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## HOUSE CONCURRENT 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  
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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  
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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



1 standards-based test confirms that many Hawai'i public school  
2 students generally score below fifty percent in reading and  
3 mathematics; and  
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5 WHEREAS, Hawai'i's public school students in grades three,  
6 five, eight, and ten took the 2005 Hawaii statewide assessment  
7 test. Of all the students tested, the 2005 Hawai'i statewide  
8 assessment test found that forty-four to forty-eight percent of  
9 Hawai'i's students are not proficient in reading and  
10 mathematics; and,  
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12 WHEREAS, the federal No Child Left Behind Act of 2001  
13 established a program that requires states to ensure that by  
14 school year 2014, all students will meet or exceed each state's  
15 proficiency level of academic achievement in mathematics,  
16 reading and science; and,  
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18 WHEREAS, the January 2007 department of budget and finance  
19 report on the adequacy of federal funding for implementation of  
20 the No Child Left Behind Act states that, "although, in the  
21 school years 2005 through 2006 approximately 85 percent of the  
22 public schools do not meet various NCLB performance standards  
23 the department of education spent less than half the federal  
24 school improvement grant money it received;" and,  
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26 WHEREAS, the available federal funds allotted by the No  
27 Child Left Behind Act, not spent by the department of education  
28 over a four year period resulted in a substantial carryover  
29 balance (\$42 million in FY 03, \$50 million in FY 04, \$60.6  
30 million in FY 05, and \$53.8 million in FY 06) of \$168.4 million;  
31 and,  
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33 WHEREAS, PricewaterhouseCoopers, an independent accounting  
34 firm, said in a recent audit, "the lack of transparency made it  
35 difficult, and in some cases impossible, to determine whether  
36 many public-school programs were achieving their objectives and  
37 whether taxpayer dollars were being spent wisely." and went on  
38 to say that, "roughly one-third of the department's 278 state-  
39 funded programs had inadequate systems in place to monitor their  
40 effectiveness and at least one in five suffered from  
41 insufficient oversight of program spending and many programs  
42 completely lacked either;" and,  
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1           WHEREAS, PricewaterhouseCoopers further noted that "though  
2 the department's budget has grown steadily in recent years to  
3 the current \$1.78 billion, much of the increase has been due to  
4 the mounting cost of employee benefits and to court-mandated  
5 spending on special education;" and,

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7           WHEREAS, the PricewaterhouseCoopers audit's results  
8 concluded that it was often impossible to tell whether spending  
9 aligned with each program's purpose, noting that funds were  
10 often instead used to address urgent school needs such as  
11 classroom supply shortages; and,

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13           WHEREAS, the 2006 Hawaii state legislature appropriated an  
14 additional \$300 million to address the backlog of school repair  
15 and maintenance called the "Fix Our Schools Act;" and,

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17           WHEREAS, the state auditor, in 2006, made its first audit  
18 of the management practices and controls of the department of  
19 education at Kailua High School, which uncovered numerous  
20 managerial and financial problems; and

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22           WHEREAS, the audit concluded that the department of  
23 education had not provided adequate support to Hawai'i's public  
24 school system, including Kailua High School, in the  
25 implementation of the No Child Left Behind Act, and in the  
26 management of school programs and assets; and

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28           WHEREAS, the state auditor determined that the department  
29 of education has not provided Hawai'i's public school system  
30 with the support and resources needed to achieve the goals of No  
31 Child Left Behind Act; and

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33           WHEREAS, the state auditor stated "the measures that the  
34 department of education uses to determine the effectiveness of  
35 its budget are irrelevant, inaccurate and ambiguous...and are  
36 based on assumptions, estimates, and unverified data". Further,  
37 the state auditor concluded that "as a result, legislators are  
38 denied potentially valuable information, and some may be basing  
39 their fiscal decisions on flawed data"; and,

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41           WHEREAS, the department of education's last comprehensive  
42 audit of the entire organization, management processes, and  
43 personnel administration happened more than thirty-four years  
44 ago, in 1973; and,



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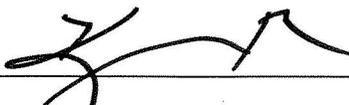
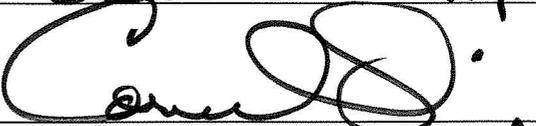
WHEREAS, the department of education's spending practices need to be reviewed and resolved before an increase in funding from the legislature is warranted; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-fourth Legislature of the State of Hawai'i, Regular Session of 2008, the Senate concurring, that the office of the auditor perform a comprehensive review of the department of education's operations to determine if, as now structured, it can effectively carry out its responsibilities under the Federal No Child Left Behind Act and the State's Reinventing Education Act; and

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

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

OFFERED BY:

JAN 18 2008

