

Honolulu, Hawaii

Feb 10, 2010

RE: H.B. No. 2423

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Education, to which was referred H.B. No. 2423 entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION BUDGET,"

begs leave to report as follows:

The purpose of this bill is to implement a new method of budgeting that will save taxpayer money while improving services by requiring the Department of Education (DOE) to use zero-based budgeting principles in formulating the budget for the 2011-2012 fiscal year.

DOE testified in support of this bill. A concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Including the 2012-2013 fiscal year in the proposed budget to be prepared by DOE in accordance with zero-based budgeting principles;
- (2) Specifying that the evaluation and ranking of program activities during the budget-planning process is to be based on the required costs of the five highest priority budget items, as follows:
 - (A) Health and safety personnel and services;



- (B) Legal mandates, settlements, and court orders;
 - (C) Student achievement, which includes the purchase of personnel, goods, and services directly used in the classroom or school;
 - (D) Student support personnel and services; and
 - (E) Critical infrastructure and required personnel;
- (3) Limiting the application of zero-based budgeting principles to programs identified in state and district administration; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2423, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Education,



ROY TAKUMI, Chair



