

---

# 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8 specified in Act 51 be repealed.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 July  
12 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 certain  
11 specific provisions of Act 51 relating to the transfer of  
12 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 the  
4 departments' agreements, are a critical step toward improving the  
5 educational system for our community.

6 Therefore, based on the interagency working group's  
7 recommendations contained in their 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 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~~  
4 ~~of 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.



**Report Title:**

Department of Education; Employment; Personnel Transfers

**Description:**

Repeals transfer of functions from DHS and the AG's office to DOE required by Reinventing Education Act of 2004. Delays transfer of functions from B&F to DOE and transfer of school health aides and public health nurses from DOH to DOE for one year. (SD2)

