EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE
GOVERNOR

April 26, 2007

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

RE: Senate Bill No. 95 SD1

On April 25, 2007, Senate Bill No. 95 entitled "A Bill for an Act Relating to Vacant Positions in the Department of Education" became law without my signature, pursuant to Section 16 of Article III of the State Constitution.

Senate Bill No. 95 repeals Section 302A-1115, Hawaii Revised Statutes, which promotes decentralization and facilitates restructuring of the Department of Education. The Legislature granted the department this flexibility to reallocate existing vacant positions and resources in the State and district offices to the school level via Act 89, Session Laws of Hawaii 1996. Senate Bill No. 95 repeals this language with the justification that the implementation of Act 51, Session Laws of Hawaii 2004, as amended by Act 225, Session Laws of Hawaii 2006, and the weighted student formula makes 302A-1115 unnecessary.

There are two concerns with this bill. First, the weighted student formula has not truly been implemented, in terms of dollars and discretion reaching the school level. In school year 2006-2007 only 10% of the weighted student formula has been implemented. In school year 2007-2008, only 15% of the formula will be implemented. For fiscal year 2007-2008 the Department of Education requested an additional $20 million in funding to supplement "shortfalls" experienced by schools due to the 10% implementation of weighted student formula. Therefore, the argument that weighted student formula has rendered the decentralization and reallocation of vacant State or district office positions to the school level unnecessary is inaccurate because the weighted student formula has not been fully implemented. With the formula implemented only at 10%, there is no way to determine that this decentralization requirement is unnecessary.

Second, and more importantly, repealing this language allows the State and district Department of Education offices to keep their vacant positions and, in some cases, funding

because the weighted student formula and Act 51 do not require the decentralization and reallocation of vacant State and district positions to the school level. On the contrary, under weighted student formula the school would be funding additional positions on their own through the per-pupil allocation, not by taking positions reallocated from State and district offices. Further, at this time the weighted student formula does not include State and district program funds, so none of this money currently goes to the school level. The Department of Education should not be allowed to keep vacant positions at the State and district office level, as well as the funding for these positions; these resources should be placed at the school level.

Therefore, for the foregoing reasons, I allowed Senate Bill No. 95 to become law as Act 41 effective April 25, 2007, without my signature.

Sincerely,

LINDA LINGLE