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# A BILL FOR AN ACT

RELATING TO THE BOARD OF EDUCATION.

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

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

4           "§302A-           Audit office. (a) There is established within  
5 the board an audit office, which shall operate independently to  
6 ensure accountability, transparency, and efficiency in the  
7 operations, expenditures, and programs of the department.

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

9           (1) Conduct financial audits, including:

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

13           (B) To ensure proper use of public funds; and

14           (C) To ensure compliance with applicable laws and  
15           financial accountability;

16           (2) Conduct performance audits, including the evaluation  
17           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 legislature no later than twenty days prior  
18 to the convening of each regular session; provided that the  
19 reports shall include audits and examinations conducted by the  
20 auditor for the immediately preceding school year and all other  
21 audits and examinations conducted by the auditor during the



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

3 (g) The audit office shall send certified copies of audits  
4 and examinations made by the auditor to the governor and  
5 director of finance. Copies of the audits may also be submitted  
6 to the legislature upon request of any member of the senate or  
7 house of representatives."

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



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]  
18 university of Hawaii, including research workers,  
19 extension agents, personnel engaged in  
20 instructional work, and administrative,



1 professional, and technical personnel of the  
2 university;

3 (12) Employees engaged in special, research, or  
4 demonstration projects approved by the governor;

5 (13) (A) Positions filled by inmates, patients of state  
6 institutions, and persons with severe physical or  
7 mental disabilities participating in the work  
8 experience training programs;

9 (B) Positions filled with students in accordance with  
10 guidelines for established state employment  
11 programs; and

12 (C) Positions that provide work experience training  
13 or temporary public service employment that are  
14 filled by persons entering the workforce or  
15 persons transitioning into other careers under  
16 programs such as the federal Workforce Investment  
17 Act of 1998, as amended, or the Senior Community  
18 Service Employment Program of the Employment and  
19 Training Administration of the United States  
20 Department of Labor, or under other similar state  
21 programs;



- 1           (14) A custodian or guide at Iolani Palace, the Royal  
2                    Mausoleum, and Hulihee Palace;
- 3           (15) Positions filled by persons employed on a fee,  
4                    contract, or piecework basis, who may lawfully perform  
5                    their duties concurrently with their private business  
6                    or profession or other private employment and whose  
7                    duties require only a portion of their time, if it is  
8                    impracticable to ascertain or anticipate the portion  
9                    of time to be devoted to the service of the State;
- 10          (16) Positions of first deputies or first assistants of  
11                    each department head appointed under or in the manner  
12                    provided in section 6, article V, of the Hawaii State  
13                    Constitution; three additional deputies or assistants  
14                    either in charge of the highways, harbors, and  
15                    airports divisions or other functions within the  
16                    department of transportation as may be assigned by the  
17                    director of transportation, with the approval of the  
18                    governor; one additional deputy in the department of  
19                    human services either in charge of welfare or other  
20                    functions within the department as may be assigned by  
21                    the director of human services; four additional



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



- 1       (17) Positions specifically exempted from this part by any
- 2             other law; provided that:
- 3             (A) Any exemption created after July 1, 2014, shall
- 4                 expire three years after its enactment unless
- 5                 affirmatively extended by an act of the
- 6                 legislature; and
- 7             (B) All of the positions defined by paragraph (9)
- 8                 shall be included in the position classification
- 9                 plan;
- 10       (18) Positions in the state foster grandparent program and
- 11             positions for temporary employment of senior citizens
- 12             in occupations in which there is a severe personnel
- 13             shortage or in special projects;
- 14       (19) Household employees at the official residence of the
- 15             president of the [~~University~~] university of Hawaii;
- 16       (20) Employees in the department of education engaged in
- 17             the supervision of students during meal periods in the
- 18             distribution, collection, and counting of meal
- 19             tickets, and in the cleaning of classrooms after
- 20             school hours on a less than half-time basis;



- 1 (21) Employees hired under the tenant hire program of the  
2 Hawaii public housing authority; provided that no more  
3 than twenty-six per cent of the authority's workforce  
4 in any housing project maintained or operated by the  
5 authority shall be hired under the tenant hire  
6 program;
- 7 (22) Positions of the federally funded expanded food and  
8 nutrition program of the [~~University~~] university of  
9 Hawaii that require the hiring of nutrition program  
10 assistants who live in the areas they serve;
- 11 (23) Positions filled by persons with severe disabilities  
12 who are certified by the state vocational  
13 rehabilitation office that they are able to perform  
14 safely the duties of the positions;
- 15 (24) The sheriff;
- 16 (25) A gender and other fairness coordinator hired by the  
17 judiciary;
- 18 (26) Positions in the Hawaii National Guard youth and adult  
19 education programs;
- 20 (27) In the Hawaii state energy office in the department of  
21 business, economic development, and tourism, all



- 1 energy program managers, energy program specialists,  
2 energy program assistants, and energy analysts;
- 3 (28) Administrative appeals hearing officers in the  
4 department of human services;
- 5 (29) In the Med-QUEST division of the department of human  
6 services, the division administrator, finance officer,  
7 health care services branch administrator, medical  
8 director, and clinical standards administrator;
- 9 (30) In the director's office of the department of human  
10 services, the enterprise officer, information security  
11 and privacy compliance officer, security and privacy  
12 compliance engineer, security and privacy compliance  
13 analyst, information technology implementation  
14 manager, assistant information technology  
15 implementation manager, resource manager, community or  
16 project development director, policy director, special  
17 assistant to the director, and limited English  
18 proficiency project manager or coordinator;
- 19 (31) The Alzheimer's disease and related dementia services  
20 coordinator in the executive office on aging;



- 1 (32) In the Hawaii emergency management agency, the  
2 executive officer, public information officer, civil  
3 defense administrative officer, branch chiefs, and  
4 emergency operations center state warning point  
5 personnel; provided that for state warning point  
6 personnel, the director shall determine that  
7 recruitment through normal civil service recruitment  
8 procedures would result in delay or noncompliance;
- 9 (33) The executive director and seven full-time  
10 administrative positions of the school facilities  
11 authority;
- 12 (34) Positions in the Mauna Kea stewardship and oversight  
13 authority;
- 14 (35) In the office of homeland security of the department  
15 of law enforcement, the statewide interoperable  
16 communications coordinator;
- 17 (36) In the social services division of the department of  
18 human services, the business technology analyst;
- 19 (37) The executive director and staff of the 911 board;
- 20 [+](38)[+] Senior software developers in the department of  
21 taxation;



1    [+] (39) [+] In the department of law enforcement, five  
2                   Commission on Accreditation for Law Enforcement  
3                   Agencies, Inc., coordinator positions;  
4    [+] (40) [+] The state fire marshal; [~~and~~  
5    + ] (41) [+] The administrator for the law enforcement standards  
6                   board[~~-~~]; and  
7                   (42) Positions in the audit office within the board of  
8                   education.

9                   The director shall determine the applicability of this  
10 section to specific positions.

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

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

- 18                   (1) The establishment and operation of the audit office
- 19                   established pursuant to section 1 of this Act; and
- 20                   (2) The establishment of                   full-time equivalent
- 21                   (                   FTE) positions within the audit office.

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

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

5           SECTION 5. This Act shall take effect on July 1, 3000.



**Report Title:**

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

**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 Governor and Director of Finance. Authorizes the Legislature to request a copy of the annual reports. Establishes positions within the Audit Office. Appropriates funds. Effective 7/1/3000. (HD2)

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