Nacapuy estimated all were.

Due to time constraints, further discussion of the strategic plan will be continued at another date.

V. 2018 Metrics for Evaluation of the Chief Information Officer (CIO)

Todd Omura, IT Governance Manager, gave an overview of the 2018 metrics and evaluation process in preparation for the CIO evaluation at subsequent meetings.

VI. Good of the Order

A. Announcements: None

B. Next Meeting: December 13, 2018, 1:30 p.m., 1151 Punchbowl Street,
Basement Video Conference Center, Honolulu, Hawai'i

VII. Adjournment

Due to an ensuing loss of quorum with Member Ancheta departing, Chair Nacapuy called for a motion to adjourn the meeting. A motion was made by Member Thornton and seconded by Member Nishida. The meeting adjourned at 11:40 a.m.