

DAVID Y. IGE  
GOVERNOR



DOUGLAS MURDOCK  
CHIEF INFORMATION  
OFFICER

## OFFICE OF ENTERPRISE TECHNOLOGY SERVICES

P.O. BOX 119, HONOLULU, HI 96810-0119  
Ph: (808) 586-6000 | Fax: (808) 586-1922  
ETS.HAWAII.GOV

Testimony of  
DOUGLAS MURDOCK  
Chief Information Officer  
Enterprise Technology Services

Before the

HOUSE COMMITTEE ON GOVERNMENT REFORM  
Tuesday, April 5, 2022

SENATE BILL NO. 3282 SD1 HD2  
RELATING TO GOVERNMENT RECORDS

Dear Chair Luke, Vice Chair Yamashita, and members of the committee,

The Office of Enterprise Technology Services (ETS) ETS **supports** this bill which allows the comptroller to direct the transfer of records to the state records center and determine the time period at which the records should be transferred. The bill appropriates funds to the Office of Enterprise Technology Services for operating costs and equipment for the state records center and for positions within the state archives.

Thank you for the opportunity to provide testimony on this measure.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
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 FINANCE  
ON  
SENATE BILL NO. 3282, S.D. 1, H.D. 2

**April 5, 2022  
1:30 p.m.  
Room 308 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. 2.

S.B. No. 3282, S.D. 1, H.D. 2, 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 (ETS).

B&F notes that ETS as the expending agency in this measure appears to be incorrect. In earlier versions of this measure which called for statewide digitization of government records, ETS would have been appropriate. However, in the current version that does not include digitization, the Department of Accounting and General Services would be a more appropriate expending agency.

B&F also 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 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.

DAVID Y. IGE  
GOVERNOR



CURT T. OTAGURO  
COMPTROLLER  
AUDREY HIDANO  
DEPUTY COMPTROLLER

**STATE OF HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**  
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY  
OF  
CURT T. OTAGURO, STATE COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
COMMITTEE ON  
FINANCE

APRIL 5, 2022, 1:30 P.M.  
CONFERENCE ROOM 308, STATE CAPITOL

S.B. 3282, S.D. 1, H. D. 2

RELATING TO GOVERNMENT RECORDS

Chair Luke, Vice Chair Yamashita, and Members of the Committee, thank you for the opportunity to testify on S.B. 3282, S.D. 1, H. D. 2.

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. In support of this bill, after consultation with the Senate over the past two months, we respectfully request the House consider funding this bill with one FTE Records Analyst for the State Archives to assist agencies in scheduling and managing their records and retention schedules. Along with the one FTE, program funding of \$275,000 is requested for: Salary for Records Analyst, contract services to transport of records from agencies to the Records Center/Public Archives, upgrade to the records tracking database at the Records Center, increased budget for Records Management travel to assist neighbor island agencies, container shipping from neighbor islands to Oahu, routine pest management, and increased annual records destruction.

6. 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 the paper records from multiple agencies that are suitable for conversion into a digital format. We strongly encourage the committee to consider reinserting the positions, 2 FTE with salary for ETS in the form of one Program Manager and one Technical Analyst, and 1 FTE with salary for a second Records Analyst for the State Archives to assist agencies in migrating operations to a managed digital framework. Additionally, we recommend additional funding of \$6Million/yr. to procure needed site licenses for digital records management and related technology upgrades and to centralize the conversion of select paper records into a digital format. The funding and positions are needed 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