

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

Senate Bill 340

(Senator Peters, *et al.*)

Budget and Taxation

Appropriations

**Task Force on Reducing State Budget Expenditures for Record Management
and Retention**

This bill establishes the Task Force on Reducing State Budget Expenditures for Record Management and Retention. Task force members are not compensated, but are entitled to reimbursement for expenses. Staffing for the task force is provided jointly by the Department of General Services and the State Archives. A final report to the General Assembly is due on or before June 30, 2009.

The bill takes effect June 1, 2008 and sunsets on July 31, 2009.

Fiscal Summary

State Effect: Minimal. The State Archives and Department of General Services could provide staff support and reimbursement for task force members' expenses with existing resources, although staffing responsibilities could put a strain on the limited staff within DGS' Division of Records Management.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The task force is responsible for:

- studying ways to reduce State spending on unnecessary records management;
- evaluating policy changes that would reduce paper and electronic records;

- evaluating the cost implications of current State records management policies; and
- studying best practices for ensuring effective management, preservation, and security of public records.

Current Law: The State Archives is responsible for managing permanent State records, while each State agency is responsible for managing and storing its nonpermanent records. The State Archivist is appointed by the Governor and is responsible for determining the types of State records and other information that the State Archives will accept for permanent safekeeping. For all other records, agencies are required to develop a records management and retention plan that establishes criteria and timetables for the retention and destruction of nonpermanent records.

Background: In general, only about 6% of State records are considered permanent. The State Archives total storage capacity for paper records is 331,556 cubic feet, and it expects to exceed its capacity beginning in fiscal 2009. The State Archives capacity for electronic storage is 153,600 gigabytes, and it projects that it will be at 50% capacity in fiscal 2009. The Governor's proposed fiscal 2009 budget includes \$9.7 million for the State Archives, which is split roughly 75% special funds (from publication revenues) and 25% general funds.

All nonpermanent records are subject to agency plans for their retention and disposal. Agencies have the option of maintaining their records on-site, storing them with private record management firms, or storing them with the Division of Records Management, a self-sustaining operation within DGS. The division maintains a single warehouse facility where it stores all records under its care. At a cost of 36 cents per box per month, the division stores paper records in accordance with each agency's record management plan. Unlike private records management firms, the division's fee covers all services and expenses. Private firms charge a base storage fee and additional fees for every time the records are accessed or destroyed. The Governor's proposed fiscal 2009 budget includes \$442,000 in reimbursable funds for the division's operation.

A recent federal study found that it is 10 times cheaper to store records in a warehouse facility such as that offered by the division than it is to store records in more expensive office space. There are no data available on how much State agencies pay to maintain records on-site rather than with the Division of Records Management.

State Fiscal Effect: The Division of Records Management notes that, with just three staff members, it will be strained to provide staff support to the task force and still maintain its level of service. Any expense reimbursements for task force members could be handled with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Archives, Department of General Services,
Department of Legislative Services

Fiscal Note History: First Reader - February 11, 2008
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