



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
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Date: 03/16/2015
Time: 01:15 PM
Location: 229
Committee: Senate Education

Department: Education

Person Testifying: Kathryn S. Matayoshi, Superintendent of Education

Title of Bill: HB 1412, HD2 RELATING TO EDUCATION.

Purpose of Bill: Makes permanent the Department of Education's authority to supervise its accounts. Makes required housekeeping amendments to statutory provisions relating to the Department of Education's fiscal operations. (HB1412 HD2)

Department's Position:

The Department of Education strongly supports HB1412 HD2, which makes permanent the Department's authority over matters related to the purchase of goods and services, pre-audit payments, and accounting.

The Department was granted this authority pursuant to Act 321, Session Laws of Hawaii 1986, and has been using its current Financial Management System (FMS) since the early 1990s. FMS was developed because the State's FAMIS system was not able to capture details necessary to meet the Department's budgeting and accounting requirements. For example, FMS allows the Department to track fund allocations and expenditures in detail to meet state and federal compliance requirements, while FAMIS does not. Further, FMS accommodates the Department's unique needs, while also providing data interfaces necessary to meet the reporting requirements of the FAMIS system.

Returning to the State's FAMIS system would inhibit the Department's ability to maintain continuity with respect to its financial operations because it would result in the loss of historic data that cannot be converted to a new format without exorbitant programming costs. Use of the FAMIS system would also require the manual manipulation of data into the required reporting formats, which would significantly increase the number of staff hours required to perform routine tasks and unnecessarily introduce additional possibilities for error.

The use of FMS data facilitates the Department's continuing efforts to increase transparency in fiscal reporting. Conversion to another system, with the accompanying cost and resource drain could hamper access to data, limiting the Department's ability to share its data and access information in response to requests.

For these reasons, the Department respectfully requests your favorable consideration of this measure.

The Department would also like to respectfully request that the Committee consider amending the measure to include language amending Act 58, SLH 2004 and Acts 124 and 161, SLH 2010, as well as additional language in the effective date section of the measure, which, in our understanding, are conforming amendments necessary to preserve the proposed statutory changes made in HB1412 HD2, in light of the repeal and reenactment provisions of Act 102, Session Laws of Hawaii 2010. The Department's requested language is as follows:

Amendment to Act 58, SLH 2004:

SECTION . Act 58, Session Laws of Hawaii 2004, as amended by section 50 of Act 22, Session Laws of Hawaii 2005, as amended by section 1 of Act 306, Session Laws of Hawaii 2006, as amended by section 12 of Act 5, Special Session Laws of Hawaii 2009, as amended by section 5 of Act 102, Session Laws of Hawaii 2010, is amended by amending section 14 to read as follows:

“SECTION 14. This Act shall take effect upon its approval; provided that:

(1) The amendments made to sections 40-1, 40-4, and 40-6, Hawaii Revised Statutes, by part I of this Act shall not be repealed when those sections are reenacted on June 30, 2006, by section 1 of Act 137, Session Laws of Hawaii 2005;

(2) Sections 3, 4, 5, 6, and 7 of part I shall be repealed on June 30, 2015, and:

(A) Sections 201B-2 and 201B-11, Hawaii Revised Statutes, shall be reenacted in the form in which they read on May 5, 2004; except that the amendments made by Act 5, Special Session Laws of Hawaii 2009, to section 201B-2, Hawaii Revised Statutes, and subsection (c) of section 201B-11, Hawaii Revised Statutes, shall not be repealed; and

(B) Sections 40-1, 40-4, and 40-6, Hawaii Revised Statutes, shall be reenacted in the form in which they read on ~~[June 30, 1986;]~~ May 5, 2004; and

(3) Section 9 shall take effect on July 1, 2004.”

Amendment to Act 124, SLH 2010:

SECTION . Act 124, Session Laws of Hawaii 2010, is amended by amending section 15 to read as follows:

“SECTION 15. This Act, upon its approval, shall take effect retroactive to April 30, 2010; provided that:

(1) Part II shall only take effect upon the repeal and reenactment of sections 40-1, 40-4, and 40-6, Hawaii Revised Statutes, on June 30, 2010, pursuant to Act 58, Session Laws of Hawaii 2004, as amended; and

(2) Part III shall only take effect upon the repeal of paragraph (2)(B) of section 14 of Act 58, Session Laws of Hawaii 2004, as amended, pursuant to an Act of the 2010 legislature; or in the absence of that repeal, upon the extension of the June 30, 2010, repeal date in paragraph (2) of section 14 of Act 58, Session Laws of Hawaii 2004, as amended, pursuant to an Act of the 2010 legislature [-]; provided further that the amendments to sections 40-1, 40-4, and 40-6, Hawaii Revised Statutes, by part III shall not be repealed when those sections are repealed and reenacted pursuant to section 5 of Act 102, Session Laws of Hawaii 2010.”

Amendment to Act 161, SLH 2010:

SECTION . Act 161, Session Laws of Hawaii 2010, is amended by amending section 8 to read as follows:

“SECTION 8. This Act, upon its approval, shall take effect retroactive to April 30, 2010; provided that:

(1) Part II shall only take effect upon the repeal and reenactment of section 40-1, Hawaii Revised Statutes, on June 30, 2010, pursuant to Act 58, Session Laws of Hawaii 2004, as amended; and

(2) Part III shall only take effect upon the repeal of paragraph (2)(B) of section 14 of Act 58, Session Laws of Hawaii 2004, as amended, pursuant to an Act of the 2010 legislature; or in the absence of that repeal, upon the extension of the June 30, 2010, repeal date in paragraph (2) of section 14 of Act 58, Session Laws of Hawaii 2004, as amended, pursuant to an Act of the 2010 legislature[-]; provided that the amendment to section 40-1, Hawaii Revised Statutes, by part III shall not be repealed when that section is repealed and reenacted pursuant to section 5 of Act 102, Session Laws of Hawaii 2010.”

Amendment to section 8 of HB1412 HD2:

SECTION 8. This Act shall take effect on June 29, 2015; provided that the amendments made under this Act to sections 40-1, 40-4, and 40-6, Hawaii Revised Statutes, shall not be repealed when those sections are reenacted on June 30, 2015, pursuant to section 5 of Act 102, Session Laws of Hawaii 2010.

Thank you for the opportunity to testify on this measure.