

OVERVIEW

THE AUDITOR
STATE OF HAWAII

Audit of the Decentralization Efforts of the Department of Education

Summary

Senate Concurrent Resolution No. 270, S.D.1, H.D.1, C.D.1, of the 1997 legislative session requested the Office of the Auditor to conduct an audit of the decentralization efforts of the Department of Education.

We found that the Department of Education has not provided the level of support schools need to assume their new responsibilities. The department could provide either more training or redesign training content. Learning support centers established by Section 302A-1104, HRS, are not functioning as intended. School principals contend that the department's 1996 reorganization has resulted in less support than when services were provided by district level personnel.

We also found that the Department of Education has decentralized decision making but has not given schools sufficient autonomy and flexibility. SCBM and non-SCBM schools alike are freer to use the funds allocated to them, but the actual proportion of funds over which they have complete control still is relatively insignificant. We reviewed the FY1995-96 expenditures of 21 schools and found that just four percent of the expenditures had no departmental or other agency limitations. We also noted that SCBM decision-making guidelines need clarification. In addition, school-based budgeting has not been adequately reviewed.

Finally, we found that Section 302A-1123, HRS, which authorizes the establishment of student-centered schools, is flawed. The statute fails to define the extent to which the department and the Board of Education remain legally responsible for student-centered schools and the funding method is difficult to implement fairly. The law also fails to specify the department's role in providing the support and information needed by student-centered schools.

Recommendations and Response

We recommend that the department, when giving new responsibilities to the schools, identify the ability of the schools to undertake those responsibilities, and provide the necessary training, information, and support staff. In addition, the department should formally establish the learning support centers, staff the centers with the personnel needed to support school improvement efforts, clarify the responsibilities of the centers, establish procedures for the complexes to govern the centers, and provide the parameters within which the complexes will determine the services to be provided.

We recommend that the Board of Education clarify the definition of "consensus" in SCBM to prevent individuals from derailing school reform efforts. The board also should cease the establishment of categorical funding programs. The board and the department should also periodically conduct formal reviews and evaluations of the school-based budget process.

We also recommend that the Legislature cease the practice of establishing categorical programs. The Legislature should also require the department to provide general funds to schools in one lumpsum.

Finally, the Legislature should consider amending Section 302A-1123 to help shape a charter school system consistent with the requirements of the Public Charter Schools Program as enumerated in federal law. In particular, amendments should: (a) clarify legal responsibilities of the department and the student-centered school boards, (b) improve the funding provision, and (c) clarify the duty of the department to provide assistance to student centered schools.

The department asserts the State's budgetary constraints prevent the department from expanding support staff. The department agrees that it has not fully established learning support centers but contends that the State's economic situation prevents it from operating the centers as originally intended by the Legislature. However, the department has established Teacher Learning Centers.

The board notes that its Committee on Student Services will continue to meet to discuss SCBM governance issues. Discussions with the Hawaii State Teachers Association and the Hawaii Government Employees Association are also planned. Regarding our recommendation to cease the establishment of categorical programs, the Board of Education notes that it established two programs but has no plans to establish additional ones.

The board states that it will be conducting an evaluation of school-based budgeting. The department plans to periodically evaluate the school-based budget process.

The department agrees that except for a few types of funds which the department identifies, funds should be provided to schools in one lumpsum.

The department agrees with our recommendation that the Legislature consider amending Section 302A-1123, HRS. It also asserts that Section 302A-1123 should be amended to provide the full range of civil rights protections found in Section 378-2, HRS.

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