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DEPARTMENT OF BUDGET AND FISCAL SERVICES
KA 'OIHANA MĀLAMA MO'OHELU A KĀLĀ
CITY AND COUNTY OF HONOLULU

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January 7, 2026

The Honorable Val Okimoto, Chair
and Members
Committee on Budget
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Okimoto and Councilmembers:

SUBJECT: Concerns Regarding Bill 76 (2025) – Relating to Government Transparency

The Department of Budget and Fiscal Services (BFS) has concerns regarding Bill 76 (2025), which requires BFS to develop, maintain and make publicly available a searchable, online "open checkbook"-style database of city expenditures that is updated at least monthly. The bill also requires the open checkbook database to safeguard confidential information pursuant to State and federal law, and protect and respect citizen and vendor privacy, safety and security.

One concern is regarding the requirement to provide specific data on city expenditures while maintaining confidentiality and privacy requirements. For example, City financial data includes confidential or private information such as names and addresses of residents of city housing projects, names, addresses and amounts of settlements paid to plaintiffs in lawsuits against the City, addresses and other personal or confidential information of city staff receiving payments for Workers' Compensation reimbursements and non-payroll related reimbursements. The system also contains banking information for all current and prior vendors that the City pays with electronic funds transfer (EFT). This sensitive information is needed in the financial data to process payments, and is required for financial audits, grant requirements, and financial recordkeeping.

Removing the confidential and private information will likely involve manual review of the data in each report to make sure that no confidential or private information is disclosed in the report. It would take a considerable amount of time and expense to redact, aggregate or summarize confidential information due to the amount of data in the system. There are approximately 100,000 lines of expenditure data citywide each month, from all funds. The

additional work required to redact the confidential information would fall to the BFS Accounting and Fiscal Services division and the additional work would be burdensome and interfere with their ability to complete their primary work that includes processing payments, monitoring budgets, assisting the departments, and other essential BFS functions that support City operations.

Another concern is the staff time and cost required to create the open checkbook style database. We are working with the City's Chief Data Officer to review the information provided by the State of Hawaii and other cities and states to determine what the database would contain and how to provide the information. There will be significant staff time needed to create such a report, and we may have to procure services of an outside vendor to help create the report.

Lastly, to be fully transparent with the public, we recommend that the searchable, online "open checkbook" include information on transactions from all branches of City government, subject to redaction of confidential and personal information of employees and vendors.

Therefore, we request that the Administration and City Council work in concert on planning, developing, testing, implementing and evaluating an open checkbook style database through the Committee on Budget. Codifying the implementation of this endeavor into Ordinance is too restrictive and will not allow for an effective due diligence process to properly address the core issues and needs, technological requirements, costs and timetables that go into implementing a transformative solution.

If you have any questions, please contact me by telephone at (808) 768-3901 or by email at andy.kawano@honolulu.gov.

Sincerely,

Andrew T. Kawano
Director

APPROVED:

Michael D. Formby, Managing Director
Office of the Managing Director