



Information Technology Steering Committee (ITSC)

August 31, 2023, Meeting minutes
Remote Meeting via Interactive Conference Technology
1151 Punchbowl Street, Video Conference Center

[2023-08-31 ITSC Meeting Recording]

Members Present:

Douglas Murdock, Chair, CIO, Office of Enterprise Technology Services (ETS)
Christine Sakuda, Vice Chair, Transform Hawaii Government (THG)
Arnold Kishi, Center for Internet Security, MS-ISAC
Benson Choo, Finance Factors
Mel Horikami, Optimum Business Solutions
Senator Jarrett Keohokalole, Hawaii State Senator
Joel Kumabe, Ohana Pacific Health
Christine Shaw, Hawaii State Department of Education
Mai Nguyen Van, Hawaii State Judiciary
Michael Nishida, First Hawaiian Bank
Representative Kyle Yamashita, Hawaii State House of Representatives
Marcus Yano, CBTS Hawaiian Telcom
Garret Yoshimi, University of Hawaii

Other Attendees:

Office of the Attorney General: Candace Park
Legislative Staffers: Nandana Kalupahana, Julia Peleiholani, Lois Tambalo
ETS Staff: Susan Bannister, Al Bonilla, Lenora Fisher, Bryce Fujii, Brian Frey, Vincent Hoang, Juha Kauhanen, Sonny Kekipi, Tom Ku, Joseph Lee, Jim Miwa, Sheila Oliveira, Todd Omura, Jussi Sipola
Members of the public: Peter Fritz, Kiyu Noguchi

I. Call to Order

Quorum was established and the meeting was called to order at 3:01 p.m.

Minutes from previous meeting will be made available at the next ITSC meeting, date TBD.

II. Response to Fires on Maui and Hawaii island

Chair Murdock touched on the ways ETS has supported emergency issues with Maui and Hawaii island:

- Radio systems which ETS owns and operates have been an integral part of keeping communications open. Land mobile radios were the only form of communication in Lahaina after the disaster and continue to be a primary means of communication.
- ETS has purchased nearly 500 radios, which most have been received and are being distributed.
- ETS had arranged a laptop loan from Dell for approximately 60 units. These laptops have been received and will be used in support centers. ETS will be involved in setting up these support centers. ETS supports HIEMA with EFS 2 and the Joint Information Center.

- ETS is assisting the Governor and the Lieutenant Governor's offices with obtaining constituent management software to better track requests that come in for support or help, and to respond in a timely manner.
- ETS is also working to obtain travel reimbursement software to assist with the volume of travel to and from disaster areas. The hope is to streamline the process for reimbursements.

Chair Murdock asked if there were any questions or comments. There were no questions or comments made.

III. Enterprise Financial System Status Report

- Chair Murdock explained the contract for the Enterprise Financial System (EFS) design, development, and implementation, to LSI using SAP software. After some effort, ETS learned that LSI could not meet the cost, schedule, or performance parameters due to disagreements on the requirements listed in the Request for Proposal (RFP). Ultimately, the EFS Executive Committee decided on termination for convenience. The funding for the contract will lapse and ETS will need to request new funding during the upcoming legislative session.
- Currently ETS is implementing risk reduction based on what we learned during the LSI RFP effort. Risk reduction efforts include:
 - EFS Team evaluating and updating business documentation.
 - Gartner support with procurement activities.
 - Spire support with our Uniform Chart of Accounts evaluation and departmental needs.
 - Conducting analysis of FAMIS database to ensure ETS and new vendor can perform extract, transform, and load (ETL) activities.
 - Evaluating how to stage EFS components (accounting components, budgeting accounting components, finance components, etc.), and how to integrate all the different departments.
 - Addressing the Department of Budget and Finance's needs separately from the remaining departments.

Chair Murdock asked if there were any questions or comments.

Member Nishida asked about any risk of not signing a vendor immediately. Is the current system vulnerable or does ETS have time to find another vendor? Chair Murdock acknowledged that the Department of Education did need to replace their system quickly because they were experiencing system failures, but he assured the committee that the current system (FAMIS) is stable and ETS has not experienced any problems. Chair Murdock also noted that they have upgraded the mainframe hardware and upgraded much of the underlying software to more modern versions without incident. Therefore, he believes that everything should be fine. Member Nishida then asked if the vendor is still supporting or if there is no vendor to support

the application. Chair Murdock explained the original system is a KPMG STARS system, which is out of support; however, ETS uses eWorld to help support the legacy technology and they have been able to help us keep it running.

Vice Chair Sakuda asked if there is an idea of the cost or what the budget request will be, how can the steering committee support the budget request, and raised concerns about the kind of support the request will receive. Chair Murdock stated that historically there has been great support for EFS. Chair Murdock expressed his hope for continued support in the legislature and receiving approval with the Governor's budget prior to submittal to the legislature. Although he does not have an exact cost estimate, Gartner is conducting a cost analysis to determine a cost target to request in the budget.

Member Choo asked if resources are included in the proposal because his understanding is that SAP requires certain skill sets and resources. Chair Murdock stated that ETS has an implementation staff, consisting of 12 to 13 staff members with different specialties that will work with the vendor on the implementation. Chair Murdock further explained that during the last year the legislature approved adding five (5) positions to existing staff which runs PeopleSoft, which will assist with long term support for all elements of the ERP.

Member Kumabe asked if the vacant positions within state IT will be a challenge for projects moving forward. Chair Murdock estimated approximately 40 vacancies in ETS currently. However, these vacancies tend to be in some of the legacy areas, and ETS has focused on hiring people in the newer skill areas. Chair Murdock also stated that to remain competitive, ETS is trying to establish a good IT training program to upskill or reskill the workforce.

Vice Chair Sakuda asked if IT training will be a part of the EFS budget request. Chair Murdock stated that it likely won't be top priority of the EFS budget request because areas such as automated testing and process documentation software take priority, but he intends for it to be a part of ETS budget request.

Member Yano asked if there would be any risk to other large-scale projects, regarding resource contention, for a project of this size. Chair Murdock reassured the group that this was the last piece of the ERP and that he does not foresee any projects experiencing any negative impacts. Chair Murdock did acknowledge a potential slowing of the fixed talent base; however, as program managers and business analysts work is completed, they may be eligible to move on and help with other projects. Chair Murdock expanded by explaining that of the major systems tracked, 22 systems have been modernized and 16 systems have either received funding, are in the process of procurement, or have started building.

IV. Update on State Modernization

- Chair Murdock spoke about the restart of both the unemployment insurance system and the Enterprise Financial system. He noted that both systems suffered during the pandemic with limited resources available at that time and shared the realization of the need for clearer contract language, noting adoption of new RFP language and contract language to be clearer on requirements and expectations.
- Chair Murdock also spoke of upscaling in the area of extract, transform, and loading of data for major systems.
- Chair Murdock also mentioned extending the quality assurance program for system implementation, such as automated testing.
- Chair Murdock mentioned systems which are currently in progress:
 - Unemployment insurance system for DLIR
 - Benefits eligibility for DHS
 - Financial management system for HDOT
 - Corrections management system
- Newly implemented systems:
 - PUC Case and Document Management system
 - Disability compensation for DLIR

Chair Murdock adds that ETS is very engaged with assisting in the vendor selection process for the Unemployment Insurance system. ETS has sent staff members to various states to inquire about the satisfaction level with the systems implemented by some of the vendors who applied and to learn about the technology behind the system being offered, resulting in ETS staff being able to provide technical advice to the department. ETS also stays engaged by having staff sit in on meetings held by the Independent Verification and Validation (IV&V) teams to identify problems, find solutions, and assist in any way we can.

Chair Murdock reminds attendees that the list of systems and projects are available for public viewing on the ETS website.

Chair Murdock asked if there were any questions or comments.

Vice Chair Sakuda noted that THG had conducted an extensive report last year, consisting of approximately 100 interviews of people across state government. She goes on to say that THG is finalizing a complimentary report which reviewed approximately nine (9) IV&V reports for the major modernization projects. The hope is to identify any common themes between the reports which reveal opportunities to resource better or to bring in other expertise, going above and beyond what ETS needs. Chair Murdock reiterates that the IV&V reports are posted monthly on the ETS website for viewing, and some reports provide the projected start dates for projects. He also notes that the enterprise portfolio system tracks 669 state applications and 287 projects that are being done on the various applications, which is

a substantial amount of work being processed within smaller applications. One focus of this inventory is to identify which smaller systems can be taken over by a larger system; for example, examining all the financial management systems and determine how many can be subsumed by the Enterprise Financial System, thereby rationalize, and eliminate applications that can be fulfilled via a larger application.

Member Nishida stated that he shared the same concerns with Vice Chair Sakuda regarding the IV&V reports, specifically the business modernization having a high critical rating. Chair Murdock noted that almost all the reports have critical ratings. The goal with the departments is to enact corrective measures that will raise the status of the rating within a few months. However, there are areas where departments assume risk, such as staffing. Chair Murdock assures the committee that ETS tries to mitigate critical ratings. Member Nishida commented that the issue seems to be more with the vendor than an IT issue. Chair Murdock shared that the vendor ETS terminated had just been terminated by Nevada from their state financial system and are currently struggling to implement the HDOT Highways financial management system.

Vice Chair Sakuda reiterated the motivation for looking at the IV&V reports were to understand where the challenges were and identify how the committee can better support ETS. Chair Murdock points out that another area of quality assurance for system implementation and for system management and operation is that the systems are staffed adequately both in development and implementation. He goes on to explain the difficulties in finding an SAP programmer versus finding a program manager who can be trained.

V. Report on Establishment and Hiring of Chief Data Officer

Chair Murdock announced that ETS was able to get the position established, and that it has been offered and accepted by a candidate who is currently a Chief Data Officer in another state. Chair Murdock is withholding announcing who the candidate is until they have given notice to their current employer. Chair Murdock plans to integrate two (2) other staff members (a data scientist and a data analyst) with the newly established Chief Data Officer to create a data team that will work together with the Governor's office and other departments to help provide policy, expertise, and actual work product. He shared his excitement because Data is one of the seven elements of the strategic plan.

Chair Murdock asked if there were any questions or comments.

Vice Chair Sakuda offered congratulations on the good news.

VI. 2023 Legislature

Chair Murdock discussed the results of the 2023 Legislative session. He was happy to announce the following were achieved:

a. POSITIONS

- 5 new positions for networking
- 5 new positions ERP Management
- Full year funding for 10 positions authorized in 2022 with only half year funding attached
- 13 EFS positions moved from federal to general funds

b. EQUIPMENT AND SOFTWARE

- Covered price increases for M365 G3 (\$ 747K) and Adobe licenses (\$328K)
- M365 F3 License (\$200K)
- Network Equipment & Maintenance (\$1.5M)
- Test Automation (\$1.2M)
- Mainframe (\$500K)
- Data Center Relocation (\$1M)
- Government Private Cloud (\$360K)

c. 2023 LEGISLATURE

- Confirmation of the CIO
- Testimony on 11 Bills
- SR 75 – Report findings and recommendations on cybersecurity posture of departments
- Act SB814 – All technology must be multi-lingual (Veto – Overbroad)
- Mililani Tech Park Infrastructure Funding (Veto)

Chair Murdock noted ETS had a successful year and received good support from the legislature and the Governor for ETS mission, and ETS will continue to strive to do better.

Chair Murdock asked if there were any questions or comments. There were no questions or comments made.

VII. ETS 2024 Legislative Priorities

Chair Murdock discussed the priorities for 2024 legislative session, noting the following:

a. IT Consolidation Report and Hearings

- ETS expects to deliver the final IT Consolidation Report, and we anticipate there will be hearings on the EFS design, development and implementation funding

request, IT skill funding, data center decommissioning and cloud funding, and tracking all state IT funding progress.

Chair Murdock asked if there were any questions or comments.

Vice Chair Sakuda suggested a bill to support data sharing, data governance be introduced in the next legislative session. Chair Murdock points out that there are existing statutes that already cover those items. He goes on to share that a data working group and data statute for open data, and a data mission for ETS already exist; however, he was open to discussing this with the CDO and explore any recommendations. Vice Chair suggested it be a good idea to revisit this subject with the CDO because these topics are top of mind across the departments and would help build resiliency within the system moving forward. Chair Murdock shares about an identity project which has been funded with three (3) positions dedicated to the project and is currently in prototype. This project would provide citizens of the state with one universal identity which could be used to access different state systems. He does highlight the issues with user privacy, but also points out benefits in coordinating services more efficiently in the event of an emergency.

Member Kumabe asked about any initiatives or priorities for cybersecurity enhancement to strengthen the posture of the state. Chair Murdock confirms that two (2) completed modernization projects were cyber security endpoint detection and response and cyber security enterprise visibility and reporting, and both were done statewide. Regarding IT consolidation, one area that has been consolidated is cyber security. Chair Murdock noted there are areas ETS would like to expand cyber security, such as quality assurance in major systems. He adds that new positions were added to assist with cyber security within departments.

Member Choo asked if the consideration for an AI policy is to allow the use of AI or to stop the use of AI. Chair Murdock shared that AI technology was used in the safe travels program and is currently being used in the form of chat bots, voice bots, and call centers. He explains that it was used for document reading tasks, such as COVID tests and immunization cards. Chair Murdock expressed his concern with generative AI and wanting to be sure to use such technology in a controlled manner, with the recommendation to restrict use to systems licensed to the state and through proper safeguards when accessing privacy data.

Member Choo asked if there are measurements for departmental IT governance and scorecards. Chair Murdock stated that for departmental IT governance there are no measurements in place just yet, but it is in the works. The hope is to follow the same practice that the federal government has in place, where tasks become increasingly harder. Chair Murdock also stated that he also intends to evaluate cyber security in major systems.

There were no other questions or comments.

VIII. IT Consolidation Working Group

Chair Murdock introduced Juha Kauhanen to committee members as the point person who has been consolidating the results from the different committees within the IT consolidation working group into recommendations that will be presented in a report to the legislature. Chair Murdock noted that the final list of recommendations going to the legislature will be carefully selected, may not be solely sourced from ETS or the Governor, and may include items not consolidation related but should be presented.

Guest Kauhanen experienced technical difficulties, and due to time constraints Chair Murdock proceeded to guest speaker Jim Miwa.

Chair Murdock introduced Jim Miwa as the point person for facilities strategy and management plan committee who has been working with consultant, Kyndryl, on how bring the data centers up to specifications.

Guest Miwa shared the following:

- i. The scope of his committee is to assess the state IT footprint for people and physical assets – including data center utilization, plans for cloud utilization, and 3rd party IaaS; recommend strategic plan for optimization of office space/data centers; and identify current pain points and cost inefficiencies with remedy recommendations.
- ii. The committee membership includes ETS, DOT, DHRD, DHS, DLIR, and CSEA.
- iii. Reporting the committee commissioned two (2) studies - the data center inventory study (completed in May 2023) and the application disposition study (currently in progress, estimated completion November 2023).
- iv. Roadmap – 5-year plan:
 - a. ETS Activities:
 - Kalanimoku Data Center
 - Relocation/modernization of essential ETS services is in progress and slated for completion by Q4 2024
 - Decommission the Kalanimoku data center and repurpose into office space; NOC/SOC; Conference room in progress and slated for completion by Q2 2025
 - Relocation/modernization of essential HCJDC services in progress slated for completion by Q2 2026
 - Relocation/decommissioning of IBM power environment – not started, but scheduled for completion by Q4 2027
 - Relocation/optimization of NGN is in progress and will be ongoing
 - Decommission Mainframe – in progress slated for completion by Q4 2028

- b. Department and Agency Findings – Reviews are ongoing for 25 locations and 682 applications
 - Data Center Inventory – opportunity for additional reductions and savings from continued application rationalization and modernization
 - Data Center Consolidation potential:
 - Space reduction – 9,800sf
 - Power reduction – 38KW
 - Power savings - \$180K/Annually
 - Cooling savings \$150K/Annually
 - Application disposition (see attachment for detailed breakdown)
 - Department and Agency activities are in progress / TBD – Q4 2028

Chair Murdock summarized the main points and touched on the direction of ETS evaluation efforts.

IX. Good of the Order

- a. Announcements
 - Digital Government Summit – September 25, 2023
 - Hawaii Annual Code Challenge – October 21, 2023, through November 18, 2023
- b. Next meeting: TBD – projected for November 2023

X. Adjournment – 3:10 p.m.

**Information Technology Steering Committee
(ITSC) Meeting Agenda**

August 31, 2023, 3:00 p.m.
1151 Punchbowl Street, 4th Floor
Conference Room 410
Honolulu, Hawaii 96813

This meeting will be conducted remotely by interactive conference technology via Microsoft Teams.

Join on your computer or mobile device: [Click here to join the meeting](#)

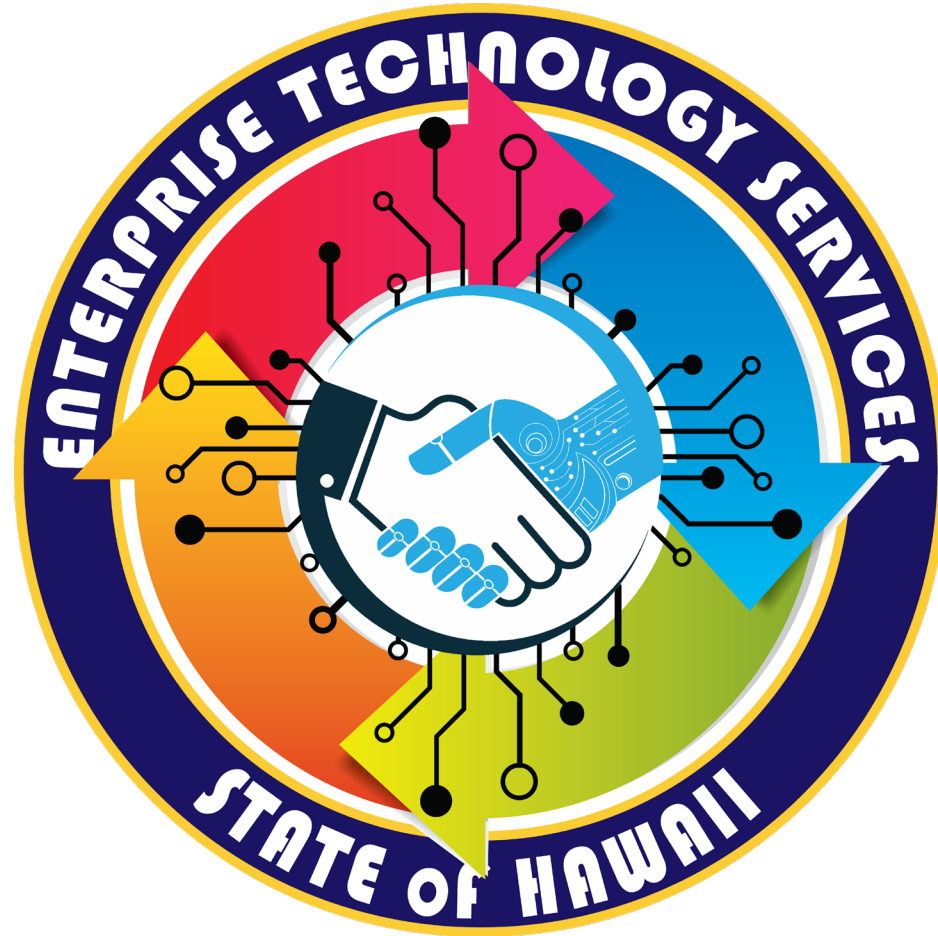
Call in / Audio only: 1-808-829-4853; Conference ID# 972 344 813#

- I. Call to Order
- II. Response to fires on Maui and Hawaii Island – Discussion and Appropriate Action
- III. Enterprise Financial System Status Report - Discussion and Appropriate Action
- IV. Update on State Modernization - Discussion and Appropriate Action
- V. Report on Establishment and Hiring of Chief Data Officer - Discussion and Appropriate Action
- VI. Legislation – Discussion and Appropriate Action
 - a. 2023 Recap – Highlight major bills and funding
 - b. 2024 Legislation – Key policies taking shape
- VII. IT Consolidation Working Group – Discussion and Appropriate Action
 - a. 2022 Final Report
 - b. 2023 Priorities
- VIII. Good of the order
 - a. Announcements
 - b. Next Meeting: TBD
- IX. Adjournment

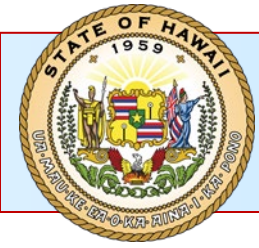
Individuals may provide oral testimony during the meeting or submit written testimony in advance on any agenda item. Written testimony may be sent via email to ets@hawaii.gov. Subject: *ITSC Testimony*, or testimony may be delivered to 1151 Punchbowl Street, B-10, Honolulu, Hawaii 96813. Oral testimony will be limited to three (3) minutes per person or organization.

This ICT meeting will provide automated captions/live transcription. Individuals requiring other reasonable accommodations to participate are invited to email ets@hawaii.gov or call (808) 586-6000, at least three (3) working days prior to the meeting.

Upon request, this notice is available in alternate formats such as large print, braille, or electronic copy.



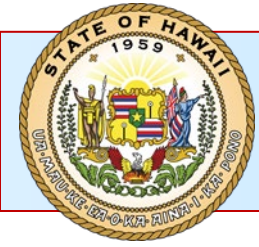
PEOPLE, PROCESS AND TECHNOLOGY



Emergency Response



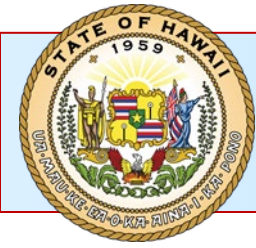
- Radio System Use and Purchases
- Laptop Loan from Dell
- HI-EMA Support on EFS-12 and JIC
- Set-up of Support Centers
- Constituent Management Software
- Travel Reimbursement Software



Enterprise Financial System



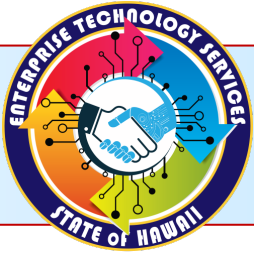
- Awarded to LSI using SAP
- Could not meet cost, schedule or performance parameters
- Executive Committed Decided on Termination for Convenience
- Request Funding to Reprocure Next Legislature
- Now in Risk Reduction
 - EFS Team Evaluating Business Documentation
 - Gartner Supporting Procurement Activities
 - Spire Supporting UCOA Evaluation and Departmental Needs
 - FAMIS Database ETL
 - Evaluating How to Stage EFS Components



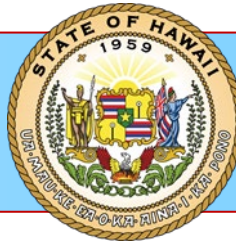
2023 Legislature



- Positions
 - 5 New Networking
 - 5 New ERP Management
 - Full Year Funding for 10 Positions Authorized in 2022
 - 13 Positions Moved from Federal to General Funds
- Equipment and Software
 - Price Increases - M365 G3 License (\$747K) & Adobe Price (\$328K)
 - M365 F3 License (\$200K)
 - Network Equipment & Maintenance (\$1.5M)
 - Test Automation (\$1.2M)
 - Mainframe (\$500K)
 - Data Center (\$1M)
 - Government Private Cloud (\$360K)
- 2023 Legislature
 - Confirmation of CIO
 - Testimony on 11 Bills
 - SR 75 – Report findings and recommendations on cybersecurity posture of departments
 - Act SB814 - All Technology Must be Multi-Lingual (Veto – Overbroad)
 - Mililani Tech Park Infrastructure Funding (Veto)



ETS 2023-24 PRIORITIES



STRATEGIC PLAN

- Target December 2024 Revision
- Review Vision, Mission, Values, Goals
- Adjust for IT Consolidation
- Revise Implementation Plan & Metrics
- Next session with InfoTech: July

2024 LEGISLATIVE PRIORITIES

- IT Consolidation Report and Hearings
- Enterprise Financial System DDI CIP Funding
- IT Skilling Fund
- Data Center Decommissioning and Cloud Funding
- Track All State IT Funding Progress pre/thru Legislature

INTERNAL PRIORITIES

- Complete IT Consolidation Plan Report
- Fill Vacancies
- Improve Enterprise Financial System (EFS) DDI Readiness
- Expand Citizen ID and Fraud Prevention
- Support Modernization Projects

CIO INITIATIVES UNDER CONSIDERATION

- AI Policy
- ETS Reorganization
- State-wide IT Job Reclassification
- Test IT RFP Checklist & Add Contract Templates
- Lifecycle Stage-gate Revision
- Deputy CIO or Chief of Staff Position
- Departmental IT Governance & Scorecards



Facilities Strategy & Management Plan Committee

(Update: August 31, 2023)



▪ Scope

- Assess the State's current footprint for people & physical assets, including data center utilization, and future plans for cloud utilization & 3rd party IaaS
- Recommend a strategic plan for the optimization of office space and data centers
- Identify current pain points and cost inefficiencies and recommend steps to address those

▪ Commissioned Studies

- **Data Center Inventory Study** (completed – May 2023); **Application Disposition Study** (in progress – Nov 2023)

▪ Roadmap (5-Year Plan)

▪ ETS Activities

▪ Kalanimoku Data Center

- Relocation/Modernization of Essential ETS Services (GPC, Printer Operations) – (in progress - Q4 FY24)
- Decommission/Repurpose Data Center Floor Space (B-30) to Office Space, NOC/SOC, Conference Room – (in progress - Q2 FY25)
- Relocation/Modernization of Essential HCJDC Services (ABIS & FBI Network/Telecom) – (in progress - Q2 FY26)
- Relocation/Decommission of IBM Power environment – (not started – Q4 FY27)
- Relocation/Optimization of NGN – (in progress – ongoing)

▪ Decommission Mainframe – (in progress - Q4 FY28)

▪ Department and Agency Findings *(Note, preliminary – as of August 31, 2023 – reviews ongoing for 25 locations and 682 applications)*

▪ Data Center Inventory *(Note, opportunity for additional reductions and savings from continued application rationalization and modernization)*

- Data Center Consolidation: **Space Reduction** – 9,800sf, **Power Reduction** – 38KW, **Power Savings** – \$180K Annual, **Cooling Savings** – \$150K Annual

▪ Application Disposition

- Disposition split: **Retired** – 73, **SaaS** – 176, **IaaS/PaaS** – 82, **Power** – 9, **Mainframe** – 59, **On-Premises** – 283
- T.I.M.E. split: **Tolerate** – 31%, **Invest**: 25%, **Migrate**: 21%, **Eliminate**: 23% *(Note, expecting Invest and Tolerate percentages to increase upon completion of study)*
- Landing Zones split: *(Note, determining future state is still in progress)*
 - **Current State:** **Public Cloud (S/I/PaaS)** – 36%, **Government Cloud (S/I/PaaS)** – 1%, **Private Cloud (DRF/SP/UH)** – 21%, **ETS GPC** – 14%, **On-Premises** – 28%
 - **Future State:** **Public Cloud (S/I/PaaS)** – 50%, **Government Cloud (S/I/PaaS)** – 5%, **Private Cloud (DRF/SP/UH)** – 20%, **ETS GPC** – 20%, **On-Premises** – 5%

▪ Department and Agency Activities (in progress / TBD – Q4 FY28)