

HOUSE OF REPRESENTATIVES
THE TWENTIETH LEGISLATURE
REGULAR SESSION OF 1999

COMMITTEE ON FINANCE
Representative Dwight Y. Takamine, Chair
Representative Bertha C. Kawakami, Vice-Chair

NOTICE OF INFORMATIONAL BRIEFING

DATE: Wednesday, January 20, 1999
PLACE: State Capitol, Conference Room 308

SUBJECT: BRIEFING ON REPORTS SUBMITTED BY THE OFFICE OF THE
LEGISLATIVE AUDITOR AND DISCUSSION ON THE
RECOMMENDATIONS

Ms. Marion Higa, State Auditor
Office of the Auditor

2:30 p.m. to 3:30 p.m.

**Management Audit of Hawaii's School-to-Work Opportunities System
(Report No. 98-21)**

Auditor's
Recommendations

1. The governor should not provide any additional funding for Hawaii's school-to-work opportunities system until the executive council clearly defines the system's mission and goals, and clarifies how it intends to measure outcomes for school-to-work.
2. The executive council and the Department of Education must clarify the role of the fiscal agent and determine who is responsible for ensuring that partnerships are held accountable for their funding.
3. The Legislature should require the executive council, the Department of Education, and the University of Hawaii to determine the effectiveness of the safety surveys and whether they should be continued.
4. Regardless of whether safety surveys are conducted, the Legislature should require standardized worker readiness training, which should be approved by the Department of Labor and Industrial Relations HIOSH Division.
5. Agencies responsible for training should help to ensure that students, teachers, parents and work site employers are provided with more information on the work limitations of students, unsafe situation recognition and prevention techniques, and child labor laws.

(continued)

3:30 p.m. to 4:30 p.m.

**Audit of Student Transportation Services
(Report No.99-01)**

Auditor's

Recommendations:

1. Recommends that the Department of Accounting and General Services:
 - a. Revise the base fare methodology to include control requirements already established under contract provisions and implement this methodology more frequently;
 - b. Conduct a formal documented analysis of the "50 percent rule" to determine legality. If the department feels that the provision is warranted, it should develop a cost/benefit analysis and follow appropriate administrative procedures to establish the provision as a formal rule;
 - c. Improve personnel and fiscal accountability by implementing procedures for contract monitoring, investigations, and surveying contractor performance. It should also develop a consistent method of applying fines and penalties; and
 - d. Improve fiscal accountability and its West Hawaii fleet operations by implementing procedures similar to those outlined in Accounting for Collections, Section VII, User Policy Guide and Process flow Manual (DOE). The department should also reconcile student transportation expenditures and encumbrances to FAMIS reports monthly to ensure the program does not exceed its authorized ceiling and lapse unused encumbered funds for expired contracts.

2. Recommends that the Department of Education improve:
 - a. Fiscal and management controls over the pre-paid bus pass program by implementing policies and procedures outlined in the department's User Policy Guide and Process Flow Manual;
 - b. Procedures for reporting delays or service problems, developing projections of needed special education services in light of school year variations, and require more timely submission of special education transportation requests; and
 - c. Controls over eligibility determination for full-subsidy ridership and bus pass processing.

IF YOU REQUIRE SPECIAL ASSISTANCE OR AUXILIARY AIDES AND/OR SERVICES TO ATTEND THE INFORMATIONAL BRIEFING OF THE STATE HOUSE (I.E., SIGN LANGUAGE INTERPRETER, WHEELCHAIR ACCESSIBILITY, OR PARKING DESIGNATED FOR THE DISABLED), PLEASE CONTACT THE HOUSE COMMITTEE ON FINANCE AT 586-6200, 24 HOURS PRIOR TO THE HEARING SO ARRANGEMENTS CAN BE MADE.



Rep. Dwight Y. Takamine, Chair