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# 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, the "Reinventing Education  
4 Act of 2004," has recommended to the legislature that the  
5 transfer of functions from the department of budget and finance,  
6 the department of the attorney general, and the department of  
7 human services to the department of education specified in Act  
8 51 be repealed. The working group also recommended that the  
9 transfer of functions from the department of health to the  
10 department of education specified in Act 51 be delayed one year  
11 and take effect July 1, 2007, rather than July 1, 2006.

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

- 17           (1) Processes related to capital improvement project  
18           allotments;



1           (2) Fiscal processes affecting the calculation of employee  
2           benefits; and

3           (3) Expenditures of federal funds.

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

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

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

20           The interagency working group further recommended that the  
21 transfer of the school health aides and the public health nurses  
22 who supervise the school health aides be delayed one year from

1 July 1, 2006, to July 1, 2007. The department of education  
2 requested the delay due to the number of other requirements of  
3 Act 51 that are scheduled to be implemented during the 2006-2007  
4 school year. In addition, both the department of education and  
5 the department of health desire to have a smooth transition and  
6 additional time will make this possible.

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

18 The departments involved will not continue to do "business  
19 as usual". The legislature fully expects the departments to  
20 remain committed to continuous improvement and that the  
21 memorandums, memorandums of agreements, and service level  
22 agreements, when completed and implemented in accordance with the



1 departments' agreements, are a critical step toward improving the  
2 educational system for our community.

3 Therefore, based on the interagency working group's  
4 recommendations contained in their report to the 2006 regular  
5 session of the legislature, the purpose of this Act is to amend  
6 Act 51, Session Laws of Hawaii 2004.

7 SECTION 2. Act 51, Session Laws of Hawaii 2004, is amended  
8 by amending section 47 to read as follows:

9 "SECTION 47. (a) All the rights, powers, functions,  
10 duties, and resources of[+:

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

12 ~~(A) Funding of collective bargaining agreement~~  
13 ~~increases; and~~

14 ~~(B) Securing, administering, use, and expending of~~  
15 ~~federal funds and other aid, including their~~  
16 ~~custodial supervision;~~

17 ~~(2) The department of the attorney general relating to:~~

18 ~~(A) The negotiating of workers' compensation claims;~~  
19 ~~and~~

20 ~~(B) Labor management relations within the department~~  
21 ~~of education;~~



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

6       ~~(4) The] the department of health relating to school~~  
7       ~~health aides and public health nurses who supervise~~  
8       ~~school health aides[+]~~

9 are transferred to the department of education effective July 1,  
10 [~~2006~~,] 2007, subject to repeal by subsequent legislation.

11       (b) All moneys budgeted in support of each position to be  
12 transferred to the department of education, including moneys for  
13 direct and indirect employee benefits, are transferred to the  
14 department of education effective July 1, [~~2006~~,] 2007, subject  
15 to repeal by subsequent legislation."

16       SECTION 3. Act 51, Session Laws of Hawaii 2004, is amended  
17 by amending section 48 to read as follows:

18       "SECTION 48. All resources, appropriations, records,  
19 equipment, databases, software, programming, machines, files,  
20 supplies, contracts, books, papers, documents, maps, and other  
21 personal property heretofore made, used, acquired, or held by  
22 the department of accounting and general services[~~, department~~

1 ~~of budget and finance, department of human services,~~] and the  
 2 department of health relating to the functions transferred to  
 3 the department of education shall be transferred with the  
 4 functions to which they relate."

5 SECTION 4. Statutory material to be repealed is bracketed  
 6 and stricken. New statutory material is underscored.

7 SECTION 5. This Act shall take effect on June 29, 2006.

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INTRODUCED BY:

*T. Stehli*

*Jyla B. Berg*

*[Signature]*

*Michael P. Kalichina*

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JAN 18 2006

**Report Title:**

Department of Education; Employment; Personnel Transfers

**Description:**

Repeals the transfer of functions from the departments of budget and finance, attorney general, and human services to the department of education. Delays the transfer of school health aides and public health nurses from the department of health to the department of education.

