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



1 suffered from insufficient oversight of program spending and
2 many programs completely lacked either;" and,
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4 WHEREAS, PricewaterhouseCoopers further noted that "though
5 the department's budget has grown steadily in recent years to
6 the current \$1.78 billion, much of the increase has been due to
7 the mounting cost of employee benefits and to court-mandated
8 spending on special education;" and,
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10 WHEREAS, the PricewaterhouseCoopers audit's results
11 concluded that it was often impossible to tell whether spending
12 aligned with each program's purpose, noting that funds were
13 often instead used to address urgent school needs such as
14 classroom supply shortages; and,
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16 WHEREAS, the 2006 Hawaii state legislature appropriated an
17 additional \$300 million to address the backlog of school repair
18 and maintenance called the "Fix Our Schools Act;" and,
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20 WHEREAS, the state auditor, in 2006, made its first audit
21 of the management practices and controls of the department of
22 education at Kailua High School, which uncovered numerous
23 managerial and financial problems; and
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25 WHEREAS, the audit concluded that the department of
26 education had not provided adequate support to Hawai'i's public
27 school system, including Kailua High School, in the
28 implementation of the No Child Left Behind Act, and in the
29 management of school programs and assets; and
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31 WHEREAS, the state auditor determined that the department
32 of education has not provided Hawai'i's public school system
33 with the support and resources needed to achieve the goals of No
34 Child Left Behind Act; and
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36 WHEREAS, the state auditor stated "the measures that the
37 department of education uses to determine the effectiveness of
38 its budget are irrelevant, inaccurate and ambiguous...and are
39 based on assumptions, estimates, and unverified data". Further,
40 the state auditor concluded that "as a result, legislators are



1 denied potentially valuable information, and some may be basing
2 their fiscal decisions on flawed data"; and,

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4 WHEREAS, the department of education's last comprehensive
5 audit of the entire organization, management processes, and
6 personnel administration happened more than thirty-four years
7 ago, in 1973; and,

8
9 WHEREAS, the department of education's spending practices
10 need to be reviewed and resolved before an increase in funding
11 from the legislature is warranted; now, therefore,

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

20
21 BE IT FURTHER RESOLVED that the results of the office of
22 the auditor's review of the department of education's operations
23 be reported to the Legislature by the beginning of the 2008
24 legislative session; and

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26 BE IT FURTHER RESOLVED that certified copies of this
27 Resolution be transmitted to the office of the auditor, the
28 department of education and the board of education.

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31 OFFERED BY:



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