

SB2786

Date: 02/08/2010

Committee: Senate Education and Housing

Department: Education

Person Testifying: Kathryn Matayoshi, Interim Superintendent of Education

Title of Bill: SB 2786 RELATING TO THE DEPARTMENT OF EDUCATION.

Purpose of Bill: Requires the department of education to establish a searchable budget database website. Requires that the website be made publicly available no later than 07/01/2011.

Department's Position: The Department of Education supports SB 2786, and believes strongly in transparency of government information. However, there are several concerns that must be addressed:

It is unfortunate that the requirements of SB 2786 are being placed only on the Department of Education, and not on any other state agency or the University of Hawaii. If the intent is transparency of information, the requirements should apply to all state agencies and the University of Hawaii.

1. The Department of Education has many existing financial documents already currently posted on its website, at doe.k12.hi.us, under "Reports--Other, Financial":

- a. Weighted student formula allocations, school-by-school, with calculations and weighting factors, since its inception in Fiscal Year 2006-07.
- b. Committee on Weights explanation of its purpose; explanation of the weighted student formula; with documented final recommendations to the Board of Education on weighted calculations.
- c. Budget allocations to all schools and offices, going back 11 years.
- d. Annual financial reports of the Department of Education.
- e. Annual Financial Audit and Single Audit Compliance Reports.
- f. Budget presentations to the Board of Education on the Department of Education's budget request; budget reductions; and executive budget

restrictions.

g. School-by-school expenditure reports.

We believe that there is a significant amount of information already available on the Department of Education's website that would be meaningful to the Legislature for decision-making, and for public inspection.

2. Massive amounts of data would have to be filtered according to SB 2786's specifications. We process approximately 500,000 transactions per month. Our detailed transaction files include 10,000,000 records.

3. Implementation of SB 2786 would involve a significant customized computer programming effort, and would require ongoing maintenance, since SB 2786 requires the Department to "update the financial data contained on the website monthly." Costs of implementing SB 2786 are estimated at \$300,000 for initial development, and \$100,000 annually to maintain, for which the Department has no funding source to support. Since the Department of Education's budget has been reduced by \$242 million per year, and the State cannot afford additional funding for this implementation, we feel that this initiative cannot be implemented at this time.

4. Regarding disclosure of employee position and salary costs, the Uniform Information Practices Act, Section 92F-12 (a) (14), Hawaii Revised Statutes, allows the disclosure of only ranges of salary, not specific salaries.

5. Item 2(E) in SB 2786, requiring "a description of the planned use of the moneys for fiscal year 2010-2011 and each fiscal year thereafter" is redundant with item 2(D), since the name of the budget program or activity will be sufficient to describe the planned use of the moneys. For example, "Human Resources Recruitment" would indicate that the planned use of the moneys would be to implement recruitment of personnel.

6. Our current financial systems are almost 20 years old, and require replacement. In addition, some of our processes are still done manually.

For example, our salaried payroll is maintained on index cards. In the future, the Department plans to implement a new Enterprise Resource Planning (ERP) System. The Legislature is already considering HB 1848 and SB 2114 to allow capital investments using bond funding to invest in technology. When such funding becomes available from the Legislature, the Department would be able to work with the Legislature to determine what data elements from that system would be appropriate to place in a publicly accessible database.

Recommendations:

1. The Legislature could review existing financial information provided by the Department of Education at its website: doe.k12.hi.us, under "Reports--Other, Financial" to determine what additional information is important for Legislative decision-making and public inspection, that is not already posted on the website.
2. Monthly updating of the financial data will be costly. For frequency of data availability to the public, balanced against cost of implementation, we recommend semi-annual updating of the website-posted information. As an example, employee positions do not change drastically month-to-month. A large portion of the data would be similar month-to-month. Data would be more meaningful if viewed at the half-year point and at year-end.
3. Salary costs of employees would be disclosed as ranges of salary, not specific salaries, in accordance with the Uniform Information Practices Act, Section 92F-12 (a) (14), Hawaii Revised Statutes.
4. We recommend deletion of Item 2(E), since Item 2(D) will be sufficient to describe planned use of each moneys received by the Department.
5. We recommend postponement of implementing SB 2786 until sufficient funding can be provided to the Department of Education to properly implement these newly proposed statutory requirements.
6. We recommend that these searchable budget database requirements be applied equally to all other state agencies and the University of Hawaii.

Testimony for EDH 2/8/2010 1:45:00 PM SB2786

Conference room: 225

Testifier position: comments only

Testifier will be present: Yes

Submitted by: Jamie Story

Organization: Grassroot Institute of Hawaii

Address: 1314 S. King St. Suite 1163 Honolulu, HI

Phone: 808-591-9193

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Submitted on: 2/5/2010

Comments:

Senate Committee on Education and Housing

In principle, the Grassroot Institute of Hawaii is in full agreement with the intent of SB 2786, that is, to create a publicly searchable database website for money received and expended by Hawaii's Department of Education. However, we question whether or not the bill will be implemented, even if it is passed by the legislature.

The state legislature previously passed a similar bill that would have created a searchable website containing all state expenditures over a certain dollar threshold. Unfortunately, it is two years later and the website still has not been created. After the state failed to implement its own law, the Grassroot Institute, with the help of Laura Brown and Hawaii Reporter, began collecting state expenditure data through numerous open records requests. We have had varying degrees of success, but even the successful requests have required numerous follow-ups and substantial time and financial resources. Many open records requests remain unanswered.

The Grassroot Institute has the financial and personnel resources to create a searchable website for the entire state government, including the DOE, if we are provided the data. Furthermore, dozens (if not hundreds or thousands) of citizen "auditors" sit ready to examine the data once it's produced. Therefore, we recommend amending the bill to require—at the least—that the DOE provide the public information specified in the bill to any citizen or organization that requests it. The information could be provided in electronic format, free of charge. So even if the DOE claims it cannot create the website due to technical limitations, lack of resources, or any other reason, groups like ours would still be able to acquire the data to produce this website on our own, as a public service to the state of Hawaii.

From: Magali Sunderland [magali@hawaiiantel.net]
Sent: Thursday, February 04, 2010 10:05 AM
To: EDH Testimony
Subject: SB 2786

Testimony re: HEARING SB2786

DATE: Monday, February 08, 2010
TIME: 1:45 PM
PLACE: Conference Room 225
State Capitol
415 South Beretania Street

February 3, 2010

To whom it may concern:

I submit this testimony in full support of SB 2786.

As a small business owner and mother of 7, most of whom attend public schools in this State, I am deeply concerned with the inability of concerned Hawaii citizenry to access a single source of current accurate fiscal information on the operations and management of the Department of Education, while this same Department takes the extreme measure of closing their doors to our school children who receive a public education, claiming a lack of financial resources to keep them open.

Undoubtedly, fiscal transparency is an essential obligation of any legitimate and effective State government. Now more than ever, as state and federal funding sources shrink, fiscal transparency remains the single most reliable act of state government required to maintain appropriate checks and balances on the source and expenditure of state and federal tax dollars. It is troubling that it would take a law to ensure this transparency, rather than the execution of good Departmental leadership. Nonetheless, it is the need that compels this legislative response here.

The Department of Education is tasked with the preparation of one of the most valuable assets in this community, our children, who, generation after generation, become this State's principal source of revenue, as employed taxpayers and business entrepreneurs. At the same time, The Department of Education has recently shut its doors to these very children, creating new state holidays called "Furlough Fridays", while claiming insufficient funding to keep the doors to opportunity and prosperity open. There is no better time than now, to throw these school doors wide open and shine the bright light of reason and understanding on the obviously failed fiscal management of State and Federal funds going into and out of the Department of Education. This bill will be a first important step to enable just such a review.

As a first step toward total fiscal transparency in all government Departments, it makes sense to start with the Department of Education, in light of the crisis they claim exists resulting in the closing of public schools. However, efforts should not and must not stop here. The Department of Health and the Department of Education both share in the receipt of Federal IDEA funds, for expenditure on children eligible for special education services, a term defined by Federal law, such that this bill should be extended to the Department of Health as well.

Finally, some funds passing through the Department of Human Services is also spent on some of the educational needs of some of our most at risk youth. Accountability for these funds must be included as well.

Failure to hold all Departments contributing to the cost of educating our most precious asset, up to the same light of fiscal transparency and accountably will only perpetuate the continued obfuscation of funding source, eligibility, expenditure, and accountability at a time when these same Departments plan to cut deeper and deeper into the delivery of essential services to these very students, claiming a lack of funding. Our future cannot be assured without leadership in legislation that will mandate fiscal accountability when the State of Hawaii's Departmental leadership has so horribly failed.

Thank you.

Magali V. Sunderland

sakamoto2 - Erin

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 04, 2010 12:35 PM
To: EDH Testimony
Cc: clg9408@yahoo.com
Subject: Testimony for SB2786 on 2/8/2010 1:45:00 PM
Attachments: sb2786.pdf

Testimony for EDH 2/8/2010 1:45:00 PM SB2786

Conference room: 225
Testifier position: support
Testifier will be present: No
Submitted by: Cyndi Gale
Organization: Individual
Address: 2135 S Kihei Rd #211 Kihei, HI
Phone: 808-264-1115
E-mail: clg9408@yahoo.com
Submitted on: 2/4/2010

Comments:

I am writing in support of SB2786.

I am an employee of the Hawaii Department of Education. I have worked as an educator on Maui since the 2002-03 school year. I have seen my school's enrollment decrease, yet I'm told that the DOE budget has continued to increase. Where is all the money going? It isn't coming to us at the schools - at least not to my school.

Principals have control of a limited portion of their budget. My school has no money for supplies, because about 97% of our budget is devoted to personnel. According to a study done, \$.49 of every dollar goes to the classroom. The DOE argued that that number is really \$.51. That number isn't much better. What do these numbers include? Where *exactly* is the money going?

The DOE is funded with our tax dollars. We have a right to know how those tax dollars are being spent, yet the DOE has no financial accountability. We were forced to decrease the number of instructional days by 17 for this and next school year due to lack of funding. I hear cries by the DOE, BOE, and HSTA to fully fund education. Before we get any more money, I want to know where the money we already have been given is going. If enrollment has decreased and funding has increased, why do we not have enough?

The public has a right to know how its money is being spent, and our students have a right to the best education possible. We need accountability. Please hold the DOE accountable for how it is spending our money - accountable to the people who fund it.

sakamoto2 - Erin

From: Thom1s [thom1s@earthlink.net]
Sent: Wednesday, February 03, 2010 7:37 AM
To: EDH Testimony
Cc: Sen. Fred Hemmings; Art Souza; Janette Snelling; Wil Okabe; Karolyn Mossman; Joan Lewis; Colleen Pasco; Governor; Garrett Toguchi; KMS-T. Stuart
Subject: Testimony in re SB2786--A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF EDUCATION.

Testimony of Thomas E. Stuart, a classroom teacher at Kohala Middle School, Kapa'au, Hawaii (home tel. 889-0835; add Box 1148, Kapa'au HI 96755:

I vigorously support the creation and maintenance of a DOE website to inform the public where the ever increasing and roaring torrent of money dumped into this fiscally irresponsible sewer -- with no questions asked -- is actually going.

Having taught at three public schools in this state since 1994 I find the total lack of ANY accountability for ANYTHING on the part of DOE utterly appalling. The myth that a principal benefit accruing to the one of its kind in the nation statewide school "district" -- funding equity -- is an ABSOLUTE LIE.

At Wai'anae Intermediate I had to wait FIVE YEARS for my department head to scrounge up enough math books so each of my students could be issued one.

At Kealakehe High School, by contrast, we were submerged in every physical resource imaginable, regardless of expense. I was assigned as a math teacher to an elaborately and expensively outfitted biology lab most of whose space and equipment lay fallow for the two years I taught there.

At Kohala Middle, the year AFTER the humbug Act 51 "Reinventing Education" legislation was signed into law, I had to put more than five hundred dollars on my personal credit card to purchase MATH TEXTBOOKS for my Algebra students. In the wake of a grievance I later filed, I was ultimately reimbursed.

It is my understanding that in a twelve year period beginning before the turn of the millennium, the DOE slush fund "budget" tripled at a time when both enrollment and academic performance -- according to every figure of merit -- declined.

As a measure of DOE "effectiveness" in the spending of obscene amounts of money dumped into this bureaucratic leviathan, we have now arrived at a point when fully two thirds of the DOE "managed" schools in this state have been publicly branded as "failing" by the DOE because these schools have failed to make Adequate Yearly Progress (AYP) on the annual humbug "assessment" tests.

Why "humbug"?

Simple.

DOE has in its utter loathing of anything approaching accountability has steadfastly REFUSED to establish a common core academic curriculum -- to which a REAL assessment test might be aligned -- for ANY subject at ANY grade level.

The DOE claim that the so called "standards" suffice is pure hogwash.

When super salesman LeMahieu was Superintendent he sold the notion of standards by promising that it was "UNFAIR" for teachers to have to shoot at a moving target, that standards would offer a reliable, fixed target on which they might focus their efforts. In the first half decade we went from Hawaii Content and Performance Standards (HCPS) "HICCUPS ONE" in teacher speak to HICCUPS THREE and thereafter a rolling set of "benchmarks" that seem constantly in "refinement".

The Latin word "curriculum" means "racetrack".

A real curriculum in REAL school districts is something teachers are by contract tasked to deliver. Thanks to DOE, teachers in Hawaii are free to do exactly as they please since the "standards" are in no way binding as a condition of employment.

The result?

When the tardy bell rings and the classroom door swings shut, the "curriculum" for the next period is whatever happens to happen next.

DOE calls this dogs breakfast they have made of public education, "academic freedom".

NORMAL people understand this is chaos, chaos that cheats parents and other taxpayers, steals money and hurts the bright capable kids who populate our classroom.

And for this the DOE is given -- WITH NO QUESTIONS ASKED and ZERO ACCOUNTABILITY FOR MEASURABLE RESULTS -- almost three billion dollars per year?

Give me a [obscene gerund redacted] BREAK!

The former executive director of our union HSTA, the legendary Joan Lee Husted, said it best when she observed that the DOE is afflicted with "BOILING DYSFUNCTION".

Compelling DOE to come clean as to where all the money that is NOT going into the classroom is ACTUALLY going is a long overdue step in the right direction.

The state legislature is to be commended for taking this matter under consideration.

Respectfully submitted this third day of February 2010.

-----Original Message-----

From: "Sen. Fred Hemmings" <senhemmings@capitol.hawaii.gov>

To: 'Thom1s' <thom1s@earthlink.net>

Subject: Testimony needed on important DOE Bill

Date: Feb 2, 2010 8:32 PM

Attachments: SB2786_.pdf

We need your testimony regarding an important bill (SB2786) which requires the Department of Education to establish a searchable budget database website, providing public transparency in spending and allocations. The bill is attached for your review and comments. The text is also copied and pasted below the instructions for submitting testimony. Please feel free to forward this email to any concerned parties who would support the legislation.

Charlotte Farmer
Legislative Aide to Senator Fred Hemmings
808.587.8388

Please consider the environment before printing this message.

NOTICE OF HEARING

DATE: Monday, February 08, 2010

TIME: 1:45 PM

PLACE: Conference Room 225

State Capitol

415 South Beretania Street

Persons wishing to testify should submit testimony in one of the following ways by 4:00 p.m. the day prior to the hearing:

- By Email: Testimony may be emailed if less than 5 pages in length, to the Committee at EDHTestimony@Capitol.hawaii.gov . Please indicate the measure, date and time of the hearing. Email sent to individual offices or any other Senate office will not be accepted.
- By Web: Testimony may be submitted online if less than 4MB in size, at <http://www.capitol.hawaii.gov/emailtestimony>.
- In person: 1 copy of their testimony to the committee clerk, Room 230, State Capitol.
- By fax: Testimony may be faxed if less than 5 pages in length, to the Senate Sergeant-At-Arms Office at 586-6659 or 1-800-586-6659 (toll free for neighbor islands), at least 24 hours prior to the hearing. When faxing, please indicate to which committee the testimony is being submitted and the date and time of the hearing.

Please note: If you submit your written testimony after 4:00 p.m. the day prior to the hearing, please sign-in at the staff table to testify orally. A copy of your testimony may not be available during the hearing but will be posted online for the public after the hearing.

If you require special assistance or auxiliary aids or services to participate in the public hearing process (i.e., sign or foreign language interpreter or wheelchair accessibility), please contact the committee clerk 24 hours prior to the hearing so arrangements can be made.

Please note: All testimony received by the Hawaii Senate will be posted on the Hawaii Legislature's Website. Documents made available through the Testimony hyperlink(s) above may not be posted until the start of the hearing.

Public Folder. A folder labeled "Public Folder" containing the testimonies for the hearing will be available for shared use by members of the public.

FOR FURTHER INFORMATION, PLEASE CALL THE COMMITTEE CLERK AT 586-8585

THE SENATE

STATE OF HAWAII

TWENTY-FIFTH LEGISLATURE, 2010

JAN 25 2010

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. Chapter 302A, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated

3 and to read as follows:

4 1' 53 02A- Searchable budget database. (a) The
5 department of education shall develop, maintain, and make
6 available to the public, at no cost, a searchable budget
7 database website that shall contain the following information:

8 -(1) The amount and source of all moneys received by the
9 department when the amount is at least \$5,000; 10 -(2) Moneys expended by the department in an amount of at

11 least \$1,000, including:

12-(A) The name and principal location or address of the
13 entity receiving moneys; except that information concerning a payment to an employee of the department shall identify the
individual employee by position and business address only;

-(B) The amount of expended moneys;

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The funding source of the expended moneys; The name of the budget program or activity receiving the moneys; and A description of the planned use of the moneys for fiscal year 2010-2011 and each fiscal year thereafter.

(b) The financial data shall be provided in a structured format that may be downloaded. The budget database website shall include a method by which a website user may provide feedback concerning the organization or utility of the website.

(c) The budget database website shall be made publicly available no later than July 1, 2011, and shall contain only information that is public record or that is not confidential or otherwise protected from public disclosure pursuant to state or federal law.

(d) To the extent practicable, the department shall update the financial data contained on the website monthly. The department shall archive the financial data, which shall remain accessible and searchable for a minimum of five years.

(e) For the purposes of this section, "entity" means a corporation, association, union, limited liability company, limited liability partnership, grantee, contractor, local government, or other legal entity including a nonprofit corporation, and does not include an individual recipient of state public assistance or public assistance provided by the department of education. "

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

Report Title :

Education

Description :

Requires the department of education to establish a searchable budget database website. Requires that the website be made publicly available no later than 07/01/2011.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

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