



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

**Date:** 02/26/2015  
**Time:** 11:00 AM  
**Location:** 308  
**Committee:** House Finance

**Department:** Education

**Person Testifying:** Kathryn S. Matayoshi, Superintendent of Education

**Title of Bill:** HB 1412, HD1 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 HD1)

**Department's Position:**

The Department of Education strongly supports HB1421, HD1, 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.

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.



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