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BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS  
ON  
HOUSE BILL NO. 2449, H.D. 1

**February 11, 2022**  
**2:15 p.m.**  
**Room 325 and Videoconference**

RELATING TO THE HAWAII STATE ARCHIVES

The Department of Budget and Finance (B&F) offers comments on House Bill (H.B.) No. 2449, H.D. 1.

H.B. No. 2449, H.D. 1, appropriates to the Department of Accounting and General Services unspecified general funds in FY 23 for ten new positions for the State Archives program to assist with its mission and increase public access to historical documents and artifacts; and unspecified general obligation bonds in FY 23 for the purpose of financing an additional building for the State Archives to expand and create new spaces for collections processing, storage, administrative use, public research, exhibitions, listening, learning, and community engagement. This measure also requires all departments, offices, and agencies to conduct an inventory of all documents in their possession related to the culture and history of Hawai'i and Native Hawaiians and requires the State Archives to develop a transfer plan to acquire those documents.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that

states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

DAVID Y. IGE  
GOVERNOR



CURT T. OTAGURO  
COMPTROLLER  
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**STATE OF HAWAI'I**  
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WRITTEN TESTIMONY  
OF  
CURT T. OTAGURO, STATE COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE

COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

FEBRUARY 11, 2022, 2:15 P.M.  
VIA VIDEOCONFERENCE, STATE CAPITOL

H.B. 2449, H.D. 1

RELATING TO THE HAWAI'I STATE ARCHIVES

Chair Nakashima, Vice Chair Matayoshi, and Members of the Committee, thank you for the opportunity to testify on H.B. 2449, H.D. 1.

The Department of Accounting and General Services (DAGS) strongly supports this bill and offers the following comments:

1. The current Archives facility was designed 70 years ago. Based on current archival practice and public access needs, this facility is severely outdated in form and function to address the digital age that the State now operates in.
2. The facility is capable of storing approximately 14,000 cu ft of records and is currently at over 98% capacity. At the current rate of growth, the State Archives will reach capacity in the next biennium; after that time, it will no longer be able to execute on its Legislative mandate to collect, arrange, describe and make accessible the Public Archives of the State of Hawai'i.

3. As the mission of the State Archives continues to grow and evolve to meet the growing needs of the public and the shifts necessitated by the Statewide transition to digital, permanent staff at the State Archives has gone from 29 FTE in FY95 to 15 FTE in FY23. This massive reduction in staffing has had a severe and negative impact on their ability to serve during a time when holdings are up 19%, phone contacts up 149%, and service orders are up 22%. Simply put, they do not have the positions with needed expertise to fulfill their original Legislative mandate. When Archives cannot provide needed documents that protect the rights, identity, property and history of the People of Hawai‘i, trust in government is suffering due to this ‘missing history’ and the rumors-becoming-conspiracy-theories that fill that void created by the absence of trustworthy records.
4. The Public Research Room is limited in the number of patrons it can accommodate and can only offer limited computing resources to aid in research due to the limitations of the original building design and construction – greatly reducing its utility to public researchers, classroom activities at the high school and university levels, and members of the community wishing to research their documentary heritage.
5. There are no provisions to display more than a few of the over 1000 artifacts, the State Archives holds in the Public Trust. These artifacts are among the most important objects in Hawai‘i’s rich and diverse history, and includes: The Buke Mahele, Royal Hawai‘ian seals, flags from all of Hawai‘i’s Governments, moon rocks from Apollo 11 and 17, and numerous treaties and documents signed by Foreign Heads of State.
6. Physical space constraints are also impacting the staff through a lack of facilities to conduct proper archival processing and conservation of the materials; and greatly limiting our ability to engage more volunteers to assist staff, thereby reducing the number of possible records that could be made available to the public. With additional physical space to

harness the additional resource of volunteers and interns, it would save the Archives expending the funds necessary to hire additional staff to execute on our mandate.

7. The space constraints of the Archives also greatly hinder its ability to collect the archives of the many diverse subgroups within the various communities of Hawai'i that have added to our shared history and culture. As such, Archives that document the contributions and struggles of aging, under-represented, and marginalized segments of the community are lost; and with these losses, so are the collective memories of the people that the records document.
8. The COVID-19 pandemic has greatly disrupted the public's ability to travel, resulting in reduced access to their history and documentary heritage, up to and including a complete inability to conduct research. This impairment has highlighted the need to place more of these unique and irreplaceable records online for free, unfettered public access twenty-four hours a day, seven days a week from anywhere in the world. As a vast majority of the most important records exist only in paper format, this requires mass digitization of fragile documents. The current facility cannot provide the needed space, power or technological capabilities to grow the digitization infrastructure, and the massive reduction in staff over the past two decades leave us unable to provide large scale access to records protecting the public's rights, identity, property and history.
9. The staff at the State Archives wants to do more, provide more, and serve more public and government stakeholders. They humbly request the resources needed to connect the People of Hawai'i with their documentary heritage -- regardless of their location, ability to travel, hours of employment, or economic status -- through expanded access and services to address their needs in the 21<sup>st</sup> century.

Thank you for the opportunity to submit testimony on this matter.

**HB-2449-HD-1**

Submitted on: 2/10/2022 12:25:49 PM

Testimony for JHA on 2/11/2022 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
AGS - Jansen, Dr. Adam	DAGS/Hawaii State Archives	Support	Yes

Comments:

Available for comments regarding testimony submitted by DAGS Comptroller