

JAN 17 2007

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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. The legislature finds that the interagency  
2 working group, established by Act 51, Session Laws of Hawaii  
3 2004, commonly known as the "Reinventing Education Act of 2004,"  
4 recommended that certain fiscal functions that were transferred  
5 from the department budget and finance to the department of  
6 education, be transferred back to the department of budget and  
7 finance.

8           The interagency working group's report to the 2007  
9 legislature recommended that the fiscal functions should remain  
10 with the department of budget and finance, notwithstanding that  
11 the departments of education and budget and finance have  
12 improved the fiscal processes between the two departments. For  
13 example, the two departments signed a memorandum of  
14 understanding, effective June 28, 2006, which sets out new  
15 procedures to:



- 1           (1) Request allotments for capital improvement projects
- 2                   and the deposit of funds into the state educational
- 3                   facilities improvement special fund;
- 4           (2) Share information for fiscal issues, including debt
- 5                   service calculation, employee benefit calculations,
- 6                   and the funding of collective bargaining increases;
- 7                   and
- 8           (3) Increase the expenditure ceiling for federal funds
- 9                   destined for the department of education.

10           The recommended transfer of those fiscal functions back to  
11 the department of budget and finance is mutually agreeable with  
12 both departments, after extensive discussion and further review  
13 by the interagency working group that furnished critical  
14 analysis and extensive discussion of the issues and problems.

15           Based upon the foregoing, the purpose of this Act is to  
16 transfer back certain fiscal functions from the department of  
17 education to the department of budget and finance.

18           SECTION 2. Act 51, Session Laws of Hawaii 2004, as amended  
19 by Act 225, Session Laws of Hawaii 2006, is amended by amending  
20 sections 47 and 48 to read as follows:

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



1 SECTION 47. (a) All the rights, powers, functions,  
2 duties, and resources of[+  
3 ~~(1) The department of budget and finance relating to the:~~  
4 ~~(A) Funding of collective bargaining agreement~~  
5 ~~increases; and~~  
6 ~~(B) Securing, administering use, and expending of~~  
7 ~~federal funds and other aid, including their~~  
8 ~~custodial supervision; and~~  
9 ~~(2) The] the department of health relating to school health~~

10 aides and public health nurses who supervise school  
11 health aides[+]

12 are transferred to the department of education effective  
13 July 1, 2007, subject to repeal by subsequent legislation.

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

19 SECTION 48. All resources, appropriations, records,  
20 equipment, databases, software, programming, machines, files,  
21 supplies, contracts, books, papers, documents, maps, and other  
22 personal property heretofore made, used, acquired, or held by



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

5 SECTION 3. Any materials described in section 48 of Act  
6 51, Session Laws of Hawaii 2004, relating to the functions  
7 transferred to the department of education from the department  
8 of budget and finance shall be transferred to the department of  
9 budget and finance with the functions to which they relate.

10 SECTION 4. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12 SECTION 5. This Act shall take effect on June 29, 2007.

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INTRODUCED BY: Norman Sakuma  
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**Report Title:**

Education; Transfers Budget Functions to Department of Budget and Finance

**Description:**

Amends Act 51, Session Laws of Hawaii 2004, to transfer certain fiscal functions from the department of education back to the department of budget and finance.

