



**Access Hawai'i Committee (AHC)
Meeting Minutes - Draft**

April 7, 2022

Virtual Audio-Video Conference Meeting via Zoom

Members Present

Douglas Murdock, Chief Information Officer, Office of Enterprise Technology Services (ETS)

Curt Otaguro, Comptroller, Department of Accounting and General Services (DAGS)

Bonnie Kahakui, Acting Administrator, State Procurement Office (SPO)

Jennifer Brooks, Attorney, Office of Information Practices (OIP)

Stuart Okumura, Juvenile Justice Information System Coordinator, Department of the
Attorney General (ATG)

Robert Hiltner, Information Systems & Communications Office, representing the Director,
Department of Commerce and Consumer Affairs (DCCA)

Kevin Thornton, Director of Information Technology and Systems Department, representing the
Administrative Director of the Courts

Scott Uehara, Director, Department of Information Technology, County of Hawai'i

Mandi White, IT Project Leader, representing the CIO, County of Kaua'i

Members Excused

Stephen Courtney, Deputy Director, Department of Information Technology, City and County of
Honolulu

Vacant, County of Maui

Senator Glenn Wakai, State Senate

Representative Gregg Takayama, State House

Other Attendees

Candace Park, ATG

Meoh-Leng Silliman, DAGS

Todd Omura, ETS

Caroline Julian Freitas, ETS

Catherine Arellano-Alcotas, ETS

Susan Bannister, ETS

Burt Ramos, General Manager, NIC Hawaii (HI)

Janet Pick, Director of Operations, NIC HI

Megan Nichols, NIC HI

Rosie Warfield, NIC HI

Shawn Taylor, NIC HI

Tony Tran, NIC HI

Laurenz Bacungan, NIC HI

Leslie Kobata, Department of Land and Natural Resources

Mark Ritchie, Department of Business, Economic Development & Tourism (DBEDT)

Dori Palcovich, DBEDT

Corey Rosa, Department of Land & Natural Resources (DLNR)
Jason Omick, DLNR
Chris Sadayasu, ATG
Rex Akutagawa, Department of Transportation
Tami Whiting, Department of Health
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I. Call to Order, Roll Call

With quorum established, Chair Murdock called the meeting to order at 1:00 p.m.

II. Review and Approval of the AHC December 2, 2021, Meeting Minutes

Member White made a motion to approve the minutes as presented, which was seconded by Member Brooks. Vote was taken and the motion passed unanimously.

III. Public Testimony

None.

IV. Approval of Statements of Work (SOW) and Service Level Agreements (SLA)

1. SOWs/SLAs Under Review

a. Department of Land and Natural Resources, Bureau of Conveyances - Online Payments, SOW Amendment 1

The fee structure will be modified to move away from a STATE 70% / NIC HI 30% split and move toward a \$5,000 a month flat fee independent of the number of subscribers. Laurenz Bacungan, NIC HI, introduced Leslie Kobata, DLNR Deputy Registrar.

Mr. Kobata gave a background of the initial SOW and explained that upgrades were made and required someone to handle its payment processing. They returned to NIC HI and decided to move from a percentage-based to a flat fee rate-- \$5,000 to handle over 100 subscribers and also accommodate any new subscribers with no additional fee to DLNR. Both DLNR and NIC HI benefit from this change.

Member Thornton suggested including the cost analysis in an attachment in future packages to provide more transparency. Chair Murdock asked if the \$5,000 flat fee will be more than 30% or about the same or a little bit less, to which Mr. Kobata stated it would be quite a bit less.

Chair Murdock asked if members had any further questions or discussion. Hearing none, he asked for a vote. A vote was taken and passed unanimously.

b. Department of Business, Economic Development and Tourism, Small

Business Regulatory Review Board (SBRRB) - Website Services, SOW Amendment 1 and Exhibit A

The amendment covers enhancements to the SBRRB website including a redesigned homepage, adding department level filtering to meetings/agendas/reports, updates to content pages, and Mailchimp updates. Rosie Warfield, NIC HI, introduced Dori Palcovich and Mark Ritchie, Administrator of the Small Business Regulatory Review Board to answer any questions regarding the amendment. Mr. Ritchie gave a background of the SBRRB and need for the upgrade. It will allow the SBRRB to communicate with the business community what the Board is doing and if administrative rules may affect them.

Chair Murdock asked if members had any questions or discussion. Hearing none, he asked for a vote. A vote was taken and passed unanimously.

- c. Department of Land and Natural Resources, Division of Forestry and Wildlife – ePermitting: Trails Day Use, SOW Amendment 1 and Exhibit A

The amendment covers the addition of a new Maui trail, Waihee Ridge Trail, and will allow flexibility for a permitted time period rather than for an entire day. The service will allow for multiple permits per day and ensure the maximum number of vehicles is not exceeded. Megan Nichols of NIC HI and Corey Rosa, DLNR trails technician, were present to answer any questions on the amendment. Mr. Rosa stated that the trail is being overrun by hikers and need a system in place to regulate hikers on the trail. Hikers will only be able to hike during their allotted time.

Member Hiltner asked the length of each visit and if there is a penalty for no-shows or cancellations. Member Kahakui asked how the parking is handled and if the functionality includes emailing if you have reached capacity for either personal hiking permits or car parking. Member Thornton asked if the functionality is for all trails or just this one.

Mr. Rosa responded that the permit is for four hours as the hike usually takes about 2-3 hours to complete. Each hiker has their own permit and the parking permit is one per vehicle. Ms. Nichols stated that the functionality will be built into the system so they will have the ability to add other trails in the future. The system will have a set number of time slots, so if it is filled, no further purchases can be made. The system will not allow someone to purchase two time slots for the same day. Currently, there is no penalty in place for no-shows.

Chair Murdock asked for any further questions or discussion. Hearing none, he asked for a vote. A vote was taken and passed unanimously.

- d. Department of Land and Natural Resources, Hunter Education Division – Hunter Education and Records Management System, SOW Amendment 8 and Exhibit A

The amendment covers the addition of a workflow to ensure hunters are not able to purchase lottery tags without having won a lottery. Megan Nichols, NIC HI, and Jason Omick, from DLNR were present to explain the need for this amendment. The enhancement would be able to verify from another database that the lottery for an individual is true then the person can purchase their lottery tags. With this validation process, it will eliminate refunding to people who purchased a tag but were not chosen for a specific lottery. It will also streamline the process by showing multiple tag purchases in one pdf, rather than a pdf for each tag.

Member Hiltner questioned the \$40,000+ for development fees if users are receiving notice that they must have won the lottery in order to proceed. Mr. Omick stated that even with a pop-up notice many people do not pay attention to it. DLNR would like to eliminate people purchasing a tag without having won the lottery. The fee tags are issued for Lana'i. This program brings in hundreds of thousands of dollars each year and streamlining this will allow more hunting there and allow easier access to hunt. It's a complicated system with two databases. This update will help the program for the next twenty years of managing the island. Megan Nichols explained that this enhancement involves building a new workflow with multiple components for the lottery portion and lottery tags.

Chair Murdock asked for any further questions, comments, discussion. Hearing none, he asked for a vote. A vote was taken and passed unanimously.

- e. Department of Attorney General, Tax and Charities Division – Online Charity Registration, SOW Amendment 10 and Exhibit A

This SOW is to allow additional files with new file names to be imported. Files with these new file name formats should be imported into the Charity Registry and displayed on the Charity Registry site under the particular charity. Megan Nichols, NIC HI, introduced Chris Sadayasu, Program Administrator, Tax and Charities Division. He explained that this is a necessary change in conjunction with the electronic filing site that is available for the organizations to register and submit their annual filings.

Member Kahakui asked if there is a cap on the 3% on each transaction and concerned if a donation amount is large. Mr. Sadayasu stated that the donations do not go through them and is just for the registration. The annual fees are from \$0.00 up to \$600, with \$600 as the maximum and paid as an annual filing fee.

Chair Murdock asked for any further questions or comments. Hearing none, he asked for a vote. A vote was taken and passed unanimously.

- f. Department of Transportation (DOT), Harbors Division – Harbor Receipts, SOW and Exhibit A

This SOW covers the implementation of an online system to allow customers to pay any current and past due payments online via credit/debit card, eCheck (electronic debit from a bank account) or Subscriber account. Burt Ramos, NIC HI general manager, introduced Rex Akutagawa, Administrative Services Officer, DOT Harbors Division. Mr. Akutagawa explained that the Internet credit/debit card portal is for the convenience and efficiency for its users. In the future, the system would also enhance the automation of current manual workflows. DOT decided upon the self-funded model which will focus on parking and fishing vessels. A 5% transaction fee plus the 2.5% credit card fee. Normal parking fees range from \$51.15 to \$632.50 per vehicle. Normal fishing vessel charges range from \$23 a day to \$1,900 a month. The transaction fee would be between \$1.75 and \$145 with a cap at \$150. Because of the wide variance of fees being charged, they decided to go with a transaction fee percentage rather than a flat fee.

Member Kahakui had a concern that at some point the 5% transaction fee would pay for the development of the system. Will the fee be reduced once it moves to maintaining and supporting the system? Mr. Ramos explained that with transaction-based services, NIC HI provides ongoing maintenance, security and customer support and responsible for payments made through the system. Recouping the cost of the development is just one part of it. Member Kahakui recommended that DOT and NIC HI review the fees when they are in the maintenance phase. Member Hiltner voiced a similar concern that the no charge up front may cost considerably more in the long run. Mr. Ramos acknowledged the members concerns but stood by this business model which has been used by many agencies.

Chair Murdock noted that there is value to having one sign in for all the applications across the entire system. So, once a user has a user ID and password, they can enter any of these systems to do business with the state and have extra security and have everything in the same place. Having the Help Desk is a big advantage answering questions from users. So, there are added benefits that we get over time but should monitor the financial statements of NIC HI to ensure agreements are reasonable.

Chair Murdock asked for any further questions or discussion. Hearing none, he asked for a vote. A vote was taken and passed unanimously.

- g. Department of Health (DOH), Harm Reduction Services Branch - Medical Cannabis Registration System, SOW Amendment 5 and Exhibit A

This SOW covers the implementation of a new enhancement to the Medical Cannabis Registration System to provide an electronic process for managing Out-of-State Patient (OSP) registration change requests. Shawn Taylor, NIC HI, introduced Tammy Whitney, DOH Medical Cannabis patient registry.

Ms. Whitney explained that the current system does not have a mechanism in place if changes need to be made to a patient's application. An

electronic process for managing OSP registration change requests will provide a more convenient and flexible system when changes are necessary. Staff will be able to review and return an application if corrections need to be made prior to approval. This enhancement will also reduce staff time.

Chair Murdock asked for any questions or comments. Hearing none, he asked for a vote. A vote was taken and passed unanimously.

2. Signed Memorandum of Understanding (MOU) and Statement of Work (SOW)

Portal Program Manager, Catherine Arellano-Alcotas, announced that the following were signed.

a. County of Maui, Motor Vehicle Registration (MVR) Renewals - MOU 7

The NIC HI service fees and credit card/eCheck fees for the Motor Vehicle Registration Renewals service implemented and maintained by NIC HI to help reduce foot traffic in the county offices and incentivize citizens to use the online service were waived. The fee change commenced on January 8, 2022, until February 28, 2022.

b. County of Kauai, Fire Department, Fire Permit Payments – SOW Amendment 1

The original SOW document entitled “Fire Permit Payments” dated June 15, 2021, was amended to include additional signatures (Deputy County Attorney and Director of Finance).

c. County of Maui, Motor Vehicle Registration (MVR) Renewals – MOU 8

This MOU extended the fee change through March 31, 2022.

V. Portal Contract Hourly Rates

Member Kahakui reported that the Portal Manager contract was done in 2008 and the hourly rates have been in place since then. Last summer, NIC HI asked for an increase with suggestions as to what the rates would be based on rates in Hawaii and nationally. She conducted her own research using the GSA average and the U.S. Bureau of Statistics, Consumer Price Index from 2008 to 2021. She also estimated a 2.4% to 2.8% inflation rate to 2024. She worked closely with ETS and NIC HI and believes these rates are fair based on the current economic situation.

Mr. Ramos noted that the top line has been eliminated. And the time and materials component of the entire portal program, in 2021 was about 5% of the total budget. The new rates will help agencies and legislators understand what the comparable street value is for NIC HI’s transactional or hybrid services.

Member Otaguro asked if there is an index the AHC can rely on as a benchmark when doing the rate analysis and if there is a trigger within the contract to review these rates. Member Kahakui went over what she stated earlier on the strategy for coming up with the new rates. And that there is nothing in the contract regarding reviewing of these rates. The current portal manager contract expires in 2025.

Chair Murdock asked for any further discussion or comments. Hearing none, he asked for a vote. A vote was taken and it passed unanimously. He stated that the new rates will be put into effect.

VI. Fixed Rate Payment Terms on Deliverables

Member Kahakui shared the current terms and proposed term. Since most of the work is done prior to the testing stage and release of test she requests that the terms should be revised as shown. She noted that once it goes into the test and finished testing most of the work is done, hence this is a fair proposed change.

Chair Murdock recommended that the 10% should be withheld until the warranty period is over. Member Kahakui and Mr. Ramos had no objections to that. With the changing of payment to 90 days post-production launch to encompass the entire warranty period, Chair Murdock asked members for approval. A vote was taken and it passed unanimously.

Fixed Rate Payment Terms

Current Deliverable	Current Term	Proposed Deliverable	Proposed Term
Payment upon deployment of functional test system and STATE OR COUNTY acceptance	20%	Payment upon deployment of functional test system and STATE OR COUNTY acceptance	50%
Payment upon completion of testing and STATE OR COUNTY acceptance	20%	Included in other deliverables	N/A
Payment after acceptance letter signed by STATE OR COUNTY and submittal of application for launch to production environment	20%	Payment at completion of testing, acceptance letter signed by STATE OR COUNTY, and deployment to production environment	40%
Payment at the end of 90-day warranty period	40%	Payment at 30 days post-production launch	10%

Note: Warranty period is through 90 days post-production launch.

VII. Portal Program Manager's Report

1. NIC Hawaii Report

Mr. Ramos presented his report. He encouraged members to check the html page. It has

this report and the supporting appendix contains great information.

<https://nichawaii.egov.com/access-hawaii-committee-reports/april-7-2022-ahc-meeting/>

VIII. Good of the Order

1. Next Meeting: June 2, 2022

IX. Adjournment

Member Otaguro made a motion to adjourn, which Member Hiltner seconded. A vote was taken and passed unanimously.

The meeting packet is available at <https://ahc.ehawaii.gov/meetings/packets/>

Recorded by: Susan Bannister