



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

GOV. MSG. NO. **755**

June 22, 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 June 22, 2006, the following bill was signed into law:

SB2720 SD2 HD1 CD1

A BILL FOR AN ACT RELATING TO EDUCATION.
(ACT 225)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

THE SENATE
TWENTY-THIRD LEGISLATURE, 2006
STATE OF HAWAII

S.B. NO. 2720
S.D. 2
H.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1 SECTION 1. After extensive deliberations, the interagency
2 working group, which was established pursuant to part VIII of
3 Act 51, Session Laws of Hawaii 2004 (Act 51), the "Reinventing
4 Education Act of 2004," has recommended to the legislature that
5 the transfer of functions from the department of budget and
6 finance, the department of the attorney general, and the
7 department of human services to the department of education
8 specified in Act 51 be repealed. The working group also
9 recommended that the transfer of functions from the department
10 of health to the department of education specified in Act 51 be
11 delayed one year and take effect July 1, 2007, rather than
12 July 1, 2006.

13 The interagency working group recommended to the 2006
14 regular session of the legislature that fiscal functions should
15 remain with the department of budget and finance. The working
16 group reported that the departments of education and budget and
17 finance have agreed to improve the:



- 1 (1) Processes related to capital improvement project
2 allotments;
- 3 (2) Fiscal processes affecting the calculation of employee
4 benefits; and
- 5 (3) Expenditures of federal funds.

6 The departments will work together to prepare memorandums or
7 memorandums of understanding to set forth the new processes,
8 mutually agreed upon, between the two departments.

9 The interagency working group also recommended against
10 transferring the functions relating to workers' compensation and
11 labor-management relations from the department of the attorney
12 general to the department of education at this time. Instead,
13 the departments shall prepare memorandums of agreement or
14 service level agreements that clarify the scope of relevant
15 responsibilities, procedures, and protocols for the respective
16 departments.

17 The working group noted that the department of education is
18 required by statute to conduct criminal history record checks on
19 employees that work in close proximity to children. Therefore,
20 it is not necessary that the department of human services
21 perform this service for the department of education.



1 The interagency working group further recommended that the
2 transfer of the school health aides and the public health nurses
3 who supervise the school health aides be delayed one year from
4 July 1, 2006, to July 1, 2007. The department of education
5 requested the delay due to the number of other requirements of
6 Act 51 that are scheduled to be implemented during the 2006-2007
7 school year. In addition, both the department of education and
8 the department of health desire to have a smooth transition and
9 additional time would make this possible.

10 Although the working group recommended the repeal of
11 certain specific provisions of Act 51 relating to the transfer
12 of functions from the department of budget and finance and the
13 department of the attorney general, they noted that the
14 provisions did serve a useful purpose in helping to focus the
15 departments on areas of concern. The recommendations to repeal
16 certain statutory provisions reflected mutual decisions the
17 departments reached after extensive discussion and review. The
18 function of Act 51 as a critical catalyst for analysis and
19 discussion of issues and problems has been, and continues to be,
20 fulfilled.

21 The departments involved will not continue to do "business
22 as usual". The legislature fully expects the departments to

1 remain committed to continuous improvement and that the
2 memorandums, memorandums of understanding, and service level
3 agreements, when completed and implemented in accordance with
4 the departments' agreements, are a critical step toward
5 improving the educational system for our community.

6 Therefore, based on the interagency working group's
7 recommendations contained in its report to the 2006 regular
8 session of the legislature, the purpose of this Act is to amend
9 Act 51, Session Laws of Hawaii 2004, to reflect some of those
10 recommendations.

11 SECTION 2. Act 51, Session Laws of Hawaii 2004, is amended
12 by amending sections 47 and 48 to read as follows:

13 "SECTION 47. (a) All the rights, powers, functions,
14 duties, and resources of:

15 (1) The department of budget and finance relating to the:

16 (A) Funding of collective bargaining agreement
17 increases; and

18 (B) Securing, administering use, and expending of
19 federal funds and other aid, including their
20 custodial supervision; and

21 [~~2~~] ~~The department of the attorney general relating to:~~

1 ~~(A) The negotiating of workers' compensation claims;~~
2 and

3 ~~(B) Labor-management relations within the department~~
4 of education;

5 ~~(3) The department of human services relating to the~~
6 conducting of employment background checks for the
7 after-school plus program, private vendors, and other
8 employees and trainees who work with public school
9 students; and

10 ~~(4)]~~ (2) The department of health relating to school
11 health aides and public health nurses who supervise
12 school health aides;

13 are transferred to the department of education effective
14 July 1, [~~2006,~~] 2007, subject to repeal by subsequent
15 legislation.

16 (b) All moneys budgeted in support of each position to be
17 transferred to the department of education, including moneys for
18 direct and indirect employee benefits, are transferred to the
19 department of education effective July 1, [~~2006,~~] 2007, subject
20 to repeal by subsequent legislation.

21 SECTION 48. All resources, appropriations, records,
22 equipment, databases, software, programming, machines, files,



1 supplies, contracts, books, papers, documents, maps, and other
2 personal property heretofore made, used, acquired, or held by
3 the department of accounting and general services, department of
4 budget and finance, [~~department of human services,~~] and the
5 department of health relating to the functions transferred to
6 the department of education shall be transferred with the
7 functions to which they relate."

8 SECTION 3. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect on June 29, 2006.



GOVERNOR OF THE STATE OF HAWAII

Approved this day: JUN 22 2006




THE SENATE OF THE STATE OF HAWAII

Date: May 2, 2006
Honolulu, Hawaii 96813

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



President of the Senate



Clerk of the Senate


**THE HOUSE OF REPRESENTATIVES
OF THE STATE OF HAWAII**

Date: May 2, 2006
Honolulu, Hawaii 96813

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



Speaker, House of Representatives



Clerk, House of Representatives