

HB-372-HD-1

Submitted on: 2/11/2021 7:12:56 PM

Testimony for LMG on 2/17/2021 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Pcola_Davis	Individual	Support	No

Comments:

I **SUPPORT** THIS BILL. This i isn't just a bill about auditing the DOE.

It's a bill of opportunity for our public school system.

I did read a testimony regarding having an audit done every 3 years vice annually. However; when it is done annually it is then the perfect opportunity to identify **funding** needs for new legislation prior to the Legislature convening.

The report is submitted 20 days prior to the convening of the regular session following the audit.

Opportunities:

(1) Evaluate the **adequacy school funding**, but may include the professional judgement method in its analysis;

(2) Estimate the amount of **additional funding needed** to provide all public school students in Hawaii with an **equal educational opportunity**;

(3) **Compare Hawaii teacher salaries** with teacher salaries in school districts of similar size and cost of living to determine compensation characteristics, in order to pay teachers **FAIRLY**; and

(4) Assess the **equity of funding** between schools

An independent audit by a third party could finally influence the needs of our school system to be **functional**.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON LEGISLATIVE MANAGEMENT
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 312
WEDNESDAY, FEBRUARY 17, 2021 AT 2:30 P.M.**

To The Honorable Dale T. Kobayashi, Chair;
The Honorable John M. Mizuno, Vice Chair; and
Members of the Committee on Legislative Management,

SUPPORT HB372 HD1 RELATING TO THE DEPARTMENT OF EDUCATION

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce, in the county most impacted by the COVID-19 pandemic in terms of our dependence on the visitor industry and corresponding rate of unemployment. I am writing share our support of HB372 HD1.

The Maui Chamber of Commerce wholeheartedly supports an independent audit of the Department of Education (DOE). We have been asking for an independent audit of the DOE throughout the last decade because the public has strong concerns about the breakdowns between the administrative and classroom levels and feels not enough funding is getting to the classroom.

Last year, we appreciated the recognition given to the significant DOE repair and maintenance backlog issues, which led the state to address this with the Schools Facilities Agency. While we don't know where that ended up in terms of solutions, COVID-19 has been a complete game changer.

Today, much of our educational activity is through distance and limited in-person learning and there is a greater need for improved technology systems to maximize opportunities in this new environment, which requires a completely different type of budget. Like businesses, the DOE must also budget from a different standpoint, given the pivots that were made in our system. Therefore, it would seem that now more than ever, an independent audit of the DOE is required! We need the state to address top priorities and must maximize the funding that goes to the DOE to ensure that our students get the best return possible on our investment for their education and future.

Mahalo for the opportunity to support this important measure.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



Committee on Legislative Management
Representative Dale Kobayashi, Chair
Representative John Mizuno, Vice Chair

February 17, 2021

Dear Chair Kobayashi, Vice Chair Mizuno and Committee Members,

This testimony is submitted in **support of HB 372, HD1**, which requires the auditor to perform an annual operational audit of the academic and financial plans of the DOE and requires the DOE to contract with a third-party consultant that specializes in school finance to study the adequacy of education funding in Hawaii.

We strongly support the first part of the bill regarding the annual operational audit of the academic and financial plans of the DOE. As education advocates, we have been following the education budget and academic performance over the past ten years. Our observation is even in good economic times, academic performance has not improved significantly. We know that the system can always benefit from more financial resources, but we do not have clarity and specificity on how resources are being used to achieve student outcomes. Therefore, a deep analysis of the process for developing a school academic and financial plan is needed.

We know there is a process for the academic and financial plan. It starts with a school doing a Comprehensive Needs Assessment by looking at data to identify strengths and weaknesses in the school's operations. Based on this, a school identifies **outcome goals**, like proficiency or student growth, which it will work on during the year. A school then identifies **priority strategies** like reducing chronic absenteeism to help achieve its outcomes, which it will explain in detail in its plan. Separately, the school receives a lump sum allocation, determined by its student enrollment, of its funds it will receive for the year. The school will adjust its academic plan based on its funding.

The plan then gets approved by the Complex Area Superintendent (CAS). Progress reports are submitted throughout the year to update the CAS on how the school is progressing on achieving its goals. If a school is having trouble achieving its goals, the CAS, State Office, Assistant Superintendents and Superintendent are supposed to step in and analyze why goals are not being met and provide guidance and support to help a school achieve its desired goals. While we know there is a process, what we don't know is where there might be issues, obstacles or lack of capacity in the process.

An operational audit would help identify where there are disconnects in the process. It could inform us on why certain schools are not able to achieve their desired outcome goals.

We also believe that HB 372 HD1 would strongly compliment and reinforce SB 807 on academic and financial reporting. SB 807 tries to simplify and provide structure to the academic plan, and at the same time, connect the academic plan to the financial plan so that we know how our resources are being used. In our testimony on SB 807, we lay out an example of an academic plan that is intended to help stakeholders understand what a school is trying to achieve.¹ It starts by the school presenting its **outcome targets** up front, which should be a mix of state-wide and school specific goals. Then, we suggest that a school list its **priority strategy indicators** and **measures**; these are strategies on how a school intends to achieve their outcomes and lists **measures** on how it plans to execute its strategies. It is in this section that the connection to the financial plan can be stated.

With both SB465 and SB807, stakeholders will have more coherence on how our system is operating to utilize resources to get the greatest positive impact on student performance.

¹ https://www.capitol.hawaii.gov/Session2021/Testimony/SB807_TESTIMONY_EDU_02-03-21_.PDF

Thank you for the opportunity to testify. Our support represents a 75% consensus or more of our voting membership.

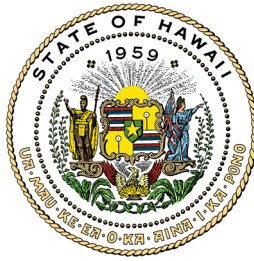
Sincerely,

Cheri Nakamura
HE'E Coalition Director



Academy 21
American Civil Liberties Union
After-School All-Stars Hawai'i
Alliance for Place Based Learning
*Castle Complex Community Council
*Castle-Kahuku Principal and CAS
Coalition for Children with Special Needs
Education Institute of Hawai'i
*Faith Action for Community Equity
Fresh Leadership LLC
Girl Scouts Hawaii
Harold K.L. Castle Foundation
*HawaiiKidsCAN
*Hawai'i Afterschool Alliance
*Hawai'i Appleseed Center for Law and Economic Justice
*Hawai'i Association of School Psychologists
Hawai'i Athletic League of Scholars
*Hawai'i Charter School Network
*Hawai'i Children's Action Network
Hawa'i Education Association
Hawai'i Nutrition and Physical Activity Coalition
* Hawai'i State PTSA
Hawai'i State Student Council
Hawai'i State Teachers Association
Hawai'i P-20
Hawai'i 3Rs
Head Start Collaboration Office
It's All About Kids
*INPEACE
Joint Venture Education Forum
Junior Achievement of Hawaii
Kamehameha Schools
Kanu Hawai'i
*Kaua'i Ho'okele Council
Keiki to Career Kaua'i
Kupu A'e
*Leaders for the Next Generation
Learning First
McREL's Pacific Center for Changing the Odds
Native Hawaiian Education Council
Our Public School
*Pacific Resources for Education and Learning
*Parents and Children Together
*Parents for Public Schools Hawai'i
Punahou School PUEO Program
Special Education Provider Alliance
*Teach for America
The Learning Coalition
US PACOM
University of Hawai'i College of Education
YMCA of Honolulu

Voting Members () Voting member organizations vote on action items while individual and non-voting participants may collaborate on all efforts within the coalition.*



HOUSE COMMITTEE ON LEGISLATIVE MANAGEMENT
The Honorable Dale T. Kobayashi, Chair
The Honorable John M. Mizuno, Vice Chair

H.B. NO. 372, H.D. 1, RELATING TO THE DEPARTMENT OF EDUCATION

Hearing: Wednesday, February 17, 2021, 2:30 p.m.

The Office of the Auditor takes **no position** on H.B. No. 372, H.D. 1, and offers the following comments.

The bill directs the Auditor to “conduct an operational audit of the academic plans and the financial plans of the department, assessing the efficiency and effectiveness of the process from budget and planning, and implementation to student outcomes annually.”

Evaluating academic and financial plans can range from tracking measures of academic achievement to reviewing expenditures, and the academic and financial plans for each complex area are likely to be different. Because the objectives of any performance audit can vary widely, it is important that we understand concerns you may have or areas you would like audited, especially given the likely breadth of the areas identified in the bill. In order to ensure our audit focuses on the issues the Legislature is most interested in having us examine, we suggest the Legislature consider identifying in the bill the specific programs or activities that it wants audited.

The bill additionally proposes that the operational audit be conducted annually. However, audits are most meaningful and helpful when auditees have time to implement audit recommendations and implementing recommendations can take considerable time, as long as 3 years for some key recommendations. Therefore, it is possible an annual audit may not provide the department enough time to meaningfully implement recommendations between audits.

Thank you for considering our testimony related to H.B. No. 372, H.D. 1. We are committed to providing meaningful audit findings that address the issues identified by the Legislature and are available to work with the Committee on the language of this bill.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/17/2021
Time: 02:30 PM
Location: 312 Via Videoconference
Committee: House Legislative
Management

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: HB 0372, HD1 RELATING TO THE DEPARTMENT OF EDUCATION.

Purpose of Bill: Requires the auditor to perform an annual operational audit of the academic and financial plans of the department of education. Requires the department of education to contract with a third-party consultant that specializes in school finance to study the adequacy of education funding in Hawaii. Appropriates funds. Effective 7/1/2050. (HD1)

Department's Position:

The Hawaii State Department of Education (Department) respectfully provides comments on House Bill 372, HD1, which proposes to:

1. Require the auditor to perform an annual operational audit of the academic and financial plans and
2. Require the Department to contract a third-party consultant that specializes in school finances to study the adequacy of education funding in Hawaii.

The Department welcomes any constructive input on improvements to the academic plan and financial plan process. Currently, the School Community Council of each school reviews their respective school's academic and financial plans and provides feedback prior to the submission of the plans to the Complex Area Superintendent for approval. The School Community Council, as defined by HRS 302A-1124, is comprised of representatives from multiple stakeholder groups - students, parents, teachers, noncertificated school personnel, and community members. This review ensures that the process is transparent and provides opportunity for stakeholder participation.

The Department, however, is concerned that the audits may provide diminishing returns if performed on an annual basis.

The Department appreciates the appropriation to conduct the adequacy study. In 2005, Grant Thornton completed an adequacy study and reported that \$277.5 million would be needed to satisfy adequacy requirements. In preparation for the 2014 Legislative session, the Department developed an adequacy study request but was unable to obtain the necessary approvals required due to competing priorities at the time. On May 23, 2017, the Board of Education approved the Department's Committee on Weights (COW) recommendation to seek additional funding for adequacy and to request additional funding for a new adequacy study.

Thank you for the opportunity to provide testimony on this measure and for the legislature's continued support for Hawaii's public schools.

The Hawai'i State Department of Education is committed to delivering on our promises to students, providing an equitable, excellent, and innovative learning environment in every school to engage and elevate our communities. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.