STATE OF HAWAII

CHIEF INFORMATION OFFICER AND
OFFICE OF INFORMATION MANAGEMENT AND TECHNOLOGY

REPORT ON

UPDATE ON THE INFORMATION TECHNOLOGY STRATEGIC PLAN

DECEMBER 2013

SUBMITTED TO

THE TWENTY-EIGHTH STATE LEGISLATURE

STATE OF HAWAII
CHIEF INFORMATION OFFICER AND
THE OFFICE OF INFORMATION MANAGEMENT AND TECHNOLOGY
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## BACKGROUND

Pursuant to Act 84, SLH 2011 (the Act), the Chief Information Officer (CIO) is required to submit a report to the legislature prior to the convening of the regular session of 2013.

## BUSINESS TRANSFORMATION STRATEGY AND INFORMATION TECHNOLOGY STRATEGIC PLAN

In October 2012, the State CIO unveiled its plan to create an environment in Hawaii for innovative industries to thrive and simultaneously apply technology to all sectors. The 12-year roadmap for this major initiative is described in the Business and IT/IRM Transformation Plan. The Plan aims to transform the State's current under-invested Business and IT/IRM environment and bring Hawaii into the 21st century.

It includes:
- A Comprehensive Transformation Plan
  - Plan: **20 Plans** with 1,432 Pages
  - **7 phases** over 12 years
  - **3 Key Strategies and 10 Programs**
  - **Affecting 18 agencies**

- The Plan, will:
  - **Reduce** overall number of IT systems
  - **Reallocate %** of the IT workforce to better serve Departments' missions
  - **Streamline** Business and IT operations
  - **Increase** IT service capabilities, reliability and security
  - **Reduce** ongoing IT costs
  - **Improve** Government Transparency

The IT Transformation plan lays the groundwork for a future state that includes faster, better, and easier access to government information and services.

## OPPORTUNITIES FOR EXCELLENCE

In spite of various challenges, the State CIO has proactively moved to overcome institutional limitations and have Hawaii become one of the best digital states in the U.S. within the next 10 years.

With a focus on updated business applications, improved technology and infrastructure, and strong organizational culture— transformation is not only achievable, but underway. During 2012-2013, the State CIO has already undertaken several initiatives and partnerships to transform the State's IT environment, better serve citizens, and move Hawaii into the future.

The key opportunity areas that the CIO identified to address the State's primary challenges were:

- **Business Process and Business Environment:** Providing more efficient and effective applications to the citizens and departments of the State.
- **Technology and Infrastructure:** Embracing new and emerging technologies to better serve Hawaii.
- **Organizational Culture and Governance:** Creating enterprise-level strategic investments and providing open, transparent oversight on those investments.

For each of the State's three primary stakeholder groups, key opportunity areas were identified to overcome the State's challenges.
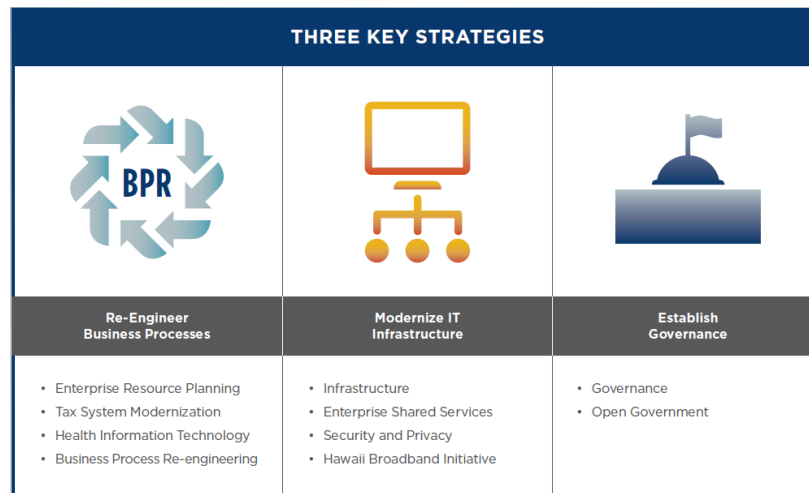
### Prioritized Opportunities

| Stakeholder | Improved Business Services | Updated Technology | Governance & Oversight |
|---|---|---|---|
| **State Departments and Agencies** | Provide new and improved IT services that allow departments to focus on mission-critical business needs. | Invest in updated and efficient technologies that will save departments time and money. | Enable more efficient (less paper-based) processes; Using resources more effectively & efficiently |
| **State IT Staff** | Offer the necessary resources, training, equipment, and facilities to re-develop Hawaii's IT Workforce for the 21$^{st}$ Century. | Provide marketable job skills and training on emerging technologies; provide IT staff with consistent and repeatable processes and tools. | Provide opportunities for growth and learning. |

| Residents of Hawaii | Provide residents with timely, applicable, and secure government services. | Allow access to government information across multiple devices; offer engaging and relevant applications to interact with the State government.<br><br>Invest in locally-owned businesses whenever possible. | Ensure that resident's receive the most from their tax dollars. |
|---|---|---|---|

## THREE KEY STRATEGIES AND TOP 10 PROGRAMS

In an effort to overcome the State's primary challenges, the State CIO has created three guiding strategies to transform IT for the State and deliver increased IT value to all branches of the government, the citizens of Hawaii, and third-party partners such as local businesses.



**THREE KEY STRATEGIES**

| Re-Engineer Business Processes | Modernize IT Infrastructure | Establish Governance |
|---|---|---|
| • Enterprise Resource Planning<br>• Tax System Modernization<br>• Health Information Technology<br>• Business Process Re-engineering | • Infrastructure<br>• Enterprise Shared Services<br>• Security and Privacy<br>• Hawaii Broadband Initiative | • Governance<br>• Open Government |

These three CIO strategies guide 10 program initiatives that OIMT has undertaken during 2012-2013—each program associated with one of the key guiding strategies. Within each of the programs are several projects that have either been completed or are currently in progress to achieve the program's objective.

**MAJOR MILESTONES AND DELIVERABLES**

The Business and IT/IRM Transformation Plan identified three key strategies to which all program and projects would align. During FY13 the Major Milestones and Deliverables were completed under these key strategies:

The Business and IT/IRM Transformation Plan identified three key strategies to which all program and projects would align. During FY13 the following major milestones and Deliverables were completed under these key strategies:

**Strategy 1: Transform Business** will re-engineer business processes and applications for a new way of doing business in Hawaii (online).

1. **Enterprise Resource Planning (ERP System)**
   a. Uniform Chart of Accounts — The State is in the process of preparing a Request For Proposal (RFP) to solicit a vendor to assist with establishing a new Uniform Chart of Accounts.
   b. Interim Grants (iFAMS) —The interim Federal Award Management System (iFAMS) will provide an immediate solution to improve the State's ability to manage and consistently report on federal awards. The project is in the final stage of the procurement process.
   c. Interim Budget — Department of Budget and Finance, Department of Human Services, and OIMT have partnered to develop an Interim Budget Solution. The project is temporarily on hold until the FY 2013 supplemental budget period is completed.
   d. Interim Assets — This project requires the Department of Accounting and General Services to coordinate an inventory of public buildings, facilities, and sites on public trust lands. Inventory information by December 1, 2013. This project is currently in a planning stage.
   e. Enterprise Resource Planning (ERP) — The Request for Proposal, No. RFP-13-016-SW was released on September 16, 2013. The second round of written questions from prospective offerors regarding the RFP and the Offeror's Library are currently being accepted.

2. **Tax System Modernization**

   a. The DoTAX, OIMT, and SPO are working collaboratively to expedite the release of the TSM Program RFP

   b. Two Mobile Applications were completed in coordination with DoTAX

   c. A Tax Analytics Project was completed in coordination with DoTAX

3. **Health IT** — The Health IT initiatives in OIMT incorporate aspects of technology planning and implementation across agencies including the Department of Health, Department of Human Services, Department of Commerce and Consumer Affairs, Governor's Office of Healthcare Transformation, and others, towards coordination of projects, information systems, and information management in these areas.

a. OIMT Health IT has concluded all work in an official capacity coordinating multi-agency planning and implementation around the Hawaii Health Connector.  Recent efforts include the successful launch of the Medicaid KOLEA eligibility system and State Data Services Hub on October 1 (led by DHS), the latter of which will serve as a future pathway to seamless modernization of information flows across state agencies. Continuing phases of the Hub are in progress, for communicating information to DHS from other agencies.  The State CIO and DCIO Business Transformation Officer (BTO) also helped the Hawaii Health Connector (HHC) get the Hawaii Health Insurance Exchange (HHIX) fully up and running by October 15, 2013 after bringing up partial capability on October 1, 2013. The HHIX has been running stable after coming up on October 15, 2013 compared to many other exchanges in the country.  The State CIO, DCIO/BTO and Health IT Manager were also asked to help solve other HHC problems with HHIX, to be successfully concluded on December 9, 2013, with transfer of Integrated Program Management Office (IPMO) Functions to the HHC and the new interim Director.  A full report of the project has been drafted.

b. Major projects in progress include all Health IT aspects of the Governor's Office for Healthcare Transformation's State Healthcare Innovation Plan, towards integrated components of a learning health system that moves information to providers, State programs, and public health in an expeditious manner for appropriate, secure usage, or analysis. This Healthcare Transformation plan, under the auspices of the Federal CMS CCIIO State Innovation Model Planning Grant, is to be completed by January 30, 2014, with implementation grant application and additional efforts thereafter.

c. One continuing project of significant importance is coordinating state agencies (via the Hawaii Health IT Committee and other actions) for the planning, building, and advancing the non-profit state-designated Hawaii Health Information Exchange (HHIE). This comprises activities with the Department of Health's budgetary allocation for public health functions, Department of Human Services MedQuest program for alignment and funding to build infrastructure for delivery of clinical information to Medicaid providers, and under the strategic leadership and direction of the Governor's Healthcare Transformation Coordinator, who is the State Health IT Coordinator. The HHIE program, originally Federally funded by ONC in alignment with the Electronic Health Record (EHR) meaningful use program, is ending in February 2014, at which point continuing private and relevant State funding is anticipated during the building phase of the HHIE network, to enable robust sharing of clinical records across Hawaii licensed healthcare providers.

d. The Medicare and Hawaii MedQuest meaningful use programs are continuing in operations towards the national goal of connecting physicians and clinics to EHR and regional HIE such as the Hawaii HIE,

for information sharing. Of note, the Health IT program has completed the initial planning cycle for information technology components of the All-Payer-Claims Database (APCD) with Healthcare Transformation. Thus far this incorporates a program plan, a Request For Information (RFI) completed, and a Request For Proposals (RFP) to be issued in the January-February timetable for the APCD.

    e. Other continuing efforts include coordination of telehealth planning among agencies and stakeholders.

4. **Business Process Re-engineering (BPR)** — The Business Transformation Representative (BTR) program is in the Business Transformation Office under the Office of Information Management and Technology (OIMT). The purpose of the BPR program is to support Departments in Business Process Reengineering efforts and innovation statewide. Each Department has designated a Business Transformation Representative (BTR) to work with OIMT to support this program. Business Case Documentation was submitted by the Departments to secure funding for BPR projects. The following projects are being supported by OIMT to assist the Departments in their transformation efforts:

    a. Department of Health, Contract GENie: The goal of this project is to reduce the overall time needed to process a contract from the date of award to the date of execution. Project Goal: 90% of all new contracts will be executed within 60 days of contract award.

    b. Department of Human Services, DHS BESSED INVO Database Consolidation: Integrate multiple data systems across various BESSED offices to result in a standard process and system to track SNAP fraud cases and investigations.

    c. Department of Health, Vital Records Ordering and Tracking System (VROTS): Reduce the amount of walk-in vital records and mail order requests by increasing online orders. This would increase customer satisfaction by providing order information and status tracking. Providing this service will streamline issuance processes enabling more services to be available online.

    d. Attorney General, Advice memo Automation: The goal of this project is to create an electronic database that will store advice memos currently stored in paper files in the Department of the Attorney General, Land/Transportation Division. The project will encompass scanning all hard copy files into soft copy format, and to index the documents for easier search/retrieval. This will allow for better search and indexing capabilities making the files more accessible and useful to the staff.

    e. Department of Agriculture, Contract Management System (CMS): The goal is to provide an integrated information system to administer contracts statewide.

    f. Department of Defense, File Conversion into Electronic Format: The goal of this project is to convert paper files into an electronic format. This will

eliminate over 20 file cabinets and create to create space for a study hall for the Youth Challenge Academy Cadets.

g. Department of Agriculture, Quality Assurance Information Management System (QAIMS): The QAIMS will enable staff to better protect consumers, businesses, and manufacturers from unfair practices, based on a measurement process or subject to a standard of quality. The goal is to minimize losses and inaccuracies due to incorrect or fraudulent commercial measuring equipment, processes, or substandard products. Also to provide services and enforce laws that help to improve the market quality of agriculture commodities, promote fair trade and honest business practices.

h. Department of Accounting and General Services, Public Works Division: Create a web-based system to allow construction design consultants to access plans and other documents of our current State facilities.

i. Public Safety Division, Dashboard for Decision Making: Improve performance of the organization by making better decisions using key targets and indicators to measure performance.

j. Department of Human Resources and Development, Online Unskilled Labor Registration Class System for Applicant Processing and Hiring: Expand efforts to track all state employment interests independent of appointment type. This tool will provide Departments and agencies with a standard online tool to manage registration class applicants and provide the ability generate applicant lists to meet hiring objectives.

*Strategy 2: Modernize Technology* *will consolidate and modernize the infrastructure into more secure and reliable backbone with common enterprise shared services for all Departments.*

1. **Enterprise Consolidated Infrastructure** – These projects begin to consolidate the State's infrastructure, including data center management, to reduce the overall number of IT systems, reduce ongoing costs, increase IT service capabilities, reliability and security, and streamline IT operations.

    a. The Government Private Cloud (GPC) virtualization systems have been setup and the Cloud Operations Leadership Team (COLT) made up of OIMT, ICSD, other department staff, are working to configure the cloud services and launch operational capability for departments so they may begin migrating their servers over to the new systems thereby offsetting costs for hardware, software, and labor. Training will begin next quarter for the cloud provisioning interface.

2. **Enterprise Shared Services** – These projects will centrally provide services that are common across departments (i.e. email, document management, collaboration, geographic information systems, etc.), which will result in reduced

overall IT maintenance costs, increase IT services and capabilities, and streamline IT operations.

    a. The Office365 pilot is underway and a handful of accounts have been migrated to the cloud.  The hosted voice pilot (Voice-over-IP) has been launched and the cabling upgraded to CAT6 in the Keoni Ana building to support the project.  The State Archives Division (DAGS) has prepared an RFP for document imaging pilot and paper document conversion to digital format.  The procurement is in progress for a Geographic Information System (GIS) enterprise license, which would provide unlimited licensing of GIS software statewide.  OIMT is beginning to communicate with departments and promoting consolidated purchasing of equipment and software as well as setting up an internal services chargeback mechanism.

3. **Enterprise Security and Privacy** – These projects will improve the State's cyber-security posture to ensure protection of the state's valuable information and data assets.

    a. OIMT and ICSD have just completed setup of the Security Operations Center (SOC) in the Keoni Ana building.  The team is now configuring the networking and security monitoring software that will run in the SOC.

4. **Hawaii Broadband Initiative (HBI)** — Under the Hawaii Broadband Initiative (HBI) OIMT in coordination with DBEDT and the DOD is pursuing a plan to land new transpacific fiber optic cables in Hawaii.  The design includes constructing secure cable landing sites and deploying fiber optic transport that connects new transpacific cables with the existing transpacific cable infrastructure and landing stations.  The state is also increasing the reliability and security of inter-island and backbone networks by providing 10Gbps bandwidth and a network reliability of 99.9%.  The new networks are secure, resilient, redundant, and follow diverse pathways to mitigate any interruption of service.

*Strategy 3: Improve Management and Oversight through Transparency and Accountability is the overarching strategy that will define tools, portfolio, policies, process, architecture, organization, and "trust but verify" performance through dashboards and periodic management reviews.*

1. **Governance**

    a. Enterprise Architecture – These projects will define the capital planning and investment control for the IT environment.

        i. Secured consultant support to develop enterprise architecture.

        ii. The processes for approval of technology projects and purchases have been documented and are being vetted through the Enterprise Architecture working groups.

b.  Portfolio Management – These projects will provide the support and
        services required to manage the IT portfolio across all departments.

        i.  Secured consultant support to design and develop portfolio
            management system.

        ii.  The Program Management Information System (PMIS) "Alpha"
             version of the on-line web system has been created and will launch
             next quarter.

2. **Open Government**

    a.  Hawaii StateStat Dashboard – Dashboard for executive branch
        departments to monitor and measure progress against mission goals and
        objectives

        i.  Provided training to all agencies
        ii.  Working with agencies to define their goals and metrics
        iii.  Established a Data Council to define the data strategy for
              Hawaii that includes the creation of a statewide data inventory,
              standardization of data and descriptions of data, implement the
              Open Data Act 263.

## ORGANIZATION

With functional oversight of the Information Communications Services Division, OIMT is
now working towards reorganization and integration of the two organizations.  OIMT is
working with the Governor's office and the Departments of Accounting and General
Services (DAGS), Human Resources Development (DHRD), and Budget and Finance
(B&F) to formalize the reorganization and draft suggested legislation, if necessary.

    a.  OIMT is drafting a new organizational chart in the DAGS format that aligns
        the administrative reporting of OIMT and ICSD incorporating all exempt and
        civil service positions.  The new draft organizational chart is being reviewed
        internally with ICSD management and will then be presented to DAGS HR
        and ASO.  Following the consent of DAGS the organizational chart will be
        distributed to DHRD.  It is anticipated that a union consultation will occur in
        the next quarter.

    b.  OIMT is reviewing civil service job classifications for IT positions in ICSD and
        considering the "broad-banding" of salary ranges for the classes.

    c.  Change Management &Leadership Training and Facilitation — During the first
        phase from June 2013 to December 2013, the following accomplishments on
        this program were made:
        •   Implemented Executive coaching with CIO & Executive Leadership
        •   Developed a Strategic-Operation Plan (StratOp) with OIMT & ICSD
            leadership team (18); cascaded Process to 35 ICSD Staff & 14 CIO's
        •   Started to empower ICSD Leadership with Action Initiative Plans
        •   Began to unify the leadership of OIMT & ICSD through common vision

- Redeveloped and refined new vision, mission statements, & values
- Developed a new office name prototype OCIO
- Developed a new service delivery model
- Worked to attenuate any inimicality/resistance between OIMT/ICSD
- Begun the building of an internal communications plan
- Provided Birkman assessments and feedback to 18 OIMT and 35 ICSD staff, and 14 CIO council members
- Delivered Birkman team building training to all OIMT staff, 35 ICSD staff and 14 CIO's; Delivered Appreciative Inquiry Training
- Developed a healthy readiness for change with ICSD leadership using Cycle or Renewal Change Management process
- Developing quick WINs with CIO's
- Engaged ICSD in healthy talk story sessions and engaged them in the Digital Summit (open door policy)

## MAJOR EVENT – HAWAII DIGITAL GOVERNMENT SUMMIT 2013

The State of Hawaii successfully completed the annual Hawaii Digital Government Summit 2013 held on November 21, 2013.  This event set a record with over 900 people in attendance (750 planned) from State, Local and Federal Government, Academia and Industry within the State of Hawaii.  The Event had 20 sessions divided into three tracks coinciding with the three key strategies, the three key organizational leaders under the State CIO, and Top 10 Enterprise programs.  The event was free to Government attendees, arranged by Center for Digital Government, who organizes and holds these events throughout the countries with State Government, through their proven business model.  The theme for the event was "Transforming Government at the Speed of Life", coined by OIMT/ICSD Staff.  The sessions were informative with positive energy for the transformation of the State of Hawaii and a greater than 4/5 rating by attendees. The overall agenda, briefings, video presentations are posted at http://oimt.hawaii.gov/2nd-annual-hawaii-digital-government-summit/

## AWARDS

The State of Hawaii recognized and applauded the excellent efforts of employees across many departments and from different functions, as well as other stakeholder that have helped move the state along its transformation journey. 58 Award categories were presented in three categories of recognition: Business Transformation, Technology Modernization, and Government Transparency and Accountability. Within each category, recipients across the following themes were recognized: Citizen Facing, Industry, State, and National. Additionally, three special CIO Awards were presented. The State CIO received the prestigious Fed100 Award for the Business and IT/IRM Transformation Plan – the only state to receive such recognition!  OIMT also oversaw the Hawaii Portal winning three national awards, while four Departments won national awards for business and technology transformation in 2013.  Please refer to URLs: http://oimt.hawaii.gov and http://oimt.hawaii.gov/wp-content/uploads/2013/11/2013-Hawaii-Technology-Excellence-Awards-Recipients.FINAL_.pdf

## FUNDING – CURRENT AND PLANNED

The following details the expenditures for each project using these funds during both FY12-13 and FY13-14. Assessment, phasing, alignment, and planning analysis have been completed for the OIMT project portfolio of procurements, which were targeted for completion by the close FY13.  All general funds were expended with no dollars lapsing. Below is a breakdown of OIMT funded and managed projects noting their area of focus, estimated cost, and number of sub-programs[1].





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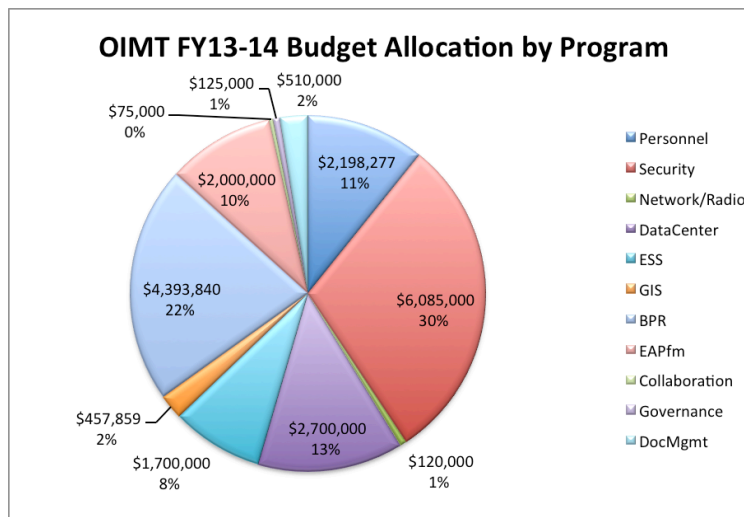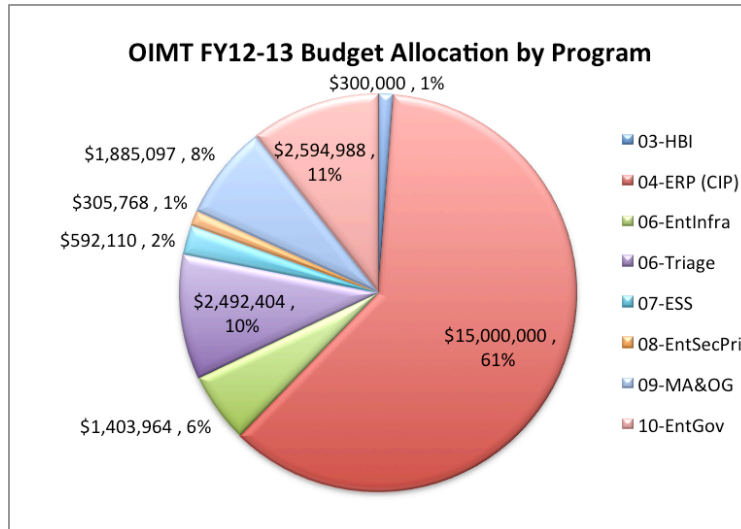
[1] *Amounts may be adjusted as procurements are developed and/or completed and additional project synergies are realized.*