



GOV. MSG. NO. **857**

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

May 25, 2007

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on May 25, 2007, the following bill was signed into law:

HB14 HD1 SD1 CD1

A BILL FOR AN ACT RELATING TO EDUCATION.
(ACT 099)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

A BILL FOR AN ACT

RELATING TO EDUCATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

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6 in Act 51, as amended, be repealed.

7 The interagency working group's report to the 2007
8 legislature recommended that fiscal functions should remain with
9 the department of budget and finance. The interagency working
10 group reported that the departments of education and budget and
11 finance have improved the fiscal processes between the two
12 departments.

13 The department of budget and finance and the department of
14 education have also signed a memorandum of understanding
15 effective June 28, 2006, that sets forth new procedures for
16 requesting allotments for capital improvement projects and the
17 deposit of funds into the state educational facilities
18 improvement special fund. Other terms of the memorandum of



1 understanding set forth requirements relating to the sharing of
2 information for other fiscal issues, including debt service
3 calculations, employee benefit calculations, and the funding of
4 collective bargaining increases. The memorandum of
5 understanding also sets forth new procedures for increasing the
6 expenditure ceiling for federal funds for the department of
7 education.

8 The recommendations to repeal statutory provisions were
9 mutual decisions of the departments reached after extensive
10 discussion and further review by the interagency working group.
11 The function of Act 51, as amended, as a critical catalyst for
12 analysis and discussion of issues and problems has been
13 fulfilled.

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

19 SECTION 2. Act 51, Session Laws of Hawaii 2004, as amended
20 by Act 225, Session Laws of Hawaii 2006, is amended by amending
21 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 ~~The] the~~ department of health relating to school
10 health aides and public health nurses who supervise
11 school health aides[+],

12 are transferred to the department of education effective July 1,
13 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. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

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

APPROVED this 25 day of MAY , 2007



GOVERNOR OF THE STATE OF HAWAII

