

JAN 17 2025

# A BILL FOR AN ACT

RELATING TO THE BOARD OF EDUCATION.

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

SECTION 1. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new section to part IV, subpart C, to be appropriately designated and to read as follows:

"§302A- Audit office. (a) There is established within the board an audit office, which shall operate independently to ensure accountability, transparency, and efficiency in the operations, expenditures, and programs of the department.

(b) The audit office shall have the authority to:

(1) Conduct financial audits, including:

(A) Examination of accounts and financial records of the department, including schools, programs, and administrative divisions;

(B) Ensure proper use of public funds; and

(C) Compliance with applicable laws and financial accountability;

(2) Conduct performance audits, including the evaluation of the effectiveness, efficiency, and economy of



1 operations, programs, and activities undertaken by the  
2 department in achieving its established goals and  
3 objectives;

4 (3) Provide recommendations to improve the financial aid  
5 and operational efficiency of the department,  
6 including suggestions for best practices, corrective  
7 actions, and allocation of resources;

8 (4) Examine and inspect all accounts, books, files,  
9 reports, and other documents of the department,  
10 including subsidiaries, agencies, commissions, or  
11 other affiliated programs, as necessary to conduct  
12 audits;

13 (5) Examine and inspect facilities, operations, and  
14 resources under the jurisdiction of the department;

15 (6) Administer oaths, take testimony, and compel the  
16 production of documents as part of audit  
17 investigations; and

18 (7) Engage independent consultants or experts, as needed,  
19 to perform specialized evaluations in support of audit  
20 objectives.



1        (c) The audit office shall be headed by an auditor. The  
2        auditor shall oversee the appointment of staff, who shall have  
3        expertise in auditing, accounting, or other relevant fields.

4        Staff members shall be exempt from chapter 76, and their  
5        salaries and costs shall be included in the budget of the board.

6        (d) All audits conducted by the audit office shall conform  
7        to government auditing standards as prescribed by the  
8        Comptroller General of the United States.

9        (e) The audit office shall operate in accordance with the  
10       principles of independence and transparency. The audit office  
11       shall not be subject to the direction or control of any other  
12       agency or department in the execution of its duties.

13       (f) The audit office shall submit annual reports of its  
14       findings and recommendations relative to the expenditures made  
15       and financial transactions by the different school complex  
16       areas, including any proposed legislation, to the board,  
17       superintendent, and the legislature no later than twenty days  
18       prior to the convening of each regular session; provided that  
19       the reports shall include audits and examinations conducted by  
20       the auditor for the immediately preceding school year and all  
21       other audits and examinations conducted by the auditor during



1 the current school year. Reports shall be available for public  
2 inspection.

3 The audit office shall send certified copies of audits and  
4 examinations made by the auditor to the governor and the  
5 director of finance copies of the reports may also be submitted  
6 to the legislative council or any legislative interim committee,  
7 upon request."

8 SECTION 2. Section 76-16, Hawaii Revised Statutes, is  
9 amended by amending subsection (b) to read as follows:

10 "(b) The civil service to which this chapter applies shall  
11 comprise all positions in the State now existing or hereafter  
12 established and embrace all personal services performed for the  
13 State, except the following:

14 (1) Commissioned and enlisted personnel of the Hawaii  
15 National Guard and positions in the Hawaii National  
16 Guard that are required by state or federal laws or  
17 regulations or orders of the National Guard to be  
18 filled from those commissioned or enlisted personnel;

19 (2) Positions filled by persons employed by contract where  
20 the director of human resources development has  
21 certified that the service is special or unique or is



1           essential to the public interest and that, because of  
2           circumstances surrounding its fulfillment, personnel  
3           to perform the service cannot be obtained through  
4           normal civil service recruitment procedures. Any  
5           contract may be for any period not exceeding one year;

6       (3) Positions that must be filled without delay to comply  
7       with a court order or decree if the director  
8       determines that recruitment through normal recruitment  
9       civil service procedures would result in delay or  
10      noncompliance, such as the Felix-Cayetano consent  
11      decree;

12     (4) Positions filled by the legislature or by either house  
13     or any committee thereof;

14     (5) Employees in the office of the governor and office of  
15     the lieutenant governor, and household employees at  
16     Washington Place;

17     (6) Positions filled by popular vote;

18     (7) Department heads, officers, and members of any board,  
19     commission, or other state agency whose appointments  
20     are made by the governor or are required by law to be  
21     confirmed by the senate;



1 (8) Judges, referees, receivers, masters, jurors, notaries  
2 public, land court examiners, court commissioners, and  
3 attorneys appointed by a state court for a special  
4 temporary service;

5 (9) One bailiff for the chief justice of the supreme court  
6 who shall have the powers and duties of a court  
7 officer and bailiff under section 606-14; one  
8 secretary or clerk for each justice of the supreme  
9 court, each judge of the intermediate appellate court,  
10 and each judge of the circuit court; one secretary for  
11 the judicial council; one deputy administrative  
12 director of the courts; three law clerks for the chief  
13 justice of the supreme court, two law clerks for each  
14 associate justice of the supreme court and each judge  
15 of the intermediate appellate court, one law clerk for  
16 each judge of the circuit court, two additional law  
17 clerks for the civil administrative judge of the  
18 circuit court of the first circuit, two additional law  
19 clerks for the criminal administrative judge of the  
20 circuit court of the first circuit, one additional law  
21 clerk for the senior judge of the family court of the



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1 first circuit, two additional law clerks for the civil  
2 motions judge of the circuit court of the first  
3 circuit, two additional law clerks for the criminal  
4 motions judge of the circuit court of the first  
5 circuit, and two law clerks for the administrative  
6 judge of the district court of the first circuit; and  
7 one private secretary for the administrative director  
8 of the courts, the deputy administrative director of  
9 the courts, each department head, each deputy or first  
10 assistant, and each additional deputy, or assistant  
11 deputy, or assistant defined in paragraph (16);

12 (10) First deputy and deputy attorneys general, the  
13 administrative services manager of the department of  
14 the attorney general, one secretary for the  
15 administrative services manager, an administrator and  
16 any support staff for the criminal and juvenile  
17 justice resources coordination functions, and law  
18 clerks;

19 (11) (A) Teachers, principals, vice-principals, complex  
20 area superintendents, deputy and assistant  
21 superintendents, other certificated personnel,



1 and no more than twenty noncertificated  
2 administrative, professional, and technical  
3 personnel not engaged in instructional work;

4 (B) Effective July 1, 2003, teaching assistants,  
5 educational assistants, bilingual or bicultural  
6 school-home assistants, school psychologists,  
7 psychological examiners, speech pathologists,  
8 athletic health care trainers, alternative school  
9 work study assistants, alternative school  
10 educational or supportive services specialists,  
11 alternative school project coordinators, and  
12 communications aides in the department of  
13 education;

14 (C) The special assistant to the state librarian and  
15 one secretary for the special assistant to the  
16 state librarian; and

17 (D) Members of the faculty of the University of  
18 Hawaii, including research workers, extension  
19 agents, personnel engaged in instructional work,  
20 and administrative, professional, and technical  
21 personnel of the university;





1 (12) Employees engaged in special, research, or

2 demonstration projects approved by the governor;

3 (13) (A) Positions filled by inmates, patients of state

4 institutions, and persons with severe physical or

5 mental disabilities participating in the work

6 experience training programs;

7 (B) Positions filled with students in accordance with

8 guidelines for established state employment

9 programs; and

10 (C) Positions that provide work experience training

11 or temporary public service employment that are

12 filled by persons entering the workforce or

13 persons transitioning into other careers under

14 programs such as the federal Workforce Investment

15 Act of 1998, as amended, or the Senior Community

16 Service Employment Program of the Employment and

17 Training Administration of the United States

18 Department of Labor, or under other similar state

19 programs;

20 (14) A custodian or guide at Iolani Palace, the Royal

21 Mausoleum, and Hulihee Palace;



1       (15) Positions filled by persons employed on a fee,  
2       contract, or piecework basis, who may lawfully perform  
3       their duties concurrently with their private business  
4       or profession or other private employment and whose  
5       duties require only a portion of their time, if it is  
6       impracticable to ascertain or anticipate the portion  
7       of time to be devoted to the service of the State;

8       (16) Positions of first deputies or first assistants of  
9       each department head appointed under or in the manner  
10      provided in section 6, article V, of the Hawaii State  
11      Constitution; three additional deputies or assistants  
12      either in charge of the highways, harbors, and  
13      airports divisions or other functions within the  
14      department of transportation as may be assigned by the  
15      director of transportation, with the approval of the  
16      governor; one additional deputy in the department of  
17      human services either in charge of welfare or other  
18      functions within the department as may be assigned by  
19      the director of human services; four additional  
20      deputies in the department of health, each in charge  
21      of one of the following: behavioral health,



1 environmental health, hospitals, and health resources  
2 administration, including other functions within the  
3 department as may be assigned by the director of  
4 health, with the approval of the governor; two  
5 additional deputies in charge of the law enforcement  
6 programs, administration, or other functions within  
7 the department of law enforcement as may be assigned  
8 by the director of law enforcement, with the approval  
9 of the governor; three additional deputies each in  
10 charge of the correctional institutions,  
11 rehabilitation services and programs, and  
12 administration or other functions within the  
13 department of corrections and rehabilitation as may be  
14 assigned by the director of corrections and  
15 rehabilitation, with the approval of the governor; two  
16 administrative assistants to the state librarian; and  
17 an administrative assistant to the superintendent of  
18 education;

19 (17) Positions specifically exempted from this part by any  
20 other law; provided that:



(A) Any exemption created after July 1, 2014, shall expire three years after its enactment unless affirmatively extended by an act of the legislature; and

(B) All of the positions defined by paragraph (9) shall be included in the position classification plan;

(18) Positions in the state foster grandparent program and positions for temporary employment of senior citizens in occupations in which there is a severe personnel shortage or in special projects;

(19) Household employees at the official residence of the president of the University of Hawaii;

(20) Employees in the department of education engaged in the supervision of students during meal periods in the distribution, collection, and counting of meal tickets, and in the cleaning of classrooms after school hours on a less than half-time basis;

(21) Employees hired under the tenant hire program of the Hawaii public housing authority; provided that no more than twenty-six per cent of the authority's workforce



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in any housing project maintained or operated by the authority shall be hired under the tenant hire program;

(22) Positions of the federally funded expanded food and nutrition program of the University of Hawaii that require the hiring of nutrition program assistants who live in the areas they serve;

(23) Positions filled by persons with severe disabilities who are certified by the state vocational rehabilitation office that they are able to perform safely the duties of the positions;

(24) The sheriff;

(25) A gender and other fairness coordinator hired by the judiciary;

(26) Positions in the Hawaii National Guard youth and adult education programs;

(27) In the Hawaii state energy office in the department of business, economic development, and tourism, all energy program managers, energy program specialists, energy program assistants, and energy analysts;



(28) Administrative appeals hearing officers in the department of human services;

(29) In the Med-QUEST division of the department of human services, the division administrator, finance officer, health care services branch administrator, medical director, and clinical standards administrator;

(30) In the director's office of the department of human services, the enterprise officer, information security and privacy compliance officer, security and privacy compliance engineer, security and privacy compliance analyst, information technology implementation manager, assistant information technology implementation manager, resource manager, community or project development director, policy director, special assistant to the director, and limited English proficiency project manager or coordinator;

(31) The Alzheimer's disease and related dementia services coordinator in the executive office on aging;

(32) In the Hawaii emergency management agency, the executive officer, public information officer, civil defense administrative officer, branch chiefs, and



1 emergency operations center state warning point  
2 personnel; provided that for state warning point  
3 personnel, the director shall determine that  
4 recruitment through normal civil service recruitment  
5 procedures would result in delay or noncompliance;

6 (33) The executive director and seven full-time  
7 administrative positions of the school facilities  
8 authority;

9 (34) Positions in the Mauna Kea stewardship and oversight  
10 authority;

11 (35) In the office of homeland security of the department  
12 of law enforcement, the statewide interoperable  
13 communications coordinator;

14 (36) In the social services division of the department of  
15 human services, the business technology analyst;

16 (37) The executive director and staff of the 911 board;

17 [+] (38) [+] Senior software developers in the department of  
18 taxation;

19 [+] (39) [+] In the department of law enforcement, five Commission  
20 on Accreditation for Law Enforcement Agencies, Inc.,  
21 coordinator positions;



1    [+] (40) [+] The state fire marshal; [~~and~~]

2    [+] (41) [+] The administrator for the law enforcement standards

3                   board[-]; and

4       (42)   Positions in the audit office within the board of  
5               education.

6       The director shall determine the applicability of this  
7   section to specific positions.

8       Nothing in this section shall be deemed to affect the civil  
9   service status of any incumbent as it existed on July 1, 1955."

10       SECTION 3. There is appropriated out of the general  
11   revenues of the State of Hawaii the sum of \$575,000 or so much  
12   thereof as may be necessary for fiscal year 2025-2026 and the  
13   same sum or so much thereof as may be necessary for fiscal year  
14   2026-2027 for:

15       (1) The establishment and operation of the audit office  
16           established pursuant to section 1 of this Act; and

17       (2) The establishment of six full-time equivalent  
18           (6.0 FTE) positions within the audit office.

19       The sums appropriated shall be expended by the department  
20   of education for the purposes of this Act.





1           SECTION 4. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3           SECTION 5. This Act shall take effect on July 1, 2025.

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INTRODUCED BY: \_\_\_\_\_

*Dan Luntz*



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**Report Title:**

BOE; DOE; Audit Office; Established; Reports; Positions;  
Appropriations

**Description:**

Establishes an Audit Office within the Board of Education to audit operations and expenditures of the Department of Education. Exempts positions within the Audit Office from civil service law. Requires annual reports to the Legislature. Establishes six full-time equivalent (6.0 FTE) positions within the Audit Office. Appropriates funds.

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