

MAR 12 2007

SENATE RESOLUTION

URGING A COMPREHENSIVE MANAGEMENT REVIEW OF THE DEPARTMENT OF
EDUCATION'S OPERATIONS.

1 WHEREAS, there have been numerous discussions and various
2 legislation passed in order to help improve Hawai'i's failing
3 public school system; and
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5 WHEREAS, a child enrolled in Hawai'i's public school system
6 is just as capable of achieving educational success as any other
7 child enrolled in any other public school in this nation; and
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9 WHEREAS, Hawai'i's public school teachers are just as
10 proficient and capable as other public school teachers in the
11 nation; and
12

13 WHEREAS, the superintendent of the department of education,
14 requests more funding each legislative session to carryout and
15 implement educational programs; and
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17 WHEREAS, the department of education receives nearly a
18 quarter of the State's entire operating budget, the largest of
19 any State agency. The department's appropriations, in fiscal
20 years 2002 through 2007, increased nearly fifty-five percent
21 from \$1.4 billion to \$2.2 billion; and
22

23 WHEREAS, Hawai'i's public school enrollment decreased by
24 more than four-thousand students from 183,629 students to
25 179,234 students. However, while public school student
26 enrollment decreased, per student cost continued to increase
27 from approximately \$7,800 per student to \$12,400 per student, a
28 fifty-nine percent increase; and
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30 WHEREAS, Hawaii's public schools' test scores repeatedly
31 rank among the lowest in the nation despite increased funding
32 and decreased enrollment. The department of education's
33 standards-based test confirms that many Hawai'i public school
34 students generally score below fifty percent in reading and
35 mathematics; and
36



1 WHEREAS, Hawai'i's public school students in grades three,
2 five, eight, and ten took the 2005 Hawaii statewide assessment
3 test. Of all the students tested, the 2005 Hawai'i statewide
4 assessment test found that forty-four to forty-eight percent of
5 Hawai'i's students are not proficient in reading and
6 mathematics; and,
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8 WHEREAS, the federal No Child Left Behind Act of 2001
9 established a program that requires states to ensure that by
10 school year 2014, all students will meet or exceed each state's
11 proficiency level of academic achievement in mathematics,
12 reading and science; and,
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14 WHEREAS, the January 2007 department of budget and finance
15 report on the adequacy of federal funding for implementation of
16 the No Child Left Behind Act states that, "although, in the
17 school years 2005 through 2006 approximately 85 percent of the
18 public schools do not meet various NCLB performance standards
19 the department of education spent less than half the federal
20 school improvement grant money it received;" and,
21

22 WHEREAS, the available federal funds allotted by the No
23 Child Left Behind Act, not spent by the department of education
24 over a four year period resulted in a substantial carryover
25 balance (\$42 million in FY 03, \$50 million in FY 04, \$60.6
26 million in FY 05, and \$53.8 million in FY 06) of \$168.4 million;
27 and,
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29 WHEREAS, PricewaterhouseCoopers, an independent accounting
30 firm, said in a recent audit, "the lack of transparency made it
31 difficult, and in some cases impossible, to determine whether
32 many public-school programs were achieving their objectives and
33 whether taxpayer dollars were being spent wisely".
34 PricewaterhouseCoopers went on to say, "roughly one-third of the
35 department's 278 state-funded programs had inadequate systems in
36 place to monitor their effectiveness and at least one in five
37 suffered from insufficient oversight of program spending and
38 many programs completely lacked either;" and,
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40 WHEREAS, PricewaterhouseCoopers further noted that "though
41 the department's budget has grown steadily in recent years to
42 the current \$1.78 billion, much of the increase has been due to
43 the mounting cost of employee benefits and to court-mandated
44 spending on special education;" and,



1 WHEREAS, the PricewaterhouseCoopers audit's results
2 concluded that it was often impossible to tell whether spending
3 aligned with each program's purpose, noting that funds were
4 often instead used to address urgent school needs such as
5 classroom supply shortages; and,
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7 WHEREAS, the 2006 Hawaii state legislature appropriated an
8 additional \$300 million to address the backlog of school repair
9 and maintenance called the "Fix Our Schools Act;" and,
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11 WHEREAS, the state auditor, in 2006, made its first audit
12 of the management practices and controls of the department of
13 education at Kailua High School, which uncovered numerous
14 managerial and financial problems; and
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16 WHEREAS, the audit concluded that the department of
17 education had not provided adequate support to Hawai'i's public
18 school system, including Kailua High School, in the
19 implementation of the No Child Left Behind Act, and in the
20 management of school programs and assets; and
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22 WHEREAS, the state auditor determined that the department
23 of education has not provided Hawai'i's public school system
24 with the support and resources needed to achieve the goals of No
25 Child Left Behind Act; and
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27 WHEREAS, the state auditor stated "the measures that the
28 department of education uses to determine the effectiveness of
29 its budget are irrelevant, inaccurate and ambiguous...and are
30 based on assumptions, estimates, and unverified data". Further,
31 the state auditor concluded that "as a result, legislators are
32 denied potentially valuable information, and some may be basing
33 their fiscal decisions on flawed data"; and,
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35 WHEREAS, the department of education's last comprehensive
36 audit of the entire organization, management processes, and
37 personnel administration happened more than thirty-four years
38 ago, in 1973; and,
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40 WHEREAS, the department of education's spending practices
41 need to be reviewed and resolved before an increase in funding
42 from the legislature is warranted; now, therefore,
43



1 BE IT RESOLVED by the Senate of the Twenty-fourth
 2 Legislature of the State of Hawai'i, Regular Session of 2007,
 3 that the office of the auditor perform a comprehensive review of
 4 the department of education's operations to determine if, as now
 5 structured, it can effectively carry out its responsibilities
 6 under the Federal No Child Left Behind Act and the State's
 7 Reinventing Education Act; and

8
 9 BE IT FURTHER RESOLVED that the results of the office of
 10 the auditor's review of the department of education's operations
 11 be reported to the Legislature by the beginning of the 2008
 12 legislative session; and

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 14 BE IT FURTHER RESOLVED that certified copies of this
 15 Resolution be transmitted to the office of the auditor, the
 16 department of education and the board of education.

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