

Honolulu, Hawaii

FEB 07 2025

RE: S.B. No. 747
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Education, to which was referred S.B.
No. 747 entitled:

"A BILL FOR AN ACT RELATING TO THE BOARD OF EDUCATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish an Audit Office within the Board of Education to audit operations and expenditures of the Department of Education;
- (2) Exempt positions within the Audit Office from civil service law;
- (3) Require annual reports;
- (4) Establish six full-time equivalent (6.0 FTE) positions within the Audit Office; and
- (5) Appropriate funds.

Your Committee received testimony in support of this measure from the Board of Education.

Your Committee finds that the Department of Education is the only statewide system of public education, servicing nearly two



hundred fifty schools across the State. As the Department of Education accounts for a significant portion of the State's annual budget, oversight through an independent audit office will help the Board of Education to determine effective educational policy. Therefore, this measure enhances accountability and oversight of public education operations while maintaining operational efficiency of the Department of Education.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this measure, as amended, contains an unspecified appropriation amount. Should your Committee on Ways and Means choose to deliberate on this measure, your Committee respectfully requests that it consider inserting an appropriation amount of \$575,000 for the establishment of an Audit Office within the Board of Education.

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 S.B. No. 747, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 747, S.D. 1, and be referred to your Committee on Ways and Means.

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



MICHELLE N. KIDANI, Chair



Record of Votes
Committee on Education
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*Only one measure per Record of Votes