



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 04/06/2026

Time: 01:00 PM

Location: CR 229 & Videoconference

Committee: EDU

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: SCR198, REQUESTING THE AUDITOR TO CONDUCT A COMPREHENSIVE PERFORMANCE AND FISCAL AUDIT OF THE GOVERNANCE STRUCTURE AND ADMINISTRATIVE LEADERSHIP OF THE DEPARTMENT OF EDUCATION.

Purpose of Bill: Requesting The Auditor To Conduct A Comprehensive Performance And Fiscal Audit Of The Governance Structure And Administrative Leadership Of The Department Of Education.

Department's Position:

The Hawaii State Department of Education (Department) shares the Legislature's goal of ensuring that public funds are used efficiently to maximize resources for our students and teachers. However, the Department respectfully offers comments on S.C.R. 198 because the requested performance and fiscal audit would duplicate existing oversight mechanisms and divert resources from current strategic priorities.

Existing Oversight and Audit Structures

The objectives of this resolution are already being addressed through the Board of Education's (Board) active oversight.

- **Standing Audit Committee:** On February 12, 2026, the Board re-established a separate Audit Committee to oversee financial reporting, legal compliance, and internal controls.
- **Internal Audit Office:** The Audit Committee met on March 19, 2026, to review the Department's Internal Audit Office and specific operational mandates.

Active Organizational Alignment

The Department is in the midst of a multi-phase organizational alignment initiative designed to address the very concerns raised in S.C.R. 198.

- **External Professional Review:** The Department commissioned the Council for Great City Schools (CGCS), a coalition of the nation's largest school districts, to examine organizational structures, identify redundancies, and provide actionable recommendations for efficiency. CGCS presented their report to the Board on December 12, 2024.

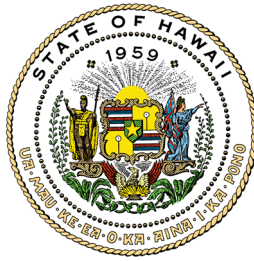
- **Structural Reforms:** Phase 1 of the Department’s organizational alignment initiative included 11 reorganizations effective July 1, 2025, which clarified reporting relationships among Deputy and Assistant Superintendents.
- **Ongoing Progress:** Phase 2 is currently underway, with consultation on nine additional reorganizations currently underway. Progress is being reported to the Board on April 9, 2026. 2026 (https://boe.hawaii.gov/wp-content/uploads/20260409_GBM_orgalignment.pdf).

Comprehensive Performance and Fiscal Data

Much of the data requested by this audit is available or publicly reported.

- **Executive Compensation:** A 2025 study by Gallagher Benefits Services informed the Board’s current compensation adjustments for executive administrators.
- **Accountability Targets:** The Board evaluated the Superintendent for fiscal year 2024-25 performance on September 19, 2025 (https://boe.hawaii.gov/wp-content/uploads/20250918_GBM_SuptEvalSY25exhibits.pdf), based on performance targets set in Fall 2024. For fiscal year 2025-26, the Board established clear, measurable performance targets for the Superintendent on October 9, 2025 (https://boe.hawaii.gov/wp-content/uploads/20251009_GBM_SuperintendentEvalGoalsProcess_FY26_exhibits.pdf). In Fall 2026, the Superintendent will present the Board with evidence of achievement of targets for evaluation.
- **Annual Fiscal and Compliance Audit:** Annually, the Department’s financial statements are audited and the Department is audited for federal compliance. Most recently, the CPA firm of Accuity, LLC presented a summary to the Board on April 10, 2025 (https://storage.googleapis.com/boe_meeting_archives/2025-04-10_GBM_DOE-financial-and-compliance-audit-report-FY24.pdf)

The intent of SCR198 aligns with the Department’s Strategic Plan Goal 3.2: “All operational and management processes are aligned and implemented in an equitable, transparent, effective and efficient manner.” While the Department appreciates the intent behind SCR 198, an additional external audit would require significant time and expense to produce data already accessible through existing reporting channels. We respectfully request that this measure be held.



SENATE COMMITTEE ON EDUCATION
The Honorable Donna Mercado Kim, Chair
The Honorable Michelle N. Kidani, Vice Chair

**S.C.R. NO. 198 / S.R. NO. 186, REQUESTING THE AUDITOR TO CONDUCT A
COMPREHENSIVE PERFORMANCE AND FISCAL AUDIT OF THE GOVERNANCE
STRUCTURE AND ADMINISTRATIVE LEADERSHIP OF THE DEPARTMENT OF
EDUCATION**

Hearing: Monday, April 6, 2025, 1:00 p.m.

The Office of the Auditor offers comments on S.C.R. No. 198 and S.R. No. 186, which request a performance and fiscal audit of the governance structure and administrative leadership of the Department of Education.

The resolutions request our office, among other things, to examine and describe the superintendent, deputy superintendents, assistant superintendents, and complex area superintendents' respective job responsibilities, the organizational structure and reporting relationships, the fiscal cost with each leadership position, and the extent to which responsibilities or operational functions overlap. We are also requested to identify and provide recommendations regarding the potential restructuring of the Department governance and administrative leadership structure, opportunities to downsize administrative leadership positions where appropriate and feasible, methods to improve clarity of leadership responsibilities and oversight, and the development of a transparent system of accountability and performance evaluation for administrative leadership positions to ensure alignment with departmental goals and responsibilities.

The requested work is not an audit. Moreover, we do not have the expertise to assess the department's leadership structure or to recommend changes to that structure. We also are concerned that the work requested may require us to be involved in management-type decisions, which will prevent us from subsequently auditing those areas.

We suggest that the Department should be able to provide the requested information, such as the job responsibilities of the different management positions, the support staff for each position, and the duties of each position, among other things.

SCR-198

Submitted on: 4/3/2026 8:56:21 PM

Testimony for EDU on 4/6/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support w/comment COPY OF AUDITORS REPORTS GOES TO SENATE/HOUSE EDUCATION,FINANCE AND WAYS AND MEANS COMMITTEE CHAIRS.

186 SR REQUESTING THE AUDITOR TO CONDUCT A COMPREHENSIVE PERFORMANCE AND FISCAL AUDIT OF THE GOVERNANCE STRUCTURE AND ADMINISTRATIVE LEADERSHIP OF THE DEPARTMENT OF EDUCATION.