
A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF EDUCATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the Department of
2 Education receives nearly a quarter of the State's entire
3 operating budget, the largest amount of any state agency, and
4 that the department's appropriations, in fiscal years 2003
5 through 2008, increased nearly sixty-four per cent from \$1.5
6 billion to \$2.4 billion, while enrollment has stayed roughly the
7 same, but that Hawai'i's public schools' test scores repeatedly
8 rank among the lowest in the nation despite the increased
9 funding.

10 The legislature also finds that according to the January
11 2007 Department of Budget and Finance report on the adequacy of
12 federal funding for the implementation of the No Child Left
13 Behind Act, although, in the school years, 2005 through 2006
14 approximately 85 percent of the public schools did not meet
15 various NCLB performance standards, the Department of Education
16 spent less than half the federal school improvement grant money
17 it received", and that the available federal grants allotted to
18 by the No Child Left Behind Act and not spent by the Department



1 of Education over a four-year period resulted in a substantial
2 carryover balance - \$42 million in FY 2003, \$50 million in FY
3 2004, \$60.6 million in FY 2005, and \$53.8 million in FY 2006.
4 Also, in a 2005 independent audit of Department of Education
5 programs conducted by PriceWaterhouseCoopers LLP, the audit
6 concluded that "the lack of transparency made it difficult, and
7 in some cases, impossible, to determine whether many public-
8 school programs were achieving their objectives and whether
9 taxpayer dollars were being spent wisely". The audit went on to
10 state that "roughly one-third of the department's 278 state-
11 funded programs had inadequate systems in place to monitor their
12 effectiveness and at least one in five suffered from
13 insufficient oversight of program spending and many programs
14 completely lacked either."

15 The legislature further finds that the last comprehensive
16 audit of the entire organization, management processes, and
17 personnel administration of the Department of Education happened
18 in 1973. Therefore, the purpose of this Act is to mandate
19 periodic comprehensive audits of the Department of Education in
20 order to assist the Department, the Legislature, and the
21 Executive Branch in making the needed changes to improve the
22 delivery of public education services.



1 SECTION 2. Starting with 2010, the Office of the Auditor
 2 shall conduct a comprehensive review of the Department of
 3 Education's operations every five years to determine if, as now
 4 structured, it can effectively carry out its responsibilities
 5 under the federal No Child Left Behind Act and the State's
 6 Reinventing Education Act. The comprehensive review shall, at a
 7 minimum, consist of a full management and financial audit of the
 8 Department of Education.

9 SECTION 3. The comprehensive review shall be compiled into
 10 a report and shall be reported to the Hawaii State Legislature
 11 at least twenty days prior to the beginning of the 2011
 12 legislative session. Subsequent reviews shall be compiled into
 13 reports and shall be reported to the Hawaii State Legislature at
 14 least twenty days prior to the beginning of the regular session
 15 in the year following a comprehensive review.

16 SECTION 4. This Act shall take effect upon its approval.
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INTRODUCED BY:

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JAN 20 2010



Report Title:

Department of Education

Description:

Mandates a periodic comprehensive review of the Department of Education, consisting of, at a minimum, a full management and financial audit of the Department of Education.

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