



Information Technology Steering Committee (ITSC)

Meeting Minutes

August 3, 2022, 10:30 a.m.

Remote Meeting via Interactive Conference Technology
Location: 1151 Punchbowl Street, Room 410, Honolulu, Hawai'i

DRAFT

Members Present:

Douglas Murdock, Chair, CIO, Office of Enterprise Technology Services (ETS)

Christine Sakuda, Vice Chair, Transform Hawai'i Government (THG)

Benson Choo, Finance Factors

Mel Horikami, Optimum Business Solutions

Arnold Kishi, Center for Internet Security, MS-ISAC

Joel Kumabe, Unisys Corporation

Michael Nishida, First Hawaiian Bank

Christine Shaw, Department of Education (DOE), State of Hawai'i

Kevin Thornton, Judiciary, State of Hawai'i

Marcus Yano, CBTS Hawaiian Telcom

Members Excused:

Senator Jarrett Keohokalole, Hawai'i State Legislature

Representative Kyle Yamashita, Hawai'i State Legislature

Garret Yoshimi, University of Hawai'i (UH)

Other Attendees:

Office of the Attorney General: Candace Park

ETS: Catherine Arellano-Alcotas, Susan Bannister, Al Bonilla, Janet Chiu, Brian Frey, Bryce Fujii, Vincent Hoang, Juha Kauhanen, Sonny Kekipi, Joseph Lee, Todd Ogasawara, Sheila Oliveira, Todd Omura, Jussi Sipola, Kelli Wang, Janey Yamashita,

Members of the Public: Ashley, Bovey DeGeus, Sean Bredin, Michael Fors, Peter Fritz, Nathan Hokama, Kiyo Noguchi, Rob Torres

I. Call to Order

Quorum was established, and the meeting was called to order at 10:31 p.m.

- Welcome and Introduction of New Member
 - Chair Murdock welcomed Arnold Kishi, the new Governor's representative to the ITSC, who is currently the chair of the Multi-State Information Sharing and Analysis Center (MS-ISAC) at the Center for Internet Security, which the U.S. Department of Homeland Security designated as the primary congressionally funded agency to improve the overall cybersecurity posture of state, local, and territorial governments through cyber threat prevention, protection, response, and recovery programs.

II. 2022 Legislation

The following bills passed by the legislature have now been signed by Governor Ige:

- A. Act 167 establishes a Chief Data Officer (CDO) and data task force within the Office of Enterprise Technology Services to develop, implement, and manage statewide data policies, procedures, and standards and to facilitate data sharing across state agencies.

- This bill is a win for ETS. The position was also funded in the budget bill.
 - The data task force will consist of members of the public chosen by the legislature. The CIO encouraged resume submission of anyone who may be appropriate to serve on the data task force.
 - The CIO asked if anyone had questions or comments regarding this bill.
 - Vice Chair Sakuda asked the CIO about the expected timeline of the process. The CIO responded that ETS will request designated representatives to appoint members by the end of August. If ITSC members have any recommendations, they are welcome to send resumes to the CIO as well, and he will forward them to the appointing authorities.
- B. Act 172 requires the Office of Enterprise Technology Services, in consultation with the Disability and Communications Access Board (DCAB) and a working group composed of stakeholders to develop and publish, and periodically review and update, electronic IT accessibility standards to be implemented by all state agencies.
- The CIO noted ETS will consult DCAB and request for stakeholders to serve in the working group. The CIO asked if there were any questions on this legislation.
- C. Act 179 established guidelines for a working group to develop a plan for the phased consolidation of all state executive branch information technology services and staff, where determined practicable by the working group, within five years, excluding the DOE, UH, HHSC and OHA, under the Office of Enterprise Technology Services (ETS).

The CIO reviewed the statute on consolidation and current status.

- There are currently many shared services offered by ETS. One of the first steps would be to identify where shared services could be expanded to reduce the workload on departments.
- There will be an Executive Steering Group (similar to ERP), along with the working group as legislated, with the CIO and Department Head or Designee. They will seek other input as well, from the ITSC, IPSC, Access Hawaii Committee, legislature, ETS staff, state employees, and the public. ETS IT Governance will manage the process.
- The plan to be submitted to the legislature needs to include an executive summary, background information, scope and assumptions, process, workforce enhancement, a five-year consolidation plan, and attachments (studies and analysis, workgroup meeting minutes, recommended statutory changes, organization charts, and an executive order).

ETS will need to become more nimble and transform how it does business.

- ETS transformation:
 - ETS becomes Broker for Vendor Services
 - Change Special Fund Use from Personnel Costs to Innovation
 - Create Software Factory to Build Prototypes and Pilots
 - Create Data Office to Help New Chief Data Officer
 - IT Training, Career Tracks, funding for Certs (Need High Level HR Staff)

ETS was aware of the need to transform, and the first part of the transformation plan was to change the focus from services to transformational IT.

- The CIO reviewed consolidation enablers:
 - Budget and occupied/empty position count/type analysis of departmental IT
 - Authority and process for budget and position transfer (Budget & Finance to do)
 - Reorganized ETS structure
 - Enhanced consolidated HR Position Descriptions & Recruitment Plan
 - Departmental IT Services Manager Position Description
 - Departmental IT Governance and IT strategic planning – for all departments
 - Memorandums of Agreement/Understanding
 - Service Catalog, Work Breakdown Structure and RACI Charts
 - IT Product & Service Catalog and Procedure
 - Service Level Agreements & User Satisfaction Surveys
 - Location decisions (central or decentralized)
 - Procurement vehicles for brokering and vendor management

Chair Murdock asked if there were any questions or comments.

- Vice Chair Sakuda commented the focus seems to be on internal IT services and asked if it's important to communicate the scope of what would not be consolidated. The CIO agreed and noted there are two sides: IT services, such as Microsoft 365, and IT systems, such as those providing services to the public, or central government functions, such as accounting and finance. The focus is on IT services first, for fast efficiencies. The major IT systems will take a little more time to work through and decide how best to manage.
- Member Nishida asked how the Info-Tech report would mesh into the plan. The CIO reviewed the Info-Tech report with the ITSC to confer on key findings:
 - 1) Decentralized technology teams challenge alignment.
 - Consolidation was recommended as a means to address this issue.
 - 2) Lack of analytical data constrains decision-making.
 - A data strategy and implementation roadmap were recommended. ETS is hoping for a central data office to serve as an advisory to all of the state.
 - 3) Unique location drives numerous risks.
 - Department business continuity plans (BCP) were recommended. They are doing disaster recovery work, but it's not part of consolidation necessarily.
 - 4) Loss of leaders, knowledge, and skillsets is a risk.
 - Leadership development and knowledge management were recommended.
 - 5) The culture is resistant to change.
 - Formal organizational change management capability was recommended.
 - 6) Procurement/contracting services impeded delivery.
 - Formalized business relationship management channels were recommended.

The CIO noted that the Info-Tech Research Group (ITRG) identified key next steps, which somewhat align with consolidation:

- 1) Finish ETS Strategic Plan Updates
 - Outcomes, Benefits, Metrics, Objectives
 - 2) Define ETS Service Catalog
 - 3) Implement ETS Service Desk and ETS Help Desk Consolidation
 - 4) Investigate Security Risk Assessment
 - 5) Tailor Project Management Delivery Framework / Consulting Service – The ETS consulting service section is starting up with five new authorized positions.
 - 6) Define Statewide Business Architecture
 - 7) Investigate Organizational Realignment to Support Services Delivery Model
- Member Nishida asked in what ways would the ETS structure change. Would changes be in job quantities or functions. The CIO said some analysis needs to be done and noted areas that need to be enhanced, such as the current small-scale help desk support. Only PC and network support is offered. Business system support is not available, for example. There could be both quantity and workload changes. Procurement is another area that could be expanded and enhanced.
 - Member Nishida expressed concern about the report around staffing (referring to the finding that *loss of leaders, knowledge, and skillsets is a risk*). If people leave because they don't like the change, then it gets harder to get things done. The CIO agreed and would like to retain everyone possible and hopes that change would be looked at as an opportunity.
 - Vice Chair Sakuda noted the report refers to the IT strategic plan as an ETS plan versus a statewide IT strategic plan and asked if there is any overarching goal for alignment with non-executive branch agencies, DOE, and UH. The CIO responded that ETS does consult with those other agencies with no direct effort to plan jointly within the consolidation effort or under ETS governance.

The CIO reviewed workforce recruiting and development ideas.

- 1) New Position Descriptions – to enhance for modern terminology and duties. A lot of different position descriptions exist across government, and they will look at how they can consolidate. This would be an area to consult with the DOE, UH, and others to discover how to organize and align position descriptions to give maximum growth opportunities and allow employees to transfer.
- 2) Formalized Internship Program
- 3) Exempt Positions (per HRS §27-43) – are at will and ETS has to work out how to optimize them, as employees may opt out if they prefer civil service status.
- 4) Qualifications other than College Degree – Exempt positions do not require college degrees; civil service positions generally require degrees.
- 5) Training Program

6) Career Path through Departments and ETS

- Member Choo asked if there is consideration for succession planning, i.e., bench strength for certain key positions. The CIO said that is a good question and surmises that across the state they are not manned for that right now and may be only one deep per position because of the recent cuts. There is an opportunity for greater succession planning with consolidation, e.g., a larger help desk, a Deputy CIO.
- Vice Chair Sakuda asked if there would be an opportunity to build out new positions by taking advantage of federal infrastructure funding. The CIO was uncertain if the federal infrastructure funding would present that way; funding is usually specifically designated. There could be an opportunity for cybersecurity funding but is not available yet. Final federal funding documentation is not yet completed.
- Member Yano asked if the formalized internship program is going to be focused on ETS and around the roles of consolidation. The CIO replied they need to look at all resources, including UH, DLIR, as well as veterans affairs. ETS has been lacking an HR Manager position and has not been able to take full advantage of those opportunities. ETS currently has informal internships with community colleges, but the formal internship program needs to be embedded into the system.

The CIO reviewed a Year 0 proposed schedule for expanded shared services.

- 1) Establish IT Governance Process in Each Department
- 2) Cybersecurity Inside Departments
- 3) MyHawaii ID Program – centralized ID for all state applications
- 4) Chief Data Officer – onboarding
- 5) Workforce Consolidation Development & Training Plan
- 6) IT Purchase Agreements – to allow more expedited procurements
- 7) IT Standards
- 8) Baseline User Satisfaction for Next Year Projects
- 9) Data Center & Cloud

The CIO reviewed potential Year 0 legislative agenda.

- 1) Status Briefings – required
- 2) ETS Statutory Change Recommendations – e.g., make ETS a department or an agency under DAGS, change ITSC to a board
- 3) Digital Service Recommendations
- 4) Any Changes to Consolidation Statute
- 5) Expedited Procurement Tools
 - Piggy-backing – allows a department to buy the same system that another department successfully implemented, using the same contract
 - ETS Authority
 - CIO as HOPA (head of procurement agency) recognition, rather than delegated

The CIO reviewed potential Year 1 expanded shared services.

- 1) Teams Calling

- 2) Internet/Network Inside Departments
- 3) Common VPN/VDI
- 4) Help Desks
- 5) PC and Device Purchasing and Support
- 6) Small Department Option
- 7) Cloud Contracts
- 8) Baseline User Satisfaction For Next Year Projects

Years 2 and 3 expanded shared services would include major systems.

- 1) PM of Systems in Design, Development, and Implementation (DD&I) Process
- 2) Baseline User Satisfaction For Next Year Projects
- 3) Year 3: Transition PM of Existing Major Systems

Possible guiding principles:

- 1) One CIO – others as IT managers or business support specialists
 - 2) Baseline User Satisfaction – to track pre- and post-consolidation status
 - 3) No Chargeback Unless Driven by Funding Source (e.g., federal funds)
 - 4) Efficiency Savings Invested (back) in IT
 - 5) Technical Debt Tracked and Prioritized
 - 6) Advisory and Assistance Services – unify consultant services
- Member Choo asked how vendor negotiations may be managed with departments. The CIO said ETS has experience with that, for example, some Microsoft 365 services are provided across the board, and a separate price list is negotiated for non-standard items. Member Choo noted that consolidation would also allow for standardization in general. The CIO said it is fortunate that many services are already standardized. Areas not standardized include system development/DDI, program management, and cloud services.

Open questions on consolidation:

- 1) Major System Management (existing systems)
- 2) DDI Project Management (new systems)
- 3) Business Analysts & Product Owners – where aligned
- 4) Use of Funds – federal, special, charge backs for MFaaS
- 5) Personnel Position Characteristics
 - ETS is exempt excluded
 - Departments are mostly civil service
- 6) Executive Order to Set Boundaries

Considerations for statutory changes to HRS §27-43 (ETS statute):

- 1) Researching options - could be all new or modified
- 2) ETS as Department, Attached Agency, or status quo in DAGS

- ETS could become like the Hawai'i Tourism Authority (HTA) that has a board who hires the HTA president and manages the organization. Other states have a technology authority, e.g., the Georgia Technology Authority, and are somewhat separated from government.
- 3) ITSC as advisory committee or change to board or commission
- 4) Departments with autonomy (UH, DOE, HHSC, OHA)
- 5) New Name
- 6) Funding
 - Resource Study
 - Investment Fund
 - Special Fund
 - Fee for Service

The CIO asked if there were any questions or thoughts about consolidation.

- Vice Chair Sakuda asked about timing. Coming out of the pandemic, it seems the consolidation bill affords an opportunity for restructuring, and it's no surprise there may be a need for statutory changes, but time can pass quickly. It sounds like there will be a couple of years of planning, and then implementation afterwards. Is that implementation for infrastructure, and what happens to the governance. Are these things that need to be fleshed out, and how can the ITSC help. It seems like a lot to organize and not get mired in policy issues.

The CIO agreed. Year 0, the first planning year, will allow progress without having to wait until the plan is finalized. We have to give the next administration time to absorb the plan and the concept and let its directors review and get comfortable with it. Part of the reason for the long window is due in part to the transition. The ITSC, in its continuity, can speak to the next administration as to recommendations and what makes sense moving forward.

- Vice Chair Sakuda thought it would be good to hear from other states like Georgia to understand how they implemented their design and wondered how the ITSC can help socialize the concept of consolidation.

The CIO took on the task to consult with other states on consolidation. Some have struggled. He talks with Massachusetts and Pennsylvania CIOs, and it seems like any mandated consolidation effort has difficulties. People need to feel they have a choice and be able to go along at their own speed. He feels it's important not to engage in department IT takeovers but rather to provide shared services and infrastructure opportunities to the greatest ability, help where possible, and be value added. Departments may eventually decide they prefer not to worry about IT and instead focus more on departmental business.

III. Strategic Plan

- IT Strategy Workshop – Info-Tech Research Group (ITRG)

The CIO noted ETS is working through the ITRG recommendations and next steps and making progress. ITRG will return at the end of August to work with ETS and department IT representatives on a Service Catalog and work breakdown structure, and RACI (responsible, accountable, consulted, informed) charts in terms of efficiencies.

- At the previous meeting, the ITSC discussed consolidating the strategic plan priorities of *Optimize Enterprise Systems* and *Implement Dynamic and Sustainable IT Operations*. The plan is to review the proposed concept at the next meeting, along with updated operational and tactical implementation objectives of the strategic plan.

The CIO asked if there were any questions.

- Vice Chair Sakuda asked if the ITSC can support any parallel efforts regarding the ITRG recommendations, specifically for the key findings: *loss of leaders, knowledge, and skillsets*, and *the culture is resistance to change*.

The CIO is open to suggestions on what may need additional effort. Organization change management (OCM) should be the first effort in any new implementation. Program management is often started first and is primarily about schedule and cost and is not about people. The EFS project team and the new consulting group in ETS have OCM staff on their teams. OCM needs to continue to get focus on its own.

The CIO said the new chief data officer (CDO) position will help address the data recommendation for the ITRG report finding (*lack of analytical data constrains decision-making*). However, his concern is that everyone will want the CDO as a resource to start doing their data analysis, and that is not what the position does. The CDO role is to establish policies and procedures, provide oversight and guidance, and is not a data scientist or analyst. A data team with analysts needs to be built out or contracted.

- Regarding ITRG findings and recommendations item 3, *Develop Business Continuity Plans (BCP)*, Member Kumabe asked if that would be something to add to Year 0 plans for expanded shared services, looking towards a consolidated backup site or backup program, or something that could be shared across business units or departments.

The CIO agreed that is a good idea and will add that to the plan. He noted ETS has been asking for a data center that is not at the Kalanimoku building, because it is not sustainable. ETS is aware of data closets across the state and is planning a data location study with the help of LeanIX, the ETS inventory and architect tool.

- Member Kumabe also suggested adding a bullet for ransomware under cyber security, considering the current nation-state challenges impacting infrastructure. The CIO said that is a good point and noted that even before Year 0 ETS is working on it. Expanding cyber security is a constant challenge. Member Kumabe also asked about statewide phishing testing. CISO Vince Hoang commented that ETS has been conducting phishing assessments on a regular basis and a considerable amount of ransomware reviews.
- Member Nishida asked about KRIs (key risk indicators) and performance metrics. What are the key criteria for determining success of consolidation; is it dollar savings or efficiencies gained. Are there existing metrics on efficiencies to show progress and value of effort.

The CIO replied that his primary concern right now is user satisfaction, even more than dollars saved, and he thinks efficiencies will happen. He is most concerned with establishing a baseline of satisfaction with IT services and measuring changes over time. It requires further thought. It seems a lot is done on the cheap in government because of resources. With modernization of the 50-year-old accounting system, dollar savings are hard to come by and to measure, but efficiencies can improve quite a bit. For example, the new payroll system reduced the need to deliver paper statements to every employee twice a month, without reduction in staff.

- Member Nishida was curious about the justification for the consolidation initiative. Most initiatives come down to dollars and cents, so he wondered if it was for increased efficiencies or reduction in expenses. The CIO noted government in Hawai'i prefers a stable workforce and has no incentive for staff reductions but to offer higher level work. The time and leave project was able to show savings and the EFS project will also. Member Nishida suggested the best time to start collecting data is now, before starting implementation. The CIO agreed and added savings data collection to the plan.
- Vice Chair Sakuda asked that the ITSC be informed of any support the CIO anticipates is needed. The CIO thought some studies may be needed, in particular, human resources and salary surveys and how the workforce should be structured, and possible comparison to other governments and organizations.

The CIO thanked the ITSC members for their helpful input and ideas added to his mind map.

IV. Good of the Order

- Announcements – None
- Next Meeting – To be determined

V. Adjournment

Chair Murdock called for a motion to adjourn the meeting. Member Kishi moved to adjourn and Member Sakuda seconded. With no objections, the meeting adjourned at 11:41 a.m.