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H.B. NO. 14

A Bill for an Act Relating to Education.

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

SECTION 1. The interagency working group established pursuant to part VIII of Act 51, Session Laws of Hawaii 2004, the “Reinventing Education Act of 2004”, has recommended to the legislature that the transfer of functions from the department of budget and finance to the department of education specified in Act 51, as amended, be repealed.

The interagency working group’s report to the 2007 legislature recommended that fiscal functions should remain with the department of budget and finance. The interagency working group reported that the departments of education and budget and finance have improved the fiscal processes between the two departments.

The department of budget and finance and the department of education have also signed a memorandum of understanding effective June 28, 2006, that sets forth new procedures for requesting allotments for capital improvement projects and the deposit of funds into the state educational facilities improvement special fund. Other terms of the memorandum of understanding set forth requirements relating to the sharing of information for other fiscal issues, including debt service calculations, employee benefit calculations, and the funding of collective bargaining increases. The memorandum of understanding also sets forth new procedures for increasing the expenditure ceiling for federal funds for the department of education.

The recommendations to repeal statutory provisions were mutual decisions of the departments reached after extensive discussion and further review by the

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interagency working group. The function of Act 51, as amended, as a critical catalyst for analysis and discussion of issues and problems has been fulfilled.

Therefore, based upon the interagency working group's recommendations contained in its report to the 2007 legislature, the purpose of this Act is to repeal the transfer of functions from the department of budget and finance to the department of education as specified in Act 51, as amended.

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

“SECTION 47. (a) All the rights, powers, functions, duties, and resources of[:

- (1) ~~The department of budget and finance relating to the:~~
 - ~~(A) Funding of collective bargaining agreement increases; and~~
 - ~~(B) Securing, administering use, and expending of federal funds and other aid, including their custodial supervision; and~~
- (2) ~~The] the department of health relating to school health aides and public health nurses who supervise school health aides[;],~~

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

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

SECTION 48. All resources, appropriations, records, equipment, databases, software, programming, machines, files, supplies, contracts, books, papers, documents, maps, and other personal property heretofore made, used, acquired, or held by the department of accounting and general services[~~, department of budget and finance,~~] and the department of health relating to the functions transferred to the department of education shall be transferred with the functions to which they relate.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on June 29, 2007.

(Approved May 25, 2007.)