
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
4

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
8

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
12

13 WHEREAS, the superintendent of the department of education,
14 requests more funding each legislative session to carryout and
15 implement educational programs; and
16

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
22

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
29

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
4

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,
11

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,
17

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,
25

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,
32

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".
38 PricewaterhouseCoopers went on to say, "roughly one-third of the
39 department's 278 state-funded programs had inadequate systems in
40 place to monitor their effectiveness and at least one in five
41 suffered from insufficient oversight of program spending and
42 many programs completely lacked either;" and,
43



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,

6
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,

12
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,

16
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

21
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

27
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

32
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,

40
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,



H.C.R. NO. 216


1
2 WHEREAS, the department of education's spending practices
3 need to be reviewed and resolved before an increase in funding
4 from the legislature is warranted; now, therefore,
5

6 BE IT RESOLVED by the House of Representatives of the
7 Twenty-fourth Legislature of the State of Hawai'i, Regular
8 Session of 2007, the Senate concurring, that the office of the
9 auditor perform a comprehensive review of the department of
10 education's operations to determine if, as now structured, it
11 can effectively carry out its responsibilities under the Federal
12 No Child Left Behind Act and the State's Reinventing Education
13 Act; and
14

15 BE IT FURTHER RESOLVED that the results of the office of
16 the auditor's review of the department of education's operations
17 be reported to the Legislature by the beginning of the 2008
18 legislative session; and
19

20 BE IT FURTHER RESOLVED that certified copies of this
21 Concurrent Resolution be transmitted to the office of the
22 auditor, the department of education and the board of education.
23
24
25

OFFERED BY:


A handwritten signature in black ink, appearing to be 'H. Hironaka', is written over a horizontal line. To the right of the signature, the letters 'BR' are handwritten.

MAR 14 2007

