

ACT 199

S.B. NO. 550

A Bill for an Act Relating to Education.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that under current law, the auditor is required to report department of education expenditures to the legislature, pursuant to section 302A-1004(b), Hawaii Revised Statutes. In Report No. 98-5, "Fiscal Accountability Audit of the Department of Education: The Public and the Schools Need to Know the True Costs of Education," the auditor stated that the statutorily defined role of the auditor does not include reporting other department's expenditures. By requiring the auditor to perform this task, the statute absolves the department of education of the responsibility for reporting its own expenditure information to the legislature. Indeed, the department has declined to report school-by-school expenditures, as required by Act 218, Session Laws of Hawaii 1995, for this reason.

The legislature further finds that accurate and organized educational expenditure reporting is crucial for accountability and school-based decisionmaking. Despite its importance, the auditor has noted that in response to requests for better reporting, the department of education has stated that acquiring such information can sometimes be too costly.

The legislature believes that given the sophistication of today's technology, timely and accurate reporting is not outside the purview of either the department's abilities or its budget. As noted by the auditor in Report No. 98-5, computer software such as In\$ite can provide extensive information about a school system in a wide array of readable reports, without great cost. It can do so with relatively minimal requirements, and can produce results that far exceed the current department reports in accuracy or clarity.

The purpose of this Act is to return the responsibility of expenditure reporting for the department of education from the auditor to the department, and to require reports containing specific major functions and sub-functions, which are at least equal to, if not better than, those provided through In\$ite software.

SECTION 2. Section 302A-1004, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The department shall provide electronic access to computer-based financial management, student information, and other information systems to the legislature and the auditor. The [auditor] department shall submit to the legislature and to the governor, at least twenty days prior to the convening of each legislative session, a [fiscal accountability] school-by-school expenditure report that includes but is not limited to the following:

- (1) The financial analysis of expenditures by the department with respect to the following areas:
 - [(A) Administration;
 - (B) Facilities and operations;

- (C) Teacher support and development;
 - (D) Pupil support;
 - (E) Instructional support; and
 - (F) Classroom instruction; and]
 - (A) Instruction, including face-to-face teaching, and classroom materials;
 - (B) Instructional support, including pupil, teacher, and program support;
 - (C) Operations, including non-instructional pupil services, facilities, and business services;
 - (D) Other commitments, including contingencies, capital improvement projects, out-of-district obligations, and legal obligations; and
 - (E) Leadership, including school management, program and operations management, and district management;
- and
- (2) The measures of accuracy, efficiency, and productivity of the department, districts, and schools in delivering resources to the classroom and the student.”

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved July 2, 1999.)