

JAN 19 2007

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# A BILL FOR AN ACT

MAKING AN APPROPRIATION FOR BUSINESS MANAGERS FOR THE DEPARTMENT  
OF EDUCATION.

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

1           SECTION 1. Act 151, Session Laws of Hawaii 2006, made an  
2 appropriation to the department of education to establish one  
3 full-time permanent assistant superintendent position within the  
4 superintendent's office to perform the functions of a chief  
5 financial officer. Justification for the position is stated in  
6 section 1 of Act 151 as follows:

7           With its multimillion-dollar annual budget, large  
8 consumer base, and wide-reaching impact, the State of  
9 Hawaii department of education is much like a large  
10 corporation. In these modern times, most successful  
11 corporations are operated through the leadership and  
12 management of individuals who lend their expertise to steer  
13 businesses on the best possible course. Corporations  
14 employ chief financial officers, for example, to  
15 effectively manage their budgets and finances. These  
16 officers play a critical role in determining business goals



1 and the ability to meet them by maximizing resources and  
2 ensuring efficient operations from a financial perspective.

3 It is only reasonable that an institution as important  
4 as the department of education--one that nurtures the  
5 future of our children and state--be operated as would a  
6 successful corporation, under the guidance of a chief  
7 financial officer to work hand-in-hand with the  
8 superintendent.

9 The legislature finds that effective and efficient  
10 financial controls can only be realized by school-level  
11 accountability for how public moneys are spent. The recent  
12 Auditor Report No. 06-06, September 2006, *Management Audit of*  
13 *Kailua High School*, emphasizes the point by stating in pertinent  
14 part:

15 While school leadership focuses on education  
16 improvement, however, school management and administrative  
17 oversight are being shortchanged. The leaders struggle  
18 with the business aspects of running a school, with the  
19 principal relying almost exclusively on clerical business  
20 office staff to manage its \$10 million operations and \$2  
21 inventory. And while our audit findings for one school  
22 cannot be extrapolated to all schools, the deficiencies



## S.B. NO.

1           evident at Kailua High suggest that other Hawai'i schools  
2           may be similarly unprepared to shoulder the additional  
3           responsibility of Act 51. (from Summary of Overview)

4           The legislature finds that full implementation of the  
5           intent of Act 151, Session Laws of Hawaii 2006, requires that  
6           each school complex be staffed with a business manager to assist  
7           the chief financial officer.

8           The purpose of this Act is make an appropriation to create  
9           a business manager position in each school complex.

10          SECTION 2. There is appropriated out of the general  
11          revenues of the State of Hawaii the sum of \$                   , or so  
12          much thereof as may be necessary for fiscal year 2007-2008, and  
13          the same sum, or so much thereof as may be necessary for fiscal  
14          year 2008-2009, for the establishment of one full-time  
15          equivalent (1.00 FTE) permanent business manager for each of the  
16          fifteen school complexes to perform the functions of managing  
17          the business aspects of each school within the complex and such  
18          other responsibilities as the chief financial officer deems  
19          appropriate.

20          SECTION 3. The sums appropriated shall be expended by the  
21          department of education for the purposes of this Act.



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1 SECTION 4. This Act shall take effect on July 1, 2007.

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INTRODUCED BY:

Norman Sakamoto



**Report Title:**

Department of Education; Business Managers

**Description:**

Makes appropriation to the Department of Education to hire one business manager for each of fifteen complexes.

