



EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

GOV. MSG. NO. **681**

May 30, 2006

The Honorable Robert Bunda, President  
and Members of the Senate  
Twenty-Third State Legislature  
State Capitol, Room 003  
Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

This is to inform you that on May 30, 2006, the following bill was signed into law:

HB1865 HD1 SD2 CD1

A BILL FOR AN ACT RELATING TO  
THE DEPARTMENT OF EDUCATION.  
(ACT 151)

Sincerely,

A handwritten signature in black ink that reads "Linda Lingle".

LINDA LINGLE

HOUSE OF REPRESENTATIVES  
TWENTY-THIRD LEGISLATURE, 2006  
STATE OF HAWAII

**H.B. NO.** 1865  
H.D. 1  
S.D. 2  
C.D. 1

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**A BILL FOR AN ACT**

RELATING TO THE DEPARTMENT OF EDUCATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that educational systems  
2 today are not only faced with changing needs and growing  
3 demands, but also with tighter budgets. To meet the challenge  
4 of twenty-first century realities, educational systems, and the  
5 leadership and management structures within them, must be  
6 rethought.

7           With its multimillion-dollar annual budget, large consumer  
8 base, and wide-reaching impact, the State of Hawaii department  
9 of education is much like a large corporation. In these modern  
10 times, most successful corporations are operated through the  
11 leadership and management of individuals who lend their  
12 expertise to steer businesses on the best possible course.  
13 Corporations employ chief financial officers, for example, to  
14 effectively manage their budgets and finances. These officers  
15 play a critical role in determining business goals and the  
16 ability to meet them by maximizing resources and ensuring  
17 efficient operations from a financial perspective.



1           It is only reasonable that an institution as important as  
2 the department of education--one that nurtures the future of our  
3 children and state--be operated as would a successful  
4 corporation, under the guidance of a chief financial officer to  
5 work hand-in-hand with the superintendent.

6           There are many experts in our local business community who  
7 agree that improving the administration of the department of  
8 education is in order. The department needs a comprehensive  
9 budgeting and accounting system that takes into account the  
10 whole picture, from the administration to the school level. As  
11 any responsible business employs measures to ensure  
12 accountability and transparency of financial operations, a chief  
13 financial officer would be the authority on how educational  
14 dollars are being spent--resources entrusted to them by Hawaii's  
15 taxpayers. A chief financial officer would greatly strengthen  
16 the operations of the department of education.

17           The purpose of this Act is to strengthen the operations of  
18 the department of education by creating a chief financial  
19 officer position and a secretarial position in the office of the  
20 superintendent.

21           SECTION 2. There is appropriated out of the general  
22 revenues of the State of Hawaii the sum of \$115,000 or so much



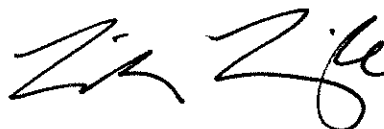
1 thereof as may be necessary for fiscal year 2006-2007 for the  
 2 establishment of one full-time equivalent (1.00 FTE) permanent  
 3 assistant superintendent position in the department of  
 4 education's office of the superintendent to perform the  
 5 functions of a chief financial officer, including the  
 6 preparation, management, and execution of the department of  
 7 education's financial statements, budgets, accounting, and  
 8 vendor payments.

9 SECTION 3. There is appropriated out of the general  
 10 revenues of the State of Hawaii the sum of \$43,000 or so much  
 11 thereof as may be necessary for fiscal year 2006-2007 for the  
 12 establishment of one full-time equivalent (1.00 FTE) permanent  
 13 secretary position in the department of education to assist the  
 14 assistant superintendent performing the functions of a chief  
 15 financial officer.

16 SECTION 4. The sums appropriated shall be expended by the  
 17 department of education for the purposes of this Act.

18 SECTION 5. This Act shall take effect on July 1, 2006.

APPROVED this 30 day of MAY ; 2006



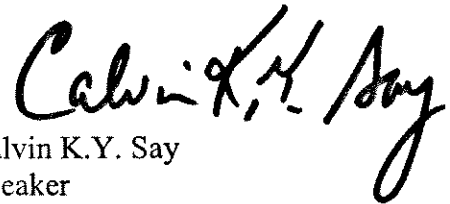
GOVERNOR OF THE STATE OF HAWAII

HB No. 1865 HD 1 SD 2 CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2006  
Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Final Reading in the House of Representatives of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.



Calvin K.Y. Say  
Speaker  
House of Representatives



Patricia Mau-Shimizu  
Chief Clerk  
House of Representatives

THE SENATE OF THE STATE OF HAWAII

Date: May 2, 2006  
Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Final Reading in the Senate of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.



Robert Bunda  
President of the Senate



Paul Kawaguchi  
Clerk of the Senate