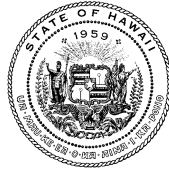


DAVID Y. IGE
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WRITTEN TESTIMONY
OF
CURT T. OTAGURO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
COMMITTEE ON WAYS AND MEANS

FRIDAY, FEBRUARY 26, 2021, 9:30 A.M.
CONFERENCE ROOM 211 VIA VIDEOCONFERENCE, STATE CAPITOL

S.B. 222, S.D. 1

RELATING TO THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES.

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee, thank you for the opportunity to submit testimony on S.B. 222, S.D. 1.

The Department of Accounting and General Services (DAGS) supports the intent of S.B. 222, S.D. 1 and would like to offer the following comments:

Currently the DAGS Accounting Division already works closely with the Office of Enterprise Technology Services (ETS) to maintain and purge accounts for system maintenance of the financial accounting system FAMIS. Accounts are purged which meets the criteria of Appropriation Account Code Table created by ETS. The last purge was completed in October 2019 on a “as needed” basis for data cleanup. For accounts that are lapsed, the DAGS will be able to identify appropriations at a point of time by providing a criteria to ETS for lapsed accounts. Departments at year end will encumber funds and requests are made to the Comptroller to re-establish lapsed funding for various exceptions. The FAMIS replacement

would make this requirement possible but would be very difficult to comply with before the new system is in place.

A \$17 million CIP funding request was approved for this initiative with Act 6, SLH 2020. The DAGS recently initiated a contract encumbrance review for existing encumbrances five (5) years or older based on the date of contract. The DAGS Audit Division assisted the DAGS Accounting Division with the review of these encumbrances totaling \$132.9 million. The initial findings determined that almost 18% or \$23.8 million of previously committed funding can be unencumbered by June 30, 2021. The DAGS will continue to review contract encumbrances on a periodic basis and work with departments statewide to assess which contracts over five (5) years old should be closed and unencumber these funds.

Thank you for the opportunity to testify on this matter.