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**STATE OF HAWAII**  
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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  
SENATE BILL NO. 3282, S.D. 1, H.D. 1

**March 21, 2022**  
**2:00 p.m.**  
**Room 325 and Videoconference**

RELATING TO GOVERNMENT RECORDS

The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 3282, S.D. 1, H.D. 1.

S.B. No. 3282, S.D. 1, H.D. 1, allows the Comptroller to direct the transfer of records to the State Records Center (SRC) and determine the time period at which the records shall be transferred. The bill appropriates unspecified general funds in FY 23 for operating costs and equipment necessary to administer the SRC, provided that unspecified moneys be used to fund the salary of unspecified full-time equivalent positions within the State Archives to assist agencies in the identification and transfer of certain government records to the State Archives. The expending agency is the Office of Enterprise Technology Services.

B&F notes that, with respect to the general fund appropriations 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 efforts (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.

2DAVID Y. IGE  
GOVERNOR



CURT T. OTAGURO  
COMPTROLLER  
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DEPUTY COMPTROLLER

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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

MARCH 21, 2022, 2:00 P.M.  
CONFERENCE ROOM 325, STATE CAPITOL

S.B. 3282, S.D. 1, H. D. 1

RELATING TO GOVERNMENT RECORDS

Chair Nakashima, Vice Chair Matayoshi, and Members of the Committee, thank you for the opportunity to testify on S.B. 3282, S.D. 1, H. D. 1.

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

1. The State Archives was founded in 1905 with a Legislative Mandate to “Collect all Public Archives.” They expanded their mission with the addition of the Records Management Branch in order to “promote efficient and effective management of government records.” In pursuit of this mission, the services offered include: records management review to assist agencies in identifying and scheduling their records per a legal retention schedule, consulting services to establish effective filing mechanisms for both paper and electronic records, offering offsite, high density, low-to-no cost storage of inactive records that have

not yet met their legal retention period, and witnessed destruction of records that have reached their legal retention period.

2. While the State Records Center at Mapunapuna has a storage capacity of nearly 60,000 cubic feet of records, it rarely exceeds 50% capacity utilization. Increased use of the State Records Center, which can store records at approximately 1/5 the cost of storing the same in State office space, could save the State up to \$650,000 and reduce office space needs by up to 5,000 sq. ft. if the records center were to be fully utilized.
3. There are two major factors that have been identified that are limiting agencies from making greater use of the State Records Center and/or Archives for storage of government records: a lack of understanding amongst State employees regarding which records schedules should be implemented with their records, and an inability to transfer records for bulk, low-to-no-cost storage at the State Records Center and/or Archives.
4. This bill is intended to not only address those limiting factors, but also enable the State Comptroller to provide clear, uniform instructions as to when non-permanent records should be sent to the State Records Center for storage and eventual destruction, and permanent records transferred to the Archives for long-term preservation and public access.
5. This bill would provide the Records Management Branch with needed two positions: the first to work directly with agencies to improve the management of records of their agencies (the Records Analyst/Archivist III position request); and the second to serve as a driver to pick up and deliver boxes from the agencies (Warehouse Worker position request). Both positions would also make annual trips to the neighbor islands to assist in their identification and management of records, as well as supervise shipment by container of inactive records for mass, low-cost storage at the State Records Center and/or Archives.
6. Along with the two position requests, additional program funding is requested to: purchase and maintain a delivery van, upgrade to the records tracking database at the Records Center,

increased budget for Records Management travel to the neighbor islands, container shipping from neighbor islands to Oahu, and increased annual records destruction.

7. The SD 1 version of this bill from WAM had provided additional funds and positions to ETS for the purpose of building needed digital infrastructure to appropriately manage the creation, access, scheduling, and destruction of digital records, along with funding to digitize those records that are suitable for conversion into digital format. We strongly encourage the committee to consider placing the positions and funding back into this bill. The funding and positions are needed by ETS to move Hawaii into a digital economy and away from paper in order to increase efficiency and effectiveness of government through centralization and standardization, while reducing wasteful spending on superfluous office space, consumables (paper, printer leases, etc), retrieval time, duplicate copies, and so forth. Such an investment will place Hawaii in the top tier of States addressing the digital frontier as a way of bringing government closer to the people by eliminating geographic and social-economic barriers.

Thank you for the opportunity to submit testimony on this matter