

FEB 29 2008

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 Hawaii's failing
3 public school system; and
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5 WHEREAS, a child enrolled in Hawaii's public school system
6 is just as capable of achieving educational success as any other
7 child enrolled in any other public school system in this nation;
8 and
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10 WHEREAS, Hawaii's public school teachers are just as
11 proficient and capable as other public school teachers in the
12 nation; and
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14 WHEREAS, the Superintendent of the Department of Education
15 requests more funding each legislative session to carryout and
16 implement educational programs; and
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18 WHEREAS, the Department of Education receives nearly a
19 quarter of the State's entire operating budget, the largest of
20 any state agency. The department's appropriations, in fiscal
21 years 2003 through 2008, increased nearly sixty-four percent
22 from \$1.5 billion to \$2.4 billion; and
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24 WHEREAS, Hawaii's public school enrollment decreased by
25 more than four-thousand students from 182,798 students in school
26 year 2002-2003 to 178,369 students in school year 2007-2008.
27 However, while public school student enrollment decreased, per
28 student cost continued to increase from approximately \$8,374 per
29 student to well over \$10,000 per student; and
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31 WHEREAS, Hawaii's public schools' test scores repeatedly
32 rank among the lowest in the nation despite increased funding
33 and decreased enrollment. The Department of Education's
34 standards-based test confirms that many Hawaii public school
35 students generally score below the national average in reading
36 and mathematics; and



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2 WHEREAS, Hawaii's public school students who took the 2007
3 College Board SAT entrance exam averaged 479 in math, a five-
4 point drop from last year, while the reading score went down one
5 point to 459 out of a possible 800; and
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7 WHEREAS, the federal No Child Left Behind Act of 2001
8 established a program that requires states to ensure that by
9 school year 2014, all students will meet or exceed each state's
10 proficiency level of academic achievement in mathematics,
11 reading and science; and
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13 WHEREAS, the January 2007 Department of Budget and Finance
14 report on the adequacy of federal funding for implementation of
15 the No Child Left Behind Act states that, "although, in the
16 school years 2005 through 2006 approximately 85 percent of the
17 public schools do not meet various NCLB performance standards
18 the Department of Education spent less than half the federal
19 school improvement grant money it received"; and
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21 WHEREAS, the available federal grants allotted by the No
22 Child Left Behind Act and not spent by the Department of
23 Education over a four year period resulted in a substantial
24 carryover balance (\$42 million in FY 03, \$50 million in FY 04,
25 \$60.6 million in FY 05, and \$53.8 million in FY 06); and
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27 WHEREAS, PricewaterhouseCoopers LLP, an independent
28 accounting firm, said in a 2005 audit of Department of Education
29 programs, "the lack of transparency made it difficult, and in
30 some cases impossible, to determine whether many public-school
31 programs were achieving their objectives and whether taxpayer
32 dollars were being spent wisely" and went on to say that,
33 "roughly one-third of the department's 278 state-funded programs
34 had inadequate systems in place to monitor their effectiveness
35 and at least one in five suffered from insufficient oversight of
36 program spending and many programs completely lacked either";
37 and
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39 WHEREAS, PricewaterhouseCoopers LLP further noted that
40 "though the department's budget has grown steadily in recent
41 years to the current \$1.78 billion, much of the increase has
42 been due to the mounting cost of employee benefits and to court-
43 mandated spending on special education"; and
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1 WHEREAS, the PricewaterhouseCoopers LLP 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 State Auditor, in 2006, made its first audit
8 of the management practices and controls of the Department of
9 Education at Kailua High School, which uncovered numerous
10 managerial and financial problems; and

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12 WHEREAS, the audit concluded that the Department of
13 Education had not provided adequate support to Hawaii's public
14 school system, including Kailua High School, in the
15 implementation of the No Child Left Behind Act, and in the
16 management of school programs and assets; and

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18 WHEREAS, the State Auditor determined that the Department
19 of Education had not provided Hawaii's public school system with
20 the support and resources needed to achieve the goals of the No
21 Child Left Behind Act; and

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23 WHEREAS, the State Auditor stated "the measures that the
24 Department of Education uses to determine the effectiveness of
25 its budget are irrelevant, inaccurate and ambiguous...and are
26 based on assumptions, estimates, and unverified data". Further,
27 the State Auditor concluded that "as a result, legislators are
28 denied potentially valuable information, and some may be basing
29 their fiscal decisions on flawed data"; and

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31 WHEREAS, the Department of Education's last comprehensive
32 audit of the entire organization, management processes, and
33 personnel administration happened thirty-five years ago, in
34 1973; and

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36 WHEREAS, the Department of Education's spending practices
37 need to be reviewed and resolved before an increase in funding
38 from the Legislature is warranted; now, therefore,

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40 BE IT RESOLVED by the Senate of the Twenty-fourth
41 Legislature of the State of Hawaii, Regular Session of 2008,
42 that the Office of the Auditor perform a comprehensive review of
43 the Department of Education's operations to determine if, as now
44 structured, it can effectively carry out its responsibilities



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1 under the federal No Child Left Behind Act and the State's
2 Reinventing Education Act; and

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4 BE IT FURTHER RESOLVED that the results of the Office of
5 the Auditor's review of the Department of Education's operations
6 be reported to the Legislature at least twenty days prior to the
7 beginning of the 2009 legislative session; and

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9 BE IT FURTHER RESOLVED that certified copies of this
10 Resolution be transmitted to the Office of the Auditor, the
11 Department of Education and the Board of Education.

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OFFERED BY:





