
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.

HB 1865
HD1
SD2
CD1

Report Title:

Department of Education; Administration

Description:

Strengthens the operations of the Department of Education by creating the positions of chief financial officer and a supporting secretary. (HB1865 CD1)

HB1865 CD1 HMS 2006-3814

