

---

---

# 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 faced with changing needs and growing demands, but  
3 tighter budgets. To meet the challenge of twenty-first century  
4 realities, educational systems, and the leadership and  
5 management structures within them, must be rethought.

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

17           It is only reasonable that an institution as important as  
18 the department of education--one that cradles the future of our



1 children and State--be operated as would a successful  
2 corporation, under the guidance of a chief financial officer to  
3 work hand-in-hand with the superintendent.

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

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

19       SECTION 2. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$           , or so much  
21 thereof as may be necessary for fiscal year 2006-2007, for the  
22 establishment of one full-time equivalent (1.00 FTE) permanent



1 assistant superintendent position in the department of education  
2 office of the superintendent to perform the functions of a chief  
3 financial officer, including the preparation, management, and  
4 execution of the department of education's financial statements,  
5 budgets, accounting, and vendor payments.

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

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

15 SECTION 5. This Act shall take effect on July 1, 2050.



**Report Title:**

Department of Education; Administration

**Description:**

Strengthens the operations of the Department of Education by creating the positions of chief financial officer and an attendant secretary. (SD2)

