

**ACT 151**

H.B. NO. 1865

A Bill for an Act Relating to the Department of Education.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that educational systems today are not only faced with changing needs and growing demands, but also with tighter budgets.

To meet the challenge of twenty-first century realities, educational systems, and the leadership and management structures within them, must be rethought.

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

It is only reasonable that an institution as important as the department of education—one that nurtures the future of our children and state—be operated as would a successful corporation, under the guidance of a chief financial officer to work hand-in-hand with the superintendent.

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

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

**SECTION 2.** There is appropriated out of the general revenues of the State of Hawaii the sum of \$115,000 or so much thereof as may be necessary for fiscal year 2006-2007 for the establishment of one full-time equivalent (1.00 FTE) permanent assistant superintendent position in the department of education's office of the superintendent to perform the functions of a chief financial officer, including the preparation, management, and execution of the department of education's financial statements, budgets, accounting, and vendor payments.

**SECTION 3.** There is appropriated out of the general revenues of the State of Hawaii the sum of \$43,000 or so much thereof as may be necessary for fiscal year 2006-2007 for the establishment of one full-time equivalent (1.00 FTE) permanent secretary position in the department of education to assist the assistant superintendent performing the functions of a chief financial officer.

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

**SECTION 5.** This Act shall take effect on July 1, 2006.

(Approved May 30, 2006.)