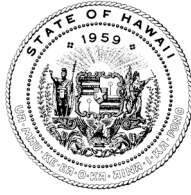


DAVID Y. IGE  
GOVERNOR



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  
Wednesday, March 16, 2022

SENATE BILL NO. 3282 SD1  
RELATING TO GOVERNMENT RECORDS

Dear Chair McKelvey, Vice Chair Wildberger, and members of the committee,

The Office of Enterprise Technology Services (ETS) ETS **opposes** this bill. Digitizing all state records is not a cost-effective way to meet records management requirements. The State Archives has a much more cost-effective way to store paper records that are to be stored for six years or less. We understand the State Archives has done a cost benefit analysis of physical vs digital storage and recommend the committee review the options available.

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

**SB-3282-SD-1**

Submitted on: 3/15/2022 8:08:17 AM

Testimony for GVR on 3/16/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
AGS - Jansen, Dr. Adam	DAGS/Hawaii State Archives	Comments	Remotely Via Zoom

Comments:

Representing DAGS Comptroller - will be available for questions

2DAVID 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  
GOVERNMENT REFORM

MARCH 16, 2022, 9:00 A.M.  
CONFERENCE ROOM 309, STATE CAPITOL

S.B. 3282 SD1

RELATING TO GOVERNMENT RECORDS

Chair McKelvey, Vice Chair Wildberger, and Members of the Committee, thank you for the opportunity to testify on S.B. 3282.

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

1. In its original form, this bill intended to create fiscal and operational efficiencies of governmental operations by transferring non-permanent inactive paper records from State agencies to the State Records Center at Mapunapuna, thus freeing up to 25,000 sq ft of office space at a projected saving in excess of \$500,000 annually. The SD1 version of this bill directs ETS to implement a Statewide digitization program through funding and three FTE positions for ETS without addressing inactive paper storage.
2. While we support digitizing records as a way of increasing accessibility and reducing space, digitizing paper records in bulk is not the best course of action for ALL paper

records. Digitizing the tens of millions of records this bill authorizes is a long, high detailed process that can quickly go astray and is in need of professional oversight and guidance from records management professionals. DAGS strongly recommends the committee consider adding two FTE to the State Archives in the form of Records Analysts that will work directly with agencies and ETS to ensure that records selected for digitization are appropriate to achieve the expected fiscal returns, are properly organized prior to digitization to maximize discoverability and access, and have approved legal retention schedules assigned to allow destruction at the appropriate time. Collectively, the staff at the State Archives has directly managed the digitization of over 40 million pages of government records and have the experience and knowledge necessary to ensure that this statewide digitization process runs smoothly and efficiently.

3. Furthermore, it is typically not fiscally prudent to digitize records of short retention (less than six years remaining on retention) as by the time they are digitized, they are close to their destruction window. As such, to maximize savings to the State we recommend that the committee requires agencies with short term, inactive paper records to transfer them to the State Records Center (SRC) at Mapunapuna. The SRC has a storage capacity of nearly 60,000 cubic feet of records, yet 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 significant funds while reducing office space -- if the SRC were to be fully utilized.
4. There are two major factors that have been identified as limiting factors preventing 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.

5. To remove these limiting factors that are preventing agencies from taking advantage of the free services (for Executive Branch, general fund agencies) provided by the SRC, the two records analysts requested above removes the first impediment, and the requested warehouse worker, delivery vehicle, and operation budget originally requested in this bill will remove the second identified impediment. Please consider reinstating the positions and the budget requested in order to provide for a better overall operational infrastructure for both paper and electronic records. Digitization without uniform policies, procedures and management expertise runs the risk of creating more problems and legal risk than it solves.

Thank you for the opportunity to submit testimony on this matter

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 GOVERNMENT REFORM**  
**ON**  
**SENATE BILL NO. 3282, S.D. 1**

**March 16, 2022**  
**9:00 a.m.**  
**Room 309 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.

S.B. No. 3282, S.D. 1, allows the Comptroller to direct the transfer of records to the State Records Center (SRC) and determine the time period after which the records shall be transferred as directed. The bill appropriates general funds, special funds, and American Rescue Plan (ARP) funds in FY 23 for the statewide digitization of government records through the Office of Enterprise Technology Services (ETS).

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 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.