Management Audit of Hawaii's School-to-Work Opportunities System

A Report to the Governor and the Legislature of the State of Hawaii

Report No. 98-21
December 1998

THE AUDITOR
STATE OF HAWAII

The Office of the Auditor

The missions of the Office of the Auditor are assigned by the Hawaii State Constitution (Article VII, Section 10). The primary mission is to conduct post audits of the transactions, accounts, programs, and performance of public agencies. A supplemental mission is to conduct such other investigations and prepare such additional reports as may be directed by the Legislature.

Under its assigned missions, the office conducts the following types of examinations:

1. *Financial audits* attest to the fairness of the financial statements of agencies. They examine the adequacy of the financial records and accounting and internal controls, and they determine the legality and propriety of expenditures.

2. *Management audits,* which are also referred to as *performance audits,* examine the effectiveness of programs or the efficiency of agencies or both. These audits are also called *program audits,* when they focus on whether programs are attaining the objectives and results expected of them, and *operations audits,* when they examine how well agencies are organized and managed and how efficiently they acquire and utilize resources.

3. *Sunset evaluations* evaluate new professional and occupational licensing programs to determine whether the programs should be terminated, continued, or modified. These evaluations are conducted in accordance with criteria established by statute.

4. *Sunrise analyses* are similar to sunset evaluations, but they apply to proposed rather than existing regulatory programs. Before a new professional and occupational licensing program can be enacted, the statutes require that the measure be analyzed by the Office of the Auditor as to its probable effects.

5. *Health insurance analyses* examine bills that propose to mandate certain health insurance benefits. Such bills cannot be enacted unless they are referred to the Office of the Auditor for an assessment of the social and financial impact of the proposed measure.

6. *Analyses of proposed special funds* and existing *trust and revolving funds* determine if proposals to establish these funds and existing funds meet legislative criteria.

7. *Procurement compliance audits* and other *procurement-related monitoring* assist the Legislature in overseeing government procurement practices.

8. *Fiscal accountability reports* analyze expenditures by the state Department of Education in various areas.

9. *Special studies* respond to requests from both houses of the Legislature. The studies usually address specific problems for which the Legislature is seeking solutions.

Hawaii's laws provide the Auditor with broad powers to examine all books, records, files, papers, and documents and all financial affairs of every agency. The Auditor also has the authority to summon persons to produce records and to question persons under oath. However, the Office of the Auditor exercises no control function, and its authority is limited to reviewing, evaluating, and reporting on its findings and recommendations to the Legislature and the Governor.

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OVERVIEW

Management Audit of Hawaii's School-to-Work Opportunities System

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Summary

The Office of the Auditor conducted a management audit of Hawaii's school-to-work opportunities system in response to House Concurrent Resolution No. 88, H.D.1, S.D.1, C.D. 1. The development and implementation of this system is the result of Hawaii's participation in the federal school-to-work initiative under the School-to-Work Opportunities Act of 1994 (Public Law 103-239). The act provides a national framework for building local systems to ensure that all students can achieve high levels of academic and technical skills and prepare for further education and careers.

The federal government intends to provide only venture capital or seed money through grants and only for a five-year period. The act sunsets on October 1, 2001. States and localities are expected to secure alternate sources of funding beyond that date. Hawaii's school-to-work opportunities system receives both federal and state funds. Federal funding for the school-to-work initiative is $10.2 million for the five-year implementation grant period which started in FY1995-96.

Hawaii's school-to-work initiative is headed by the Hawaii School-to-Work Opportunities Executive Council. The council's primary staff are located in the Hawaii School-to-Work Office. Department of Education staff assist with the initiative and the department serves as the fiscal agent responsible for administering the federal grant and any state funding.

We found that Hawaii's school-to-work opportunities system lacks a clear mission, goals, and outcome measures. Difficulty explaining exactly what school-to-work entails has plagued the executive council from the start. Currently, Hawaii's school-to-work effort is nowhere near statewide implementation, nor is it close to being a system. "Partnerships" between schools and businesses are supposed to provide "hands-on" experience to students but partnerships for the most part have not received much guidance from the Hawaii School-to-Work Office when it comes to "system building."

Additionally, we found that controls over school-to-work expenditures are weak. Accountability over school-to-work expenditures is not clear. This has led to confusion over who should be monitoring whether the school-to-work funds are expended properly, particularly at the partnership level. Through our review of expenditures at 13 partnerships we visited, we found that some school-to-work funds have been spent on miscellaneous items that do not directly relate to the development of a statewide system.

We also found that the implementation of safety inspection requirements is poor. Staff are reluctant to do the safety inspections because of inadequate training, the subjective nature of the criteria used to deem a site "safe," and issues of personal liability.

Recommendations and Response

We recommend that the Legislature should not provide any additional funding for Hawaii's school-to-work opportunities system until the executive council clearly defines the system's mission and goals, and clarifies how it intends to measure outcomes for school-to-work. Also, the executive council and the Department of Education must clarify the role of the fiscal agent and determine who is responsible for ensuring the partnerships are held accountable for their funding.

We also recommend that the Legislature require the executive council, the Department of Education, and the University of Hawaii to determine the effectiveness of safety surveys and whether they should be continued. Furthermore, regardless of whether safety surveys are conducted, the Legislature should require standardized worker readiness training, which should be approved by the Department of Labor and Industrial Relations' HIOSH Division. Finally, agencies responsible for training should help to ensure that students, teachers, parents, and work site employers are provided with more information on the work limitations of students, unsafe situation recognition and prevention techniques, and child labor laws.

Although the school-to-work opportunities executive council generally agreed with our findings and recommendations, it raised some concerns regarding our first finding regarding lack of clarity in mission, goals, and outcome measures. It also defended the localized direction and the lack of post-graduation data.

We stand by our conclusions. On some matters, the council misses the point. On others, we note that the onus is on the council to prove that the school-to-work initiative has made a difference with programs already in place and that the additional funds have been effectively spent.

In its response, the Department of Education endorses the response of the executive council. The department concurs with our finding that before federal funding ends, the executive council and the Department of Education (more specifically the Board of Education) need to make sure their roles are clearly defined. It characterizes this as a "most fundamental issue."

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Submitted by

THE AUDITOR
STATE OF HAWAII

Report No. 98-21
December 1998

Foreword

This report was prepared in response to House Concurrent Resolution 88, House Draft 1, Senate Draft 1, Conference Draft 1, which requested the Auditor to conduct a management audit of Hawaii's school-to-work opportunities system.

We wish to express our appreciation for the cooperation and assistance extended by officials and staff of the Hawaii School-to-Work Opportunities Executive Council, Hawaii School-to-Work Office, and the Department of Education.

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Table of Contents

Chapter 1 Introduction

Background 1
Objectives of the Audit 6
Scope and Methodology 6

Chapter 2 Hawaii's School-to-Work Opportunities System is Characterized by Confusion

Summary of Findings 9
Hawaii's School-to-Work Opportunities System Lacks a Clear Mission, Goals, and Outcome Measures 9
Controls Over Expenditures Are Weak 18
The Implementation of Act 344, SLH 1997, is Poor and Has Not Met Its Intended Purpose 24
Conclusion 28
Recommendations 29

Notes 31

Responses of the Affected Agencies 33

Exhibit

Exhibit 1.1 Hawaii's School-to-Work Opportunities System 3

Chapter 1

Introduction

The Legislature, through House Concurrent Resolution No. 88, House Draft 1, Senate Draft 1, Conference Draft 1, requested the Auditor to conduct a management audit of Hawaii's school-to-work opportunities system. The development and implementation of this system is the result of Hawaii's participation in the federal school-to-work initiative, which attempts to address the nation's serious skill shortage through partnerships between educators and employers.

In September 1995, Hawaii was awarded a grant to implement a statewide school-to-work opportunities system. This federal funding of approximately $10.2 million was allocated annually over a five-year period, which is set to end in 2000. Since this is just two years away, legislators have raised concerns about the progress of the State's implementation of its school-to-work initiative. One concern relates to the State's plan to secure future funding after the federal grant ends. Other concerns include: the approval process for awarding of grants and contracts; the implementation of Acts 343 and 344, including why job safety inspections have not been conducted; whether a complete cross-section of the student population is being appropriately provided for and the adequacy of monitoring of student attendance and academic performance for those students working too many hours per week or who are working too late on school nights.

Background

The School-to-Work Opportunities Act of 1994, Public Law 103-239, responds to two major problems the United States faces. Young people have had difficulty making the transition from education to employment. The system that existed prior to school-to-work has been described as "awkward" and contributing to a labor force that is marred by excessive turnover and unemployment. Additionally, school-to-work initiatives target the need for systemic reform of public education.

The School-to-Work Opportunities Act provides a national framework for building local systems to ensure that all students can achieve high levels of academic and technical skills and prepare for further education and careers. Essentially all students, even those who plan to attend college, can benefit from being better prepared to pursue careers through learning, doing, and applying abstract concepts to real-life situations. Other than the national framework guidelines that describe a school-to-work system as consisting of school-based, work-based, and connecting activities, no one model exists for states to follow.

School-to-work is not a program

Although reference is often made to school-to-work programs, the initiative is considered to be the educational reform of a "system," since it involves a "new" way of thinking about the delivery of education and employment training. It is an umbrella term for many activities, experiences, and opportunities that prepare students for the world of work. A school-to-work system may coordinate programs within a school district or statewide, as in Hawaii's case.

Administered by the U.S. Departments of Education and Labor, the school-to-work initiative is not a "top-down" federal program. The federal government intends to provide only venture capital or seed money through grants and only for a five-year period. The act sunsets on October 1, 2001. States and localities are expected to secure alternate sources of funding beyond that date.

Hawaii's implementation of school-to-work

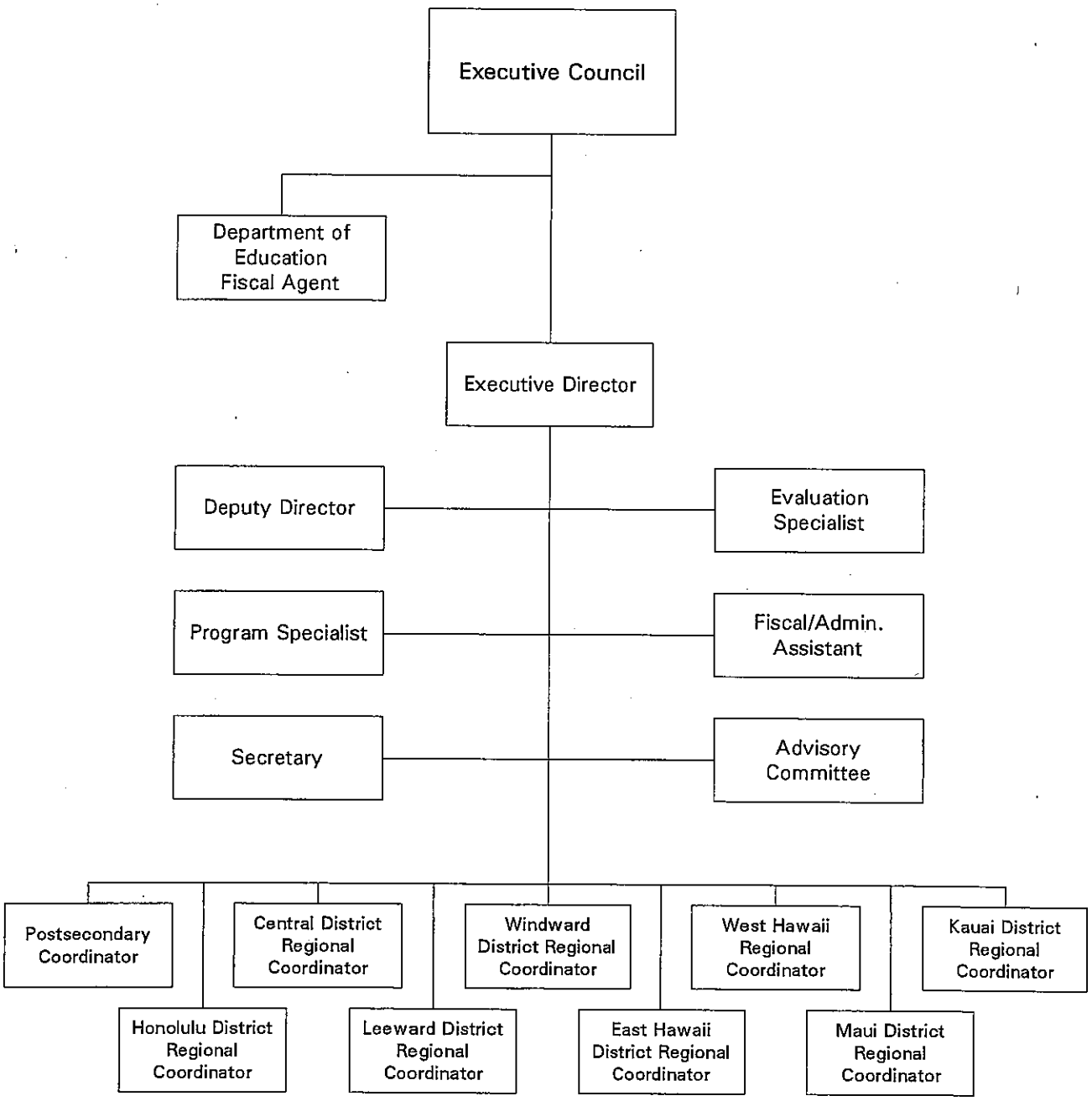
Hawaii's school-to-work initiative incorporates school-based (instruction and curriculum), work-based (activities at the workplace), and connecting activities (integration of activities at schools and workplaces) through existing programs. The following programs incorporate some or all of these components: career academies, TechPrep, internships, mentoring programs, Native Hawaiian vocational education programs, vocational rehabilitation, cooperative education, apprenticeships, job shadowing, Job Training and Partnership Act training programs, and learning centers.

Utilizing these programs as a base, Hawaii's school-to-work initiative plans to build its system on "career pathways." Career pathways represent major employment segments that encompass a variety of professional fields. The five priority industries that represent the major employment segments of Hawaii's economy and priority development are hospitality and tourism, health care, business services, environmental technologies and agriculture and building and construction.

Administration of the Hawaii's school-to-work opportunities system

Hawaii's school-to-work initiative is headed by the Hawaii school-to-work opportunities executive council, which was established by Act 343, Section 302A, Session Laws of Hawaii (SLH) 1997. Exhibit 1.1 displays the organization of this initiative. Appointed by the governor, the council consists of the superintendent of education, the president of the University of Hawaii, the state director of vocational education, the directors of the Departments of Business, Economic Development and Tourism, Human Services, and Labor and Industrial Relations, and representatives from local or regional partnerships. The council is also allowed to hire staff exempt from civil service who report to the executive director of the council. The council and its staff are administratively attached to the Department of Education. The department serves as the fiscal agent and is responsible for administering the federal grant and any state funding (under the budget program EDN 100).

Exhibit 1.1
Hawaii's School-to-Work Opportunities System



Source: Hawaii, Hawaii School-to-Work Office, *Policy and Procedures Manual*, February 1998, p. 2-4.

The powers of the council include the following:

- establishing and setting the general direction and policy for Hawaii's school-to-work opportunities system, its council, and executive director;
- appointing, supervising, and if necessary, discharging the executive director;
- establishing rules and procedures regarding its membership and operations;
- approving expenditure plans and awarding grants and contracts;
- ratifying the establishment of all necessary standing and ad hoc committees; and
- engaging in such activities, as necessary, to implement the functions of the council and the federal school-to-work act by delegating authority to the executive director.

Currently, the staff of the council consists of an executive director, deputy director, evaluation specialist, program specialist, fiscal/administrative assistant, and a secretary. The Department of Education staff assisting with the school-to-work opportunities system include eight regional coordinators who are assigned to the eight "school-complex" regions. Each regional coordinator facilitates the development of a local-partnership plan that describes how the school plans to implement its school-to-work initiative. The partnership could be between the private and public sector, the schools and businesses, or post secondary and elementary and secondary schools. The Department of Education is also responsible for the School-to-Work Transition Program, which has staff at 17 schools who provide career/employment counseling for high school students. On July 1, 1996, Act 91, SLH 1996 transferred the administration and funding for this program from the Department of Labor to the Department of Education.

A postsecondary coordinator, a staff person from the University of Hawaii Community Colleges, works with regional coordinators to ensure that any agreements with the community colleges are somewhat consistent throughout the community college system. This is supposed to allow students to choose from a wider variety of options for their postsecondary education.

At the school level, grant applications are submitted for partnerships. A typical partnership consists of a high school complex (i.e., a high school and its feeder intermediate and elementary schools). The high school usually serves as the fiscal agent for the partnership and is responsible for keeping track of funds. Various entities may comprise a partnership, including local businesses, community organizations, postsecondary institutions, and even private schools.

There are also variations on what entities are included in a partnership. For example, in the Maui District, all of the schools make up one partnership with the district office serving as the fiscal agent. Whereas in the Leeward District, the Leeward Partnership includes only the Nanakuli, Campbell, and Pearl City complexes.

Both federal and state funds support the system

Hawaii's school-to-work opportunities system receives both federal and state funds. Federal funding for the school-to-work initiative is $10.2 million for the five-year implementation grant period. The State received $1.7 million for FY1995-96, $3.4 million for FY1996-97, and $2.55 million for FY1997-98; it is projected to receive $1.7 million for FY1998-99 and $.85 million for FY1999-00.

The system is also supported through state general funds. Through Act 343, SLH 1997, $500,000 has been appropriated for FY1997-98, and another $500,000 for FY1998-99, to be used to fund positions in the school-to-work office. The Department of Education provides over $5 million of in-kind support annually to fund the regional coordinator positions, transition centers, off-ratio teachers, and other staff support.

Grants are awarded to schools through an application process. However, unlike most grants, these are noncompetitive in that no one is rejected. If there is a problem with a grant, the council asks the applicant to revise it until it is acceptable. Approximately $6.1 million in grants has been awarded since FY1994-95.

Concerns with school-to-work have been expressed at the federal and state levels

A national evaluation conducted on states' and localities' efforts to implement school-to-work initiatives has identified a number of concerns. These issues include the difficulties states face in fitting school-to-work systems into a coherent education policy framework; in structuring work-based learning as envisioned in the federal act or creating other alternatives to make workplaces useful for all or most students; in organizing school curriculum consistently around career themes; and in determining whether the created partnerships will become important, sustainable institutions that continue past the five years of federal funding.

The National School-to-Work Office raised specific concerns regarding Hawaii's school-to-work opportunities system when it conducted a site monitoring visit in July 1997. The report cited the executive council's inability to ensure and support a strong role for the state Department of Education. The strength of Hawaii's state plan had been the "great potential" for system building in the state through its *one* school district, overseen by *one* state agency. However, this had yet to be realized.

Furthermore, the executive council had not proposed or initiated efforts to coordinate state leadership, including resources, outside the Department of

Education. The report also documented specific tasks that should have been completed. It stated that Hawaii's system should consider the following: adopting an employer participation model based on national standards; identifying resources available in the Department of Education and the State; developing a clear media outreach strategy; creating an effective strategic plan to administer new legislation for system building; and designating available funds, staff, and ongoing activities to support the statewide effort.

Our office has also expressed concerns with programs that are considered components of the school-to-work system. In the *Audit of State Vocational Education Programs and Job Training Programs* (Report No. 97-14), we found that not all departments perform adequate evaluations of their vocational education and job training programs. Although the community colleges have a comprehensive evaluation system, the Department of Education's evaluation efforts are inconsistent. The Department of Public Safety has no evaluation system.

We also found that many oversight bodies had been created for those programs primarily to satisfy federal requirements. However, since current federal trends combine programs and funding under block grants, the need for numerous oversight bodies in the future may be reduced. The Department of Labor and Industrial Relations has already led state efforts to consolidate. Our audit encouraged further consolidation, which is one of the goals of the school-to-work initiative.

Objectives of the Audit

1. Assess whether the School-to-Work Opportunities System can ensure that it is accountable in meeting its mission, goals, and objectives.
2. Assess whether the executive council has controls in place to meet the criteria set forth in Act 343 and Act 344, SLH 1997.
3. Make recommendations as appropriate.

Scope and Methodology

The audit examined Hawaii's school-to-work opportunities system statewide. The scope of our review was from 1994 to the present. We reviewed pertinent laws, applicable state statutes and rules, the state school-to-work implementation plan, and policies and procedures developed by the Hawaii School-to-Work Office.

We also reviewed grant application files, testimony, memoranda, meeting minutes, letters, financial reports, and other reports. We conducted interviews with members of the executive council, staff of the Hawaii

School-to-Work Office, regional coordinators, Department of Education district level and school staff, staff from other agencies with responsibilities related to school-to-work, and federal officials involved with school-to-work both regionally and nationally.

We conducted site visits on Oahu, Kauai, Maui, Hawaii, Molokai, and Lanai and visited a total of 13 partnerships. We actually visited 15 high schools because the Leeward Partnership consists of three high schools (Nanakuli High and Intermediate School, Campbell High School, and Pearl City High School). Sites were selected based on concerns regarding particular partnerships, as well as the amount of grant funds received. Furthermore, our sample criteria included coverage of all school districts and islands.

At each of the sites, we interviewed the principal and the school-to-work coordinator. We reviewed financial records, information on safety surveys, student work hours, and evaluation reports.

Our work was performed from June 1998 to October 1998 in accordance with generally accepted government auditing standards.

Chapter 2

Hawaii's School-to-Work Opportunities System is Characterized by Confusion

This chapter presents our findings and recommendations relating to the management of Hawaii's school-to-work opportunities system. We found that the mission, goals, and outcome measures for the system are unclear and are inhibiting its development. Furthermore, controls over expenditures are weak, and there is a conflict between the Hawaii School-to-Work Office and the Department of Education in trying to determine who is ultimately responsible for fiscal controls. Finally, we found that Act 344, Session Laws of Hawaii (SLH) 1997, has not met its intended purpose. Overall, staff are uncomfortable with doing the safety inspections required by the act because of inadequate training, the subjective nature of the criteria used to deem a site "safe," and issues of personal liability.

Summary of Findings

1. Hawaii's school-to-work opportunities system lacks a clear mission, goals, and outcome measures.
2. Controls over school-to-work expenditures are weak.
3. Act 344, SLH 1997 is poorly implemented and has not met its intended purpose.

Hawaii's School-to-Work Opportunities System Lacks a Clear Mission, Goals, and Outcome Measures

The Hawaii School-to-Work Opportunities System lacks a clear mission, goals, and outcome measures. This has made it difficult for the executive council to garner support for the initiative. For example, some teachers question its "staying power" and have viewed school-to-work as yet another "educational fad" that will come and go.

Difficulty explaining exactly what school-to-work entails has plagued the executive council from the start. The original vision statement was wordy and vague:

> The Hawaii School-to-Work Opportunities System is a coalition of public-private partnerships that link education, the workplace, and the community, and empowers students to achieve their highest potential as informed, responsible, and productive members of our island, national, and global societies . . . To achieve this vision, the HSTWO

> System will instill and reinforce the basic values of integrity and respect, encourage continuous learning, and emphasize the link between academic and specialized skills by providing meaningful work-based learning opportunities. The System will deliver results-oriented education and training in order to better prepare students for a first job and enhance their ability to make meaningful and satisfying career choices.[1]

This statement implies that an overall "system" will be developed. However, this statement and subsequent documents do not clearly define what constitutes the "system." Also, no mention is made of the school-to-work initiative's focus on a continuum of preparing students for future careers from kindergarten entry to throughout their lives. Also missing is the fact that school-to-work is meant for all students.

This lack of clarity has led to a predominant misconception that school-to-work is just for high school students. In response to this misconception, the executive council formed a subcommittee with the task of clearly defining Hawaii's school-to-work system. Therefore, during the third year of the five-year grant, the executive council set up a task force in July 1998 to refine the mission and vision statements.

The new vision and mission statements are more concise but still do not adequately clarify the purpose and goals of Hawaii's school-to-work opportunities system. The vision statement reads: "Hawaii's people are responsible, productive, and globally competitive citizens involved in lifelong learning." The mission statement declares that the goal of the school-to-work system is to: "Develop an educational system involving partnerships to link educational experience with career opportunity and community to prepare Hawaii's students to achieve their potential."

These broad statements and the lack of clear definitions or implementation strategies for the school-to-work effort have led to confusion regarding what actually constitutes Hawaii's school-to-work opportunities system.

Participants have conflicting perceptions of what constitutes the system

The executive council members and district and school level staff we interviewed agreed that the school-to-work opportunities system is an educational reform effort. Only one interviewee incorrectly described it as a "program." However, there were conflicting perceptions when they were asked to describe exactly how the system has been designed or how it will be implemented. For example, not everyone agrees with the notion that school-to-work is an "umbrella" or an overarching concept.

Although programs such as TechPrep, High Schools That Work, and career academies are considered components of school-to-work, some staff still view them as distinct programs and not part of the school-to-work system. For example, school-to-work and TechPrep have been

described as "cousins" who share the same "genetic make-up," but have their own distinct "personalities." One partnership we visited in the Hawaii District did not consider work-based learning programs as part of school-to-work because it did not "officially" place these programs under the school-to work umbrella. However, information on students who participate in these programs has been submitted to the Hawaii School-to-Work Office for evaluation purposes and they are considered part of school-to-work.

One of the main reasons for the conflicting perceptions of Hawaii's school-to-work opportunities system is that it lacks some of the major components that make up an effective system for implementation at the state level. The U.S. Departments of Education and Labor contracted with Mathematica Policy Research to conduct a nationwide evaluation of school-to-work implementation efforts. The report stated that an effective statewide school-to-work system should be consistent with other relevant state initiatives and have a statewide infrastructure of standards, definitions, incentives, and resources to guide and support local partnerships' development. Other characteristics of an effective system include breadth of participation, consistency, connectedness, continuity, and sustainability.

Currently, Hawaii's school-to-work effort is nowhere near statewide implementation, much less being a system. Partnerships for the most part have not received much guidance from the Hawaii School-to-Work Office when it comes to system building. For example, one partnership has been asking for technical assistance in this area and the Leeward Partnership requested regular sessions that bring partnerships together for collaboration and exchange of "best practices."

School-to-work was meant to be a statewide system

Hawaii's school-to-work implementation plan explicitly states that the executive council intends to "develop, implement, and operate a statewide school-to-work system that builds on existing career development programs" and to "expand existing models, as well as research, design, and implement new models of quality, integrated academic and vocational curricula, and courses of study." However, this has not been the case. The school-to-work office often receives requests for assistance or guidelines from partnerships but tells the partnerships that it is up to them to design their own systems.

This has led to frustration for some of the partnerships that have expressed concern with the lack of a more prescriptive state plan. School-to-work was supposed to serve as the "umbrella" for all of the existing programs, and the school-to-work office was supposed to help consolidate them under one system. However, an education department staff noted

that the executive council has moved away from this idea because the school-to-work office has never presented the partnerships with a framework or model for the "umbrella."

According to the implementation plan, "how-to" manuals to assist in the replication of the prototype element would be provided. Manuals on child labor laws, on sections of the federal grant, and on work-based learning have recently been developed. However, none of these documents clearly describes how a partnership would best go about developing a system or how these separate systems would ultimately fit into a statewide system.

This concern is nothing new. In July 1994, prior to the submission of the grant, the executive council expressed concerns about the conflict between centralized and local control when it came to developing the school-to-work system. Some saw the need to identify key elements and direct schools to incorporate them, while others felt that permitting more localized direction would be more beneficial.

Before the grant was submitted, still others commented on the need for better direction. A few months later, the school-to-work coordinators of the Central District suggested to the executive council the need for systemic/system-wide programs and cooperation rather than compartmentalized programs. A consultant from Washington, D.C., who has had experience with school-to-work programs, recommended that Hawaii start off with just a few schools and then expand the system over five years. This did not happen.

Rather, the executive council opted to serve approximately one-third of the high schools each year, more if they were deemed ready. However, this did not take into account whether schools were prepared to implement a school-to-work opportunities system. In fact during the first year, over 25 grants were awarded, and because an equitable grant formula was not established from the start, the council was concerned about a possible shortfall.

The executive council is still grappling with defining the system

Members of the executive council are still trying to define Hawaii's school-to-work opportunities system. In April 1998, the chair of the executive council noted that one of the most frequently asked questions is: "How do we know we are successful?" Another member of the council noted the importance of defining what a school-to-work student is and what activities will count, since it is likely that some students and/or activities may be double counted by other funding sources. In July 1998, a special meeting was convened to help define the concept of school-to-work. Something this basic should have been established when Hawaii first submitted its grant.

Outcome measures for school-to-work are limited

Evaluation is one of the main components of the federal act and consequently that of the State's implementation plan also. Although Hawaii has been recognized for its data collection process, outcome measures for the school-to-work system are limited. Other than completing the Annual Progress Measures Survey which is submitted to the National School-to-Work Office (which largely collects demographic data), the executive council lacks "hard" data. Much of the data that has been collected amounts to what one executive council member characterized as "bean counting" (e.g., counting the number of businesses involved) and does not assess what is really important: the impact on students after they graduate. The Hawaii School-to-Work Office's evaluation specialist noted potential difficulty in tracking the success of students beyond high school.

In a June 1998 meeting, several members of the executive council expressed concern about the lack of hard data and the heavy reliance on anecdotal information. A member stated that "the bottom line is the 'bottom line'" and that it is hard to get businesses involved without this type of information.

In response to this concern, the Hawaii School-to-Work Office is currently attempting to obtain quantitative data, but did inform the council that some of the successes reported may be the result of other initiatives besides school-to-work. The office further stated that before school-to-work becomes a general practice in Hawaii's schools, school-to-work students need to be defined and students with school-to-work experiences need to be identified in order to study the effects of this initiative.

A member of the council responded that it was acceptable to count already existing or non school-to-work initiatives because school-to-work is an all-inclusive concept and these programs are to be expanded to serve all students. This notion is indicative of the confusion surrounding how school-to-work is defined and how difficult it will be to determine its effectiveness. Furthermore, many of the partnerships have not conducted evaluations at the school level.

Partnerships admit to the lack of effort to evaluate the impact of school-to-work

The Hawaii School-to-Work Office has identified some outcome measures. Recently, it has attempted to study the relationship between such variables as grades and participation in work-based learning. However, as acknowledged by the evaluation specialist, this analysis is limited. It cannot speak to the effectiveness of school-to-work because the reasons for any positive outcomes, such as better grades, cannot be determined. Additional information and further analyses would be needed in order to say that school-to-work and, more specifically, work-based learning, was the reason for a student's success.

Other than this analysis, most partnerships lack "hard" data, but have anecdotal data or individual "success stories." We reviewed the evaluation efforts of the 15 schools we visited and found that all of them do some type of follow-up after a staff development or training activity. Participants, such as teachers, staff, and students, are asked to either fill out an opinion survey that documents strengths and weaknesses or to provide a summary of their experiences.

Although some partnerships aggregate the information and share it with the participants and/or staff responsible for planning the activities, we did not always find evidence that demonstrated how this information was ultimately used. Other than one partnership in the Central District, we did not find any evidence of evaluations that focused on the effectiveness of school-to-work and how it affected student outcomes.

The lack of evaluation and objective outcome measures comes as no surprise to administrators in the Department of Education. One district superintendent noted that the lack of "hard" data is a perennial problem for the department. Another district superintendent concurred and noted that evaluation is an area that needs to be addressed.

The difficulty with determining the effectiveness of Department of Education programs is nothing new. In our audit of vocational education and job training programs, Report No. 97-14, we found that the department does not have a system for evaluating all of its vocational education programs. It has not consistently implemented adequate program evaluation to assess effectiveness, and the degree of assessment varies from program to program and within programs. Although school-to-work is not considered vocational education, the vocational education programs are considered components of the system.

The department responded to our report by stating that it has recognized the need to consolidate current evaluation efforts. An educational specialist with the department noted there was an attempt to consolidate these efforts, but the Hawaii School-to-Work Office elected not to participate.

Partnerships feel school-to-work has taken credit for the success of already existing programs

Although there is a general understanding that school-to-work is a system and not a program, confusion still exists as to how already existing programs fit into school-to-work. Staff have remarked that whenever the Hawaii School-to-Work Office wants to show that school-to-work is successful, it points to such programs as the Farrington Health Academy, which existed long before the school-to-work initiative.

A report to the executive council's education task force listed the programs under school-to-work as TechPrep, High Schools That Work, career academies, learning centers, cooperative education, internships, guidance, career education, workplace readiness, basic practical arts, JROTC and ROTC, service learning, and career pathways. However, some of the partnerships did not agree with this list.

When we conducted interviews and asked what programs fit under the school-to-work system, interviewees were not always clear in their response. When we asked an educational specialist whether High Schools That Work was a part of school-to-work, we were told that it was not. The specialist further stated that before this or any other program could be integrated under the school-to-work umbrella, the success of school-to-work would have to be proven. Also, partnerships we visited in the Honolulu District considered career academies as similar to, but not necessarily a part of, school-to-work. Some partnerships gave the generic answer that since school-to-work is for all students, all programs are under school-to-work. This lack of a consistent definition further hampers evaluation efforts.

The executive council's efforts at sustainability are late

One of the main emphases of the National School-to-Work Opportunities Act is sustainability. The act provided funds only for a limited time because it was to serve as "seed money" or "venture capital." Applicants were expected to find other ways to sustain the system and keep it going. The executive council's plans for sustainability involve: developing marketing and communication strategies to further the objectives of the initiative; soliciting continued support from the State; soliciting support from the private sector; and completing an institutionalization plan for the initiative. These efforts, particularly the marketing plan and the institutionalization plan, are long overdue. Staff of the Hawaii School-to-Work Office have admitted that the plans are off to a late start, and they are concerned about the impending 2000 deadline, when federal funds sunset.

The marketing plan was deemed inadequate by the executive council

Although starting its fourth year, the school-to-work effort still lacks a marketing plan. One plan was completed in April 1998 but was deemed inadequate by staff of the Hawaii School-to-Work Office. It was supposed to further the objectives of the school-to-work initiative by utilizing public and private resources to strengthen Hawaii's school system by mobilizing Hawaii's business community to be active participants; by institutionalizing school-to-work within the Department of Education; by instilling in students the concept of lifelong learning through school-to-work in order to strengthen Hawaii's future workforce; and by raising community awareness of school-to-work.

The executive council solicited marketing proposals from a list of approved vendors provided by the National School-to-Work Office. Moneys were obtained from a technical assistance account provided by the office. The executive council selected Reingold Associates of Washington, D.C., which was paid approximately $19,000 in federal funds for its services.

The Hawaii School-to-Work Office expressed concerns regarding the final report. It requested two clarifications of Reingold: (1) a clear and detailed description of the methodology used to determine the challenges that led to the action plan; and (2) a reworking of the current action plan, with the Hawaii School-to-Work Office staff, to prioritize and sequence the action plan activities. With this revised action plan as a base, the executive council plans to further develop another marketing plan with a local marketing firm.

The executive council should, however, take into consideration some of the issues raised in Reingold's marketing plan. The plan reflected concerns raised in a past federal monitoring review, as well as issues raised during our current audit. These concerns included strengthening the collaboration between state and local leaders through better communication, planning, and materials coordination, as well as training of advocates so that local partners can be assured that the office will listen to their input and respond to their needs.

Also, the plan suggested creating a connection among numerous programs and initiatives that could be allied with the school-to-work system in some way. To join these programs under the same umbrella, the office needs to proactively communicate with both new and existing efforts. This is the type of groundwork that needs to be laid in order to avoid marketing an initiative that the executive council cannot clearly explain.

Only background information has been completed for the institutionalization plan

The executive council is also long overdue with its institutionalization plan. An independent consultant was hired to conduct a study on how school-to-work should be institutionalized in Hawaii. It included three phases: (1) looking at the state initiatives that have been the most successful in implementing and sustaining their school-to-work initiatives; (2) interviewing key partners in the Hawaii school-to-work initiative; and (3) formulating an institutionalization plan. The first phase was completed in June 1998; the subsequent phases are still under negotiation.

Unlike the marketing plan, the first phase of the institutionalization plan pleased the executive council. The plan essentially reiterated some of the same concerns found in the marketing plan. It also stated the importance of a vision, goals, and measurable outcomes. All of this should have been

addressed before Hawaii first submitted its grant. Currently, the council should be in the process of refining its implementation plan, not creating a brand new plan.

Although the executive council is behind in its plans for marketing and institutionalization, individual partnerships have forged ahead and have embraced the school-to-work initiative. Some of the partnerships state that they will support school-to-work regardless of whether it receives funding from the Legislature.

Partnerships support school-to-work regardless of funding from the Legislature

Although the partnerships would like to continue to receive funding for school-to-work from the Legislature, many of them have indicated that they will continue the initiative regardless of funding. One partnership in the Honolulu District stated that at the end of the grant period the teachers would have received inservicing and thus, additional funding will not be necessary. This was echoed by a Leeward District partnership that stated it had already budgeted for school-to-work and will continue regardless of additional funding. Furthermore, a partnership in the Hawaii District stated that even if the funding dries up, the partnership will still have a system. Whatever initiatives or reforms the partnership is currently pursuing is done with system building in mind.

Some of the partnerships are making good progress in developing their school-to-work systems. For example, the Leeward Partnership, made up of Nanakuli High and Intermediate School, Pearl City High School, and Campbell High School, has assembled a core group as its board of directors, established 501(c)3 nonprofit organization status, and created eight advisory committees to support the partnership's school-to-work efforts. Furthermore, the organization has developed a central regional work-based learning employer data base. The partnership plans to solicit private donations and promote fund-raising efforts to sustain the school-to-work effort.

Thus, if partnerships plan to continue the school-to-work effort regardless of funding for Hawaii's school-to-work opportunities system, any future appropriations would largely be used to support administrative costs for the Hawaii School-to-Work Office. The funds appropriated by the Legislature ($500,000 in FY1997-98 and $500,000 in FY1998-99) were largely used to pay for positions, travel, and other expenses for the office. Only $80,000 was distributed to the district level ($10,000 per district).

The executive council views placement of the Hawaii School-to-Work Office in the Department of Education as the solution

The executive director of the Hawaii School-to-Work Office has always expected to rely heavily on state general funds to sustain the school-to-work effort. In September 1996, fearing a shortfall, the director spoke of asking the State for matching funds. However, another executive council member stated that the existing business-educational partnership should be the sole source of funding, that the whole idea of school-to-work is to create partnerships, have them build capacity, and then have them start fending for themselves and not come directly to the council for funding.

At the same meeting, the former deputy superintendent of education stated that school-to-work is part of the Department of Education, and the department and school-to-work are not separate. He went as far as to say that by year 2000, school-to-work would be part of the Department of Education system. That is, the Hawaii School-to-Work Office would become an integral part of the department, not just an administrative attachment. This would in essence "guarantee" funding for the office. The chair of the Board of Education, however, has stated that the board would consider this only if funds were already appropriated to the office. Before federal funding ends, the executive council and the Department of Education (more specifically the Board of Education) need to make sure their roles are clearly defined. The chair of the executive council dubbed this a "chicken and egg" problem. One of the most glaring examples of this is the still-to-be delineated role of the fiscal agent, a factor that has contributed to weak controls over school-to-work expenditures.

Controls Over Expenditures Are Weak

We found a lack of accountability and controls over expenditures for the Hawaii School-to-Work Opportunities System. The executive council and the Department of Education have not ensured that school-to-work funds are being spent for their intended purpose—to serve as seed money to implement a comprehensive statewide school-to-work opportunities system. Through our review of expenditures at the 13 partnerships we visited, we found that some school-to-work funds have been spent on miscellaneous items that do not directly relate to the development of a statewide system. By merely labeling a purchase order as related to school-to-work, partnerships have been allowed to purchase computer equipment, refreshments and meals, training, and office supplies that do not directly contribute to the development of a statewide system.

Our findings echo concerns raised during a site monitoring visit by officials from the National School-to-Work (STW) Office regarding how the Hawaii School-to-Work Office was utilizing the funds. The report stated the following: "It appears that STW funds are repeatedly targeted for use in activities that do not contribute to state STW system building,

and are not part of the negotiated grant activities. Resolving these conflicts over the allowable and effective use of STW dollars is time consuming and may later result in financial audit issues."[2]

Not only could a lack of controls jeopardize federal funding in the future, but also it raises concerns with whether the Legislature should continue to appropriate general funds. The Legislature passed Act 343, SLH 1997 with the intent of establishing a school-to-work opportunities system in Hawaii, including a mechanism for governing, managing, and distributing federal and state resources. Additionally, the Legislature appropriated $500,000 for each of two fiscal years with the intent that the positions established would carry out the council's responsibilities, including fiscal accounting and administration. However, we found that the executive council and the Department of Education have not clearly established a mechanism for fiscal oversight, and this has led to poor controls over expenditures.

The Department of Education's role as fiscal agent is not clear

Accountability over school-to-work expenditures is not clear. This has led to confusion over who should be monitoring whether the school-to-work funds are expended properly, particularly at the partnership level. This lack of controls may place Hawaii out of compliance with federal guidelines and further hamper the development of a statewide school-to-work opportunities system in Hawaii.

The roles of the Hawaii School-to-Work Office as grantee and the Department of Education as fiscal agent have never been clearly defined. As fiscal agent, the education department is responsible for receiving and being accountable for federal grant funds. However, according to the Code of Federal Regulations (CFR), 29 CFR, Part 97, it is the grantee that is responsible for monitoring grant and subgrant support, which includes each program, function, or activity. Therefore, although the education department is the fiscal agent, it is the Hawaii School-to-Work Office that ultimately decides who will receive funding and how much.

The Department of Education and the Hawaii School-to-Work Office define the department's role of fiscal agent inconsistently. Staff at the department believe that the executive director of the school-to-work office is responsible for monitoring the use of school-to-work funds and for ensuring that funds are spent correctly. Specifically, they believe that the director is responsible for ensuring that schools are spending their money in accordance with their approved grants.

The department staff view themselves as the mechanism that sets up the school-to-work expenditure codes and inputs related information into the computer system. They record the expenditures but do not review them for allowability or exercise their authority to approve them. The

department, in accordance with the CFR, holds the executive director and the executive council, as grantee, responsible for such review and approval.

The Hawaii School-to-Work Office does not share this understanding. It defines "fiscal agent" as the source or establishment that is responsible for the funds of a state or federal grant. It holds the Department of Education responsible for ensuring that Hawaii's school-to-work grant is in compliance with federal rules and regulations. Also, the school-to-work office considers the education department to be responsible for receiving funds that will be allocated to the schools, making payments on monthly expenditures, and submitting quarterly financial reports to the U.S. Department of Labor.

Furthermore, the fiscal specialist reports that the Hawaii School-to-Work Office does not monitor the schools' expenditures. Once they approve the grant applications, the funds are disbursed to the high schools in the partnerships, and the schools act as fiscal agents for the partnership. The principals approve the purchase orders for their own schools and submit them for payment. Consequently, the Hawaii School-to-Work Office does not know if the expenditures are in compliance with federal requirements.

The Hawaii School-to-Work Office has not conducted a physical inventory to safeguard against theft

The Hawaii School-to-Work Office has not conducted a physical inventory of all equipment purchased with school-to-work funds to safeguard against theft. The office is not maintaining accounting records of equipment purchased by the local partnerships. It has only tracked equipment purchased for the school-to-work office. The local partnerships are responsible for keeping their own property records. There is no indication that equipment purchased by the partnerships has been entered into the Department of Education's fixed assets account, as required by the State's Fiscal Management System procedures.

The Hawaii School-to-Work Office claims that since the local partnerships received approval from the federal government to purchase equipment just this year, a physical inventory has not yet been conducted. However, we noted during our file review that three partnerships had purchased computer equipment and supplies in FY1995-96 and FY1996-97. A physical inventory should already have been conducted.

According to 29 CFR, Part 97, the grantee is responsible for maintaining accounting records that include a description, an identification number, the acquisition date, the cost, and location of the property. Federal regulations also require that a physical inventory of the property be taken and the results be reconciled with accounting records at least every two years. Also, a control system should have been developed to ensure

adequate safeguards against loss, damage, or theft of the property. The Hawaii School-to-Work Office informed us that such a control system for physical inventory has yet to be developed.

School-to-work funds were used for questionable expenditures

During our fieldwork, we found several instances in which school-to-work funds were used for expenditures that did not directly support the implementation of a statewide school-to-work system. We reviewed purchase orders from FY1994-95 to FY1997-98 at 13 partnerships and found that one of the partnerships had purchased equipment without prior approval, which is in violation of the Hawaii School-to-Work Office's *Policy and Procedures Manual*. We also found that some partnerships made excessive purchases of indirectly related items such as refreshments and meals.

A partnership purchased equipment without prior approval

During our fieldwork, we found that one of the partnerships purchased equipment before receiving written approval. In the past, the executive council had not allowed equipment purchases with school-to-work funds. Currently, equipment purchases are allowed under certain conditions. For example, no equipment can be purchased prior to receiving written approval from the executive director. Furthermore, any item or items costing more than $5,000 requires written approval from the executive council.

In July 1998, one partnership purchased computer equipment, including a UNIX server, 10 computers, and 10 printers, for approximately $40,000 without prior written approval. Before the purchase occurred, the executive council had raised concerns about how all this equipment would be used for the school-to-work initiative. After several memos between the council and the partnership, written approval had still not been granted. However, the partnership went ahead and purchased the equipment anyway. There was no control mechanism in place to prevent a purchase from being made without approval.

Funds have been used excessively for meals and refreshments

Some partnerships have spent excessive amounts of school-to-work funds for meals and refreshments. A representative we contacted at the National School-to-Work Office stated that spending on refreshments is not prohibited, but is discouraged. One partnership in the Hawaii District spent over $6,000 on refreshments and meals for four conferences in one fiscal year. Another partnership in the Honolulu District spent almost $5,500 for a conference at Turtle Bay Hilton which included breakfast, lunch, and dinner for participants.

Sufficient justification was not available for training and office supplies

We found that purchase orders do not sufficiently justify the use of school-to-work funds for training and office supplies. One partnership in the Central District paid $12,000 for internet training, while another partnership in the Leeward District paid $3,450 for a "Troubleshooting and Maintaining the Macintosh" workshop. There was no documentation by either partnership on how the training was related specifically to developing the school-to-work system. Other unjustified expenditures included thousands of dollars for educational and office supplies, such as bond paper, manila file folders, transparencies, and school planners.

The local partnerships spent approximately $481,000 on educational, office, and computer supplies in FY1997-98. If these expenses were incurred before school-to-work was implemented, this would be supplanting, which is not allowed. It was often difficult to determine if supplanting occurred since descriptions were lacking on the purchase orders and related invoices. Also, this lack of description does not comply with 29 Code of Federal Regulations, Part 97, regarding fiscal control and accounting procedures. These federal requirements must be followed to ensure that school-to-work funds have not been used in violation of the School-to-Work Opportunities Act or the terms of the school-to-work grant.

The grant review process lacks controls, consistency, and guidance

During our file review of grant applications submitted by the local partnerships, we found that the grant review process lacks controls and consistency. For example, one partnership in the Central District had submitted its budget revision request after several of the activities in the budget had already taken place. In the end, the request was approved because the activities had already occurred.

We also noted that the Hawaii School-to-Work Office and the local partnerships have a strained relationship largely because of the grant approval process. Although the majority of the partnerships we interviewed stated that the grant approval process has improved over the years, they still have concerns. All but one of the partnerships we visited expressed concerns about the lack of guidance, the office's inability to take their concerns into consideration, and the delay in receiving school-to-work funds.

The method used for the review of grants is not clearly documented

The method that the Hawaii School-to-Work Office uses to review grants is not clearly documented. The school-to-work office's *Policy and Procedures Manual* provides grantees with the basic guidelines relating to

school-to-work grants. The purpose was to provide grantees with the information they need in order to fulfill the obligations and responsibilities inherent in the acceptance of grant funds. The *Policy and Procedures Manual*, however, does not provide them with the guidance needed to apply for the grants.

Principals and school-to-work coordinators at many of the high schools we visited are frustrated by the grant application process because of the lack of communication and guidance on how to write the grants. Initially, the Hawaii School-to-Work Office did not provide applicants with the information and necessary guidance to minimize the need for extensive revisions. Thus, the schools feel that the application process is complicated and cumbersome, requiring a lot of unnecessary paperwork.

One staff member we interviewed at the school level commented that requirements are so overwhelming that the schools have been focusing on administering the application process rather than on providing services to the students. Grants are often submitted numerous times before being approved because corrections that were overlooked in the initial grant review process may be required upon subsequent review. Staff at some of the schools feel that grants are rejected for vague and insignificant reasons, resulting from the incomplete review process and a lack of communication between the partnerships and the office.

Some schools claim that the school-to-work office did not provide them with clear instructions regarding fiscal issues. The office told the partnerships that the grant money had to be spent by the end of the federal fiscal year (September 30). As a result, the schools have rushed to spend their funds in the last few months of the school year. The U.S. Department of Labor's programmatic review conducted this past summer found that the Hawaii Department of Education's fiscal staff thought that because the federal fiscal year ends in September, the funds had to be expended by that time. The labor department clarified that the schools did not have to spend their funds by September if they could justify why they needed to carry over their funds. The labor department also recommended that procedures be in place for situations such as these.

Partnerships have received grant awards despite concerns

The executive council and the school-to-work office questioned some of the partnerships' grant proposals and funding requests. In some cases, they asked for extensive revisions to the proposals and requests which included redoing the five year planning matrix and the Grant Year Planning and Accountability Matrix, reconciling budget costs and narratives, and clarifying leveraged resources.

However, during our file review of all of the local partnerships that applied for grants for FY1997-98, we noted that the grant reviewers did

not clearly document whether revisions had been made. Many of the review forms were either incomplete or illegible, and some were not in the files at all. Therefore, it was difficult to determine if executive council concerns were addressed by the partnerships before the grants were awarded. Also, even when we could not find any documentation acknowledging that all of the concerns had been addressed, the funding had been granted anyway.

Partnerships raised issues of late grant awards

Many of the partnerships we visited expressed concerns with the delay in receipt of school-to-work funds. They felt that the provision of funds to the partnerships should be better aligned with the schools' operating year. Many partnerships commented that although the applications and revisions are submitted in a timely manner, they do not receive the grant awards until February or March of the following calendar year. Because they were instructed by the school-to-work office to spend the funds before September, they were forced to spend all their funding in a short period of time. As noted earlier, the U.S. Department of Labor clarified that funds could be carried over to the next school year if partnerships could justify the need.

During our file review, we found that the amount of time it took to process the approval of the grants ranged from 27 days to over 9 months. The delay in receipt of funds is discouraging to the partnerships. Planning and conducting activities, as well as recruiting staff, is affected by the delays. Receiving the funds so late in the school year makes it difficult for the partnerships to accurately plan activities and undermines the school-to-work effort.

The Implementation of Act 344, SLH 1997, is Poor and Has Not Met Its Intended Purpose

Act 344, SLH 1997, has been poorly implemented and has not met its intended purpose. The purpose of the act is to encourage private businesses to participate in school-to-work by making workers' compensation liability for student workers a state responsibility. Furthermore, the act is supposed to ensure the safety of student workers by requiring the Department of Education and the University of Hawaii to conduct annual safety inspections of work-study sites. The delayed and faulty implementation of Act 344 hampers the development of a School-to-Work Opportunities System by erecting a barrier to work-study or work-based learning which is a major component of the school-to-work initiative.

Both the Department of Education and the university have been slow to administer the act's requirements. Inspection rules and procedures remain in draft form, and only a relatively small number of inspections have been conducted. The inspections themselves are of questionable value, offering

limited safety protection to student workers. Furthermore, the Department of Education, in particular, encountered resistance from its staff; only a limited number of them were trained and willing to conduct the inspections.

Plans for work site inspections have been delayed and poorly developed

Plans for work site inspections have been delayed and poorly developed. Confusion characterizes the implementation of Act 344, SLH 1997 where accountability issues are not clearly defined. These unresolved accountability issues created a lack of urgency among the parties involved and delays ensued. Additionally, the failure to involve other parties, particularly site coordinators and occupational safety experts, led to poorly developed safety inspections, rules, and procedures. Furthermore, no one assessed the State's potential liability for workers' compensation under this act, which was a major concern of the attorney general's office.

Safety inspections have been delayed

Students have already been participating in work-based learning at sites that have not been safety inspected. Although Act 344, SLH 1997, was effective as of July 1997, it was not until June 1998 that the Department of Education began conducting inspections. Meanwhile, the university has only recently drafted its inspection rules and procedures.

Even before the Legislature passed Act 344 in 1997, prior legislation, Act 231, SLH 1995, initially addressed the issue of shifting workers' compensation liability to the State. While Act 231 applied only to the department's vocational internship program, Act 344 extended coverage to any approved department or university school-to-work, work-based learning program. The basic requirements of the two acts remained unchanged. Therefore, the State has actually delayed implementation by three years, and lengthy gaps of time exist between the passage of both acts and any tangible results.

Responsibility and accountability for safety inspections are not clearly defined

The main cause for the delayed implementation of Act 344, SLH 1997, is the act's failure to clearly define responsibility and accountability for safety inspections. The act states that the Department of Education and the university are responsible for the school-to-work safety inspections, including inspection rules and procedures. However, the placement of responsibility on these two agencies conflicts with Act 343, SLH 1997, which gives oversight and policy-making responsibilities for the entire school-to-work system to the Hawaii School-to-Work Executive Council.

These conflicting legislative requirements have confused the Department of Education, the university, and the executive council as to their duties.

This has resulted in the failure of any one party to coordinate the safety inspection issues authoritatively and effectively. The Hawaii School-to-Work Office staff believed that it was the Department of Education's and the university's responsibility; nonetheless they continued planning for the act's implementation.

Safety inspection procedures are inadequate and poorly developed

The safety inspection procedures are inadequate and poorly developed. The Hawaii School-to-Work Office planned relaxed "safety surveys" instead of thorough "inspections," with the goal of separating student workers from conditions of immediate harm. These surveys, which were comprised of a checklist of five general criteria, were an attempt to acknowledge the limited qualifications and time constraints of the surveyors. However, the surveys are vague and inadequate. The surveyors, dissatisfied with the survey procedure and the one day of training they received from the department, desire better guidance and training.

Occupational safety professionals who reviewed the survey checklist and training found them insufficient. These safety experts have noted that the checklist should provide the surveyors with much more guidance on what to look for and how to interpret what they see. The Hawaii Occupational Safety and Health Division notes that if a survey checklist is used, it should be similar to the division's more detailed small business self-inspection checklist. The survey needs a more detailed checklist to compensate for the surveyors' lack of training. These poorly developed safety surveys further minimize the limited safety protection that Act 344, SLH 1997 was intended to offer student workers.

We attended one of the safety surveyor workshops and found it to be inadequate. The training was not representative and only addressed hazards on very few types of work-study sites. Also, the hazards covered related to tasks that should not be assigned to student workers. Overall, the workshop provided less than two hours of hazard recognition training. In contrast, hazard recognition training for HIOSH and OSHA compliance safety officers would last over 25 days and would be complemented by extensive self-study and on-the-job training. Therefore, we doubt that the training provided surveyors with the ability to identify the variety of hazards that exist at work sites.

Liability and workload concerns also contribute to delays

As mentioned previously, the attorney general's office raised a concern about the State's potential liability for workers' compensation under Act 344. Department staff are also worried about this issue. Coupled with issues about increased workload, many of the personnel trained to do

safety surveys prefer not to conduct them because of their uncertainty about personal liability. Specifically, they are concerned about their responsibility if a student is injured at a work site they surveyed.

During training, one of the presenters from the education department said that safety surveyors may not be protected from personal liability if the surveyors use poor judgment or do not follow the survey process correctly. Although the amount of liability these surveyors may or may not share with the State is unknown, it is still of great concern to the staff. It is of such concern that staff at the Hawaii School-to-Work Office noted a deliberate effort to minimize the marketing of Act 344, SLH 1997 so as to minimize the number of sites for which the State assumes workers' compensation liability.

In addition to concern about liability, education staff are uncomfortable with the burden of conducting safety surveys. We found that these surveys are conducted slowly, if at all, because there are only a limited number of trained personnel willing to do the work. Although the department held two training workshops, attended by almost 200 personnel, fewer than 20 have conducted surveys thus far. The eight regional coordinators have been the primary surveyors.

Department personnel are reluctant to become surveyors because they already feel overwhelmed by their current workloads. The surveys would further limit the time they believe they need for their regular duties. The department's broad definition of work-based learning includes the numerous job shadowing situations for which the surveyors are responsible. Nevertheless, students in the 37 school complexes participating in school-to-work have work-study opportunities at 121 work sites in the state.

Safety surveys provide little protection for student workers

Work site safety inspections, which serve as the risk management mechanism of Act 344, SLH 1997, can provide only minimal risk reduction of student-worker injuries. The safety experts we interviewed said that even if professionals conducted the inspections, those inspections provide only limited protection since all safety inspections merely represent "snapshots in time" that quickly become obsolete. Thus, annual inspections cannot identify all the dangers that exist during the period of a student's work-based learning programs.

Unsafe acts by workers cause many injuries

We found that safety inspections of any sort offer little risk reduction because they minimally address the actual causes of injuries to working youth. The occupational safety experts we interviewed, as well as both local and national research findings, indicate that most work-related injuries result from the unsafe acts of the injured workers. These include

strains and sprains from overexertion and lifting of heavy objects, cuts from hand-held objects that slipped, and burns from hot objects.

When we examined the Department of Education's workers' compensation claim files, we found 25 accepted claims involving minors participating in department or school-related positions over the past 49 years. All injuries in these claims resulted from unsafe acts by the students injured. These injuries would have been nearly impossible for the existing safety surveys to prevent.

Inadequate training, lack of supervision, and violation of child labor laws contribute to teen worker injuries

Working youth are particularly susceptible to injuries because of their inexperience, demands of school, eagerness, and physical and mental immaturity. The probability of injuries increases when working youth lack adequate supervision, the knowledge of what work they are allowed to do, and how to do that work safely. While we found no local data, national data we researched showed that the majority of injuries to working youth involve inadequate employer supervision and training, as well as employer violation of child labor laws.

Some of the schools we visited assumed that work-study employers would provide adequate health and safety training to students. However, many employers do not. Schools must provide occupational health and safety training to student workers and cannot rely on employers to assume the entire burden.

The federal School-to-Work Opportunities Act requires school-based learning programs to provide instruction in "all aspects of an industry" that students plan to enter, including instruction in health and safety issues. Moreover, schools should provide students with education on child labor laws so that student workers will be aware of what tasks should or should not be assigned to them. Yet, many schools we visited failed to incorporate these issues into any class or worker readiness training. Those that provided some instruction gave only brief attention to health and safety issues.

Conclusion

In theory, the School-to-Work Opportunities System is supposed to hold much promise for the State's economic revitalization efforts. Students are supposed to leave school better prepared for the work force, whether they plan to become blue-collar workers or professionals. Also, private businesses and the community are supposed to be involved in helping all students achieve this goal. However, in reality, no one has been able to

clearly explain what school-to-work means for Hawaii's students, how it will be implemented, and whether it is worth using State funds above and beyond what the partnerships have been able to obtain.

The whole point of school-to-work was to provide venture capital and seed money to the states. The hope was that the states' efforts would become self-sustaining, especially through the partnerships between schools and private businesses. Merely replacing diminishing federal funds with general funds does not guarantee that a system will ever develop.

Recommendations

1. The Legislature should not provide any additional funding for Hawaii's school-to-work opportunities system until the executive council clearly defines the system's mission and goals, and clarifies how it intends to measure outcomes for school-to-work.

2. The executive council and the Department of Education must clarify the role of the fiscal agent and determine who is responsible for ensuring that partnerships are held accountable for their funding.

3. The Legislature should require the executive council, the Department of Education, and the University of Hawaii to determine the effectiveness of the safety surveys and whether they should be continued.

4. Regardless of whether safety surveys are conducted, the Legislature should require standardized worker readiness training, which should be approved by the Department of Labor and Industrial Relations' HIOSH Division.

5. Agencies responsible for training should help to ensure that students, teachers, parents, and work site employers are provided with more information on the work limitations of students, unsafe situation recognition and prevention techniques, and child labor laws.

Notes

Chapter 2

1. Hawaii, Department of Education, *Hawaii School-to-Work Opportunities Implementation Grant Application*, June 1995, pp. 8-9.

2. Marian Banfield and Macey Prince, *Hawaii Site Visit Report*, July 8-11, 1997, Washington, D.C., p. 9.

Responses of the Affected Agencies

Comments on Agency Responses

We transmitted a draft of this report to the Hawaii school-to-work opportunities executive council and the Department of Education on December 14, 1998. A copy of the transmittal letter to the executive council is included as Attachment 1. A similar letter was sent to the department. The responses from the executive council and the department are included as Attachment 2 and 3, respectively.

The executive council states that it appreciated the effort that went into the report and that our "expert input" provides the council with a valuable resource. Although the council generally agrees with our findings and recommendations, it raises some concerns regarding our first finding. It feels that our finding that the Hawaii School-to-Work Opportunities System lacks a clear mission, goals, and outcome measures is open to question. It cites the conclusion of a staff person of the National School-to-Work Office that there were no outstanding issues regarding a 1997 site visit and that Hawaii was one of the top ten states in implementing school-to-work.

In response, we note the following. First, the staff person who conducted the 1997 site visit is no longer with the office and could not be reached for comment. Second, we were informed that the executive council submitted a written response only on the financial issues raised in the 1997 site visit and not on the management issues. This would make it difficult to assess what the executive council did to address the prior concerns. Third, while the executive council represents that the national school-to-work office has no current concerns and all past issues have been resolved, this is in fact not the case. The issues are not outstanding only because that the council has started to address them. But that does not mean the issues have been resolved. Furthermore, the federal office raised issues that continue to today, such as the need for more coordinated efforts with other state departments, the absence of defined roles and responsibilities between agencies, and the importance of increased involvement with the Board of Education.

The executive council also states that while some local partnerships would have liked more guidance, the majority of them prefer the more localized direction. It maintains that many partnerships believe that two documents required in the grant application process not only offer sufficient guidance, but may even be too prescriptive. The council is missing the point. The roles of the executive council and the Hawaii School-to-Work Office are unclear to many of the partnerships. They prefer more

localized direction because they are not receiving any guidance regarding an overall state implementation plan and have been told to pursue the school-to-work initiative in whichever way they see fit.

The executive council also claims that our concern regarding post-graduation data is premature. However, we note that many of the programs that make up the school-to-work system have been in existence for years. Therefore, this type of data should have already been collected. More importantly, we could not determine how the council would be able to credit any success directly to the school-to-work initiative when the programs existed prior to the creation of the initiative. The concern over evaluation becoming "bean counting" came from a concerned executive council member who felt that the large quantity of data being collected would still not evaluate the effectiveness of school-to-work. The council itself acknowledged that there is room for improvement in data collection, documentation, and outcome measures.

The executive council agrees to address the majority of our recommendations but objects to the recommendation that the Legislature not provide additional funding until the council clearly defines where the council is headed and clarifies how it will measure outcomes. With respect to the council's request for clarification regarding our recommendation for "standardized worker readiness training," we note as follows: our fieldwork revealed an inconsistency from school to school in whether students are trained on such matters as potential safety hazards prior to entering a work site. We recommended simply that *all students* should be provided with such training.

The executive council also provided us with additional information, including further details on how it plans to evaluate school-to-work. Also, the council provided clarification on background information which we incorporated in the report.

In its response, the Department of Education endorses the response of the executive council but wants to make known its own stance as well. The department concurs with our finding that before federal funding ends, the executive council and the Department of Education (more specifically the Board of Education) need to make sure their roles are clearly defined. It characterizes this as a "most fundamental issue."

STATE OF HAWAII
OFFICE OF THE AUDITOR
465 S. King Street, Room 500
Honolulu, Hawaii 96813-2917

MARION M. HIGA
State Auditor

(808) 587-0800
FAX: (808) 587-0830

December 14, 1998

COPY

Mr. Murray E. Towill, Chair
Hawai'i School-to-Work
874 Dillingham Boulevard
Honolulu, Hawaii 96817

Dear Mr. Towill:

Enclosed for your information are three copies, numbered 6 to 8 of our draft report, *Management Audit of Hawaii's School-to-Work Opportunities System*. We ask that you telephone us by Wednesday, December 16, 1998, on whether or not you intend to comment on our recommendations. If you wish your comments to be included in the report, please submit them no later than Wednesday, December 23, 1998.

The Department of Education, Governor, and presiding officers of the two houses of the Legislature have also been provided copies of this draft report.

Since this report is not in final form and changes may be made to it, access to the report should be restricted to those assisting you in preparing your response. Public release of the report will be made solely by our office and only after the report is published in its final form.

Sincerely,

Marion M. Higa
State Auditor

Enclosures

ATTACHMENT 2

HAWAI'I SCHOOL-TO-WORK
874 Dillingham Blvd.
Honolulu, Hawai'i 96817
Phone: (808) 845-9432 Fax: (808) 842-9847

State Executive Council

Murray E. Towill, Chair
President
Hawaii Hotel Association

Mazie K. Hirono
Lieutenant Governor

Lorraine H. Akiba
Director, Dept. of Labor & Industrial Relations

Dr. Susan Chandler
Director, Department of Human Services

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Director, ThePacificResource PARTNERSHIP

Lois Hasegawa
Vice President
Communications-Pacific, Inc.

Glenn Hong
President, Hawaiian Tug & Barge Corporation

William Honjiyo
Independent Consultant

Kathryn K. Inkinen
President, Inkinen & Assoc.

W. Roy Johnson
Apprenticeship Training Coordinator, Local 1889

Dr. Karla Jones
State Director for Voc. Ed.

Dr. Paul G. LeMahieu
Superintendent of Education

Tara Lulani McKenzie
Pres./CEO, ALU LIKE, Inc.

Theresia C. McMurdo
Local Partnership Rep.
The Estate of James Campbell

Dr. Kenneth Mortimer
President, Univ. of Hawai'i

Dr. Seiji Naya
Director, Dept. of Business, Economic Devel. & Tourism

Albert Nishimura
Retired Bank Vice President

James L. Walter
Exec. Director, Unity House

Mahana Wilcox
Student

Lynne E. Woods
President
Maui Chamber of Commerce

State Executive Director
Dr. Herbert E. Randall

December 23, 1998

Ms. Marion M. Higa
State Auditor
465 King Street, Room 500
Honolulu, HI 96813-2917

RECEIVED
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OFC. OF THE AUDITOR
STATE OF HAWAII

Dear Ms. Higa:

Thank you for the opportunity to respond to the draft report, *Management Audit of Hawaii's School-to-Work Opportunities System.*

The School-to-Work (STW) Executive Council appreciates the effort that went into the analysis of School-to-Work contained in the audit report. This type of expert input provides the council with a valuable resource as it continues developing Hawai'i's school-to-work system, especially in light of the fact that no educational initiative of this kind has ever been undertaken in our state or anywhere in the nation.

The STW Executive Council congratulates the many dedicated professionals whose collaborative efforts have, in a few short years, successfully taken our statewide system of school-to-work partnerships to its current level. These partnerships already include over 90 percent of the public secondary schools, all of the University of Hawai'i campuses, several private institutions of higher education, 1,350 business and employer partners, labor organizations, local educators, and many students.

Thanks to the pioneering work of these professionals in this largely uncharted territory, Hawai'i has moved from no statewide system to one that has received accolades from the federal management team that evaluates each state's progress. Despite these achievements, the Executive Council recognizes that much work remains to done before our school-to-work system can provide Hawai'i's children with the level of career preparation to which we aspire.

In view of this unfinished work, we have taken to heart the many observations and findings in the auditor's report that will move us closer to our goals. In this spirit, we believe that to accurately represent the current state of Hawai'i School-to-Work, further clarification and elaboration are called for on certain portions of the report.

With regard to the overall progress of Hawai'i's School-to-Work Opportunities System, including the clarity of its mission, goals, and outcome measures, the National School-to-Work Office has expressed a positive finding that differs in several respects from the auditor's evaluation.

For corroboration of a favorable evaluation of our system, I submit a portion of the comments made by the National STW Office from its Report on the Site Visit to Hawai`i in July 1998: "There are a number of strong elements identified in Hawai`i's efforts to build a STW system. The State agencies, along with business partners, are becoming more active and supportive... There seems to be strong support for STW within existing State stakeholders partner groups."

Additionally, Ms. Shannon Gordon of the National STW Office informed us that (in her interview with the auditor from your office) she stated that no outstanding issues (i.e., problems with Hawai`i's School-to-Work Opportunities System) remained at the conclusion of the site visit by her office to Hawai`i in July 1998. She also stated that the National STW Office considered Hawai'i to be among the top 10 states in implementing STW, even though eight other states received federal STW funds a year earlier than Hawai`i.

Accordingly, the STW Executive Council believes that Finding 1, that *Hawaii's School-to-Work Opportunities System lacks a clear mission, goals, and outcome measures*, is open to question.

Striking a balance between centralized and local control

As pointed out on page 12 of the report, "In July 1994, prior to the submission of the grant, the Executive Council expressed concerns about the conflict between centralized and local control when it came to developing the school-to-work system. Some saw the need to identify key elements and direct schools to incorporate them, while others felt that permitting more localized direction would be more beneficial."

As recently as December 17, 1998, the Regional STW Coordinators agreed that while some local partnerships would have liked more guidance, the majority of them prefer the more localized direction. It was also pointed out that when a local partnership has expressed the need for more guidance, the Regional STW Coordinator paired it with a more experienced partnership so that assistance and guidance could be provided.

To ensure consistency in partnership development and the awarding of grants, the Hawai'i STW Office requires all local partnerships to follow specific reporting and protocol standards (see attached two-part Enclosure No. 1, consisting of (1) the Five Year Planning and Accountability Matrix and (2) the Grant Year Planning and Accountability Matrix, which must be completed by local partnerships and submitted with their annual grant proposals).

Far from complaining about too little direction, many local partnerships believe these two documents not only offer sufficient guidance, but may be too prescriptive.

Evaluation of outcomes

Because no students have yet graduated through the Hawaii STW system, the concern expressed about post-graduation data (i.e., the data collected "does not assess ... the impact on students after they graduate" page 13) strikes us as somewhat premature. Moreover, characterizing the other data collected, specifically the number of businesses participating, as "bean counting" fails to reflect the importance this information holds for prospective business partners. In fact, this is the single most frequently asked question by interested employers and is a paramount concern for everyone involved with the STW system.

While room for improvement certainly exists in our data collection, documentation, and measures of outcomes, Hawai'i STW collects more data than required by the National STW Office and is continually developing additional instruments and benchmarks to better measure the success of STW implementation (See Enclosure No. 2 for a listing of the reports and data collected and a description of the benchmarking research project).

Be assured the Executive Council will continue to pursue this issue at both the central and local levels of our STW system. In addition, the Council agrees to redouble its efforts to more clearly define the system's mission, goals, and enhance how it will measure outcomes for school-to-work.

Concerning Finding 2, that *Controls over school-to-work expenditures are weak*, the STW Executive Council would like to point out that the fiscal controls over STW funds are the same as with any other program in the Department of Education (DOE). Financial controls for the DOE are kept at the allocation and allotment levels for each program. Schools are instructed to submit changes to their expenditure plans to the STW office and flexibility is given to the local partnership/school level. If more controls need to be instilled over STW financial transactions, then the Executive Council and the Department of Education can review this requirement.

With regard to Finding 3, *Act 344, SLH 1997 is poorly implemented and has not met its intended purpose*, the STW Executive Council recognizes that there has been some confusion in implementing Act 344, as noted on page 25 of the report. Some of this confusion is inherent in the Act itself in that it amended a previous act (Act 231, SLH 1996) which changed a definition of the type of programs that should be covered and then required the University of Hawai'i and the Department of Education to carry out an activity (safety inspections) for which it had no experience or personnel resources.

One result is that the two agencies have each defined the types of programs and activities that will receive workers' compensation coverage differently. Both agencies have tried to utilize the same safety inspection process but its development has resulted in some of the problems alluded to in the report, specifically:

- *The lack of personnel to undertake the determination of a safe working environment.* While the Act was waiting for the governor's signature, the State STW Office contracted the Hawai'i Occupational Safety and Health Division (HIOSH) to develop training for inspectors. Initially HIOSH required 80 hours of training. This was not acceptable to the Department or the University since it was too time consuming. With consultation, the training was adjusted to 25 hours and the STW Regional and postsecondary Coordinators went through the training. These individuals reported that even after this training they did not feel adequately prepared to undertake safety inspections similar to what HIOSH does. The State STW Office, in consultation with HIOSH and the Department's Safety Branch, developed a training process to address the instrument eventually adopted to survey work sites.

- *The lack of a process to determine a safe working environment.* In consultation with HIOSH, a process modified from that used by HIOSH was developed. When regional and post-secondary coordinators consulted business partners on this process they were told that no business would agree to voluntarily go through such inspections because they were too onerous. The STW Office agreed that an onerous inspection would run counter to the intent of Act 344 to encourage employers to participate in STW. The Office sought out safety inspection instruments from other states to see what was available. After consultation, it was determined that West Virginia had an instrument which could be adapted for Hawai'i. The West Virginia instrument went through extensive review by HIOSH, the Department and University, and the Office of the Attorney General. Modifications were made before the final form was adopted.

Implementation of Act 344, SLH 1997 is a long process. After consultation with the Office of the Attorney General, it was recommended that the Department and the University develop internal management documents so as to implement the act now while going through formal rulemaking. The Department, because it defined the eligible programs more broadly based, in part, on Act 231, SLH 1996, has been able to implement its internal management document more quickly. The University has undertaken a more deliberative process to determine eligible programs and so has not established its internal management document. Both agencies are, however, moving forward on their formal rules, under Chapter 91, HRS, and expect to complete the rulemaking process during the Spring of 1999.

We thank the State Auditor for pointing out the potential "conflicting legislative requirements" of Act 343, SLH 1997 and Act 344, SLH 1997. While some do view these as conflicting, others see Act 343 as giving broad policy-making powers to the Executive Council and Act 344 as giving the DOE and UH, as the operating agencies, responsibility for safety inspections and managing their own workers' compensation. In any case, clarity must be sought.

We would also like to comment on the *recommendations*:

1. The Legislature should not provide any additional funding for Hawaii's school-to-work opportunities system until the executive council clearly defines the system's mission, goals, and how it will measure outcomes for school-to-work.

The development and widespread understanding of a new concept or system takes time and that is understandable, especially for an undertaking as large and complex as STW. National and local studies have shown the effectiveness of STW. This report itself documents progress. Given this progress, support should be continued.

School-to-Work is for all students. In this context, the Executive Council made the decision to ensure that STW funds were available to all school complexes, rather than only those in a pilot project. At this point, some school complexes have already progressed to a level that would permit them to carry on the STW initiative without additional funds. However, this is not the case for the majority. Withholding support at this point would be especially harmful to the very local partnerships and schools which need it the most and likely set back the progress made so far.

Implementing a STW system is a new process and, as the report points out on page 1, "...no one model exists for states to follow." Thus, the whole process is, by definition, evolutionary and the Executive Council has continued to refine the STW mission, goals, and outcome measures. As we gain experience and knowledge in implementing this initiative, the mission, goals, and outcome measures will be adjusted as the needs become apparent during implementation.

As stated above, the Executive Council will look at how we could more clearly define the system's mission, goals, and how it can enhance the measurement of outcomes for school-to-work.

2. The executive council and the Department of Education must clarify the role of the fiscal agent and determine who is responsible for ensuring that partnerships are held accountable for their funding.

We agree that this issue needs to be resolved and the Executive Council and Department of Education will meet to do so.

3. The Legislature should require the executive council, the Department of Education, and the University of Hawaii to determine the effectiveness of the safety surveys and whether they should be continued.

We agree with the case made on page 27 of the report that annual inspections are of questionable value. Longitudinal studies and other instruments will more accurately gauge the effectiveness of Hawai`i's school-to-work system.

4. Regardless of whether safety surveys are conducted, the Legislature should require standardized worker readiness training, which should be approved by the Department of Labor and Industrial Relations' HIOSH Division.

It should be pointed out that the conduct of safety surveys is a condition required by Act 344 for the State's coverage of workers' compensation for school-to-work students in work-based learning. The terminology "standardized worker readiness training" is unfamiliar to the Department of Labor and Industrialized Relations (DLIR) HIOSH Division. The terminology needs to be defined by the Auditor since it does not now exist in the Hawai`i occupational safety and health system. This would help DLIR to determine what its role should be and if it is the appropriate agency to help implement this recommendation.

5. Agencies responsible for training should help to ensure that students, teachers, parents, and work site employers are provided with more information on the work limitations of students, unsafe situation recognition and prevention techniques, and child labor laws.

We agree that students, teachers, parents, and work site employers should be provided as much information as possible on the work limitations of students, unsafe situation recognition and prevention techniques, and child labor laws.

Finally, we offer two clarifications and or corrections.

Concerning page 1, Background, 1st paragraph, last sentence. *Those is support of these initiatives believe that school-to-work type programs facilitate learning for students whose learning styles are more 'hands on.'*

We would like to make the following clarification. The emphasis on school-to-work as a system rather than a collection of programs focuses on the importance of inter-connectivity. Academic subjects which stress knowledge and concepts benefit greatly by relating their application to real life situations and work skills. No one should underestimate the learning power any student gains in translating theory into practice. All students can benefit from school-to-work, not just those whose learning styles are supported by "hands on" situations.

Concerning page 2, Background, Hawaii's implementation of school-to-work, 4th paragraph, 2nd sentence. *Career pathways represent major employment segments in the context of Asian-Pacific economic development and encompasses a variety of professional fields.*

We would like to offer the following correction. The six career pathways selected by the Executive Council - arts and communication; business, management, and technology; health services; human services; industrial engineering technology; and natural resources - represent the universe of occupational fields. The five priority industries - hospitality and tourism; health care; business services; environmental technologies and agriculture; and building and construction technologies - represent the major employment segments of Hawai`i's economy and priority development.

On behalf of the Hawai`i School-to-Work Executive Council, I would like thank you again for the opportunity to respond to this draft report.

Murray E. Towill
Chair

Enclosures
1 Five Year Planning and Accountability Matrix &
Grant Year Planning and Accountability Matrix
2 Reports, Data Collection, & Benchmarking Measures

Hawai`i School-to-WorkSystem
Five Year Planning and Accountability Matrix
_____ School-to-Work Local Partnership

	Program Year 1995-96	Program Year 1996-97	Program Year 1997-98	Program Year 1998-99	Program Year 1999-2000
	Type of Grant: Grant Funds: Leveraged Resources: Schools: Community College(s), High School(s), Intermediate School(s), Elementary School(s) # of Employer Participants: # of Students Served:	Type of Grant: Grant Funds: Leveraged Resources: Schools: Community College(s), High School(s), Intermediate School(s), Elementary School(s) # of Employer Participants: # of Students Served:	Type of Grant: Grant Funds: Leveraged Resources: Schools: Community College(s), High School(s), Intermediate School(s), Elementary School(s) # of Employer Participants: # of Students Served:	Type of Grant: Grant Funds: Leveraged Resources: School: Community College(s), High School(s), Intermediate School(s), Elementary School(s) # of Employer Participants: # of Students Served:	Type of Grant: Grant Funds: Leveraged Resources: Schools: Community College(s), High School(s), Intermediate School(s), Elementary School(s) # of Employer Participants: # of Students Served:
	Project Staff: In-Kind Staff:	Project Staff: In-Kind Staff:	Project Staff: In-Kind Staff:	Project Staff: In-Kind Staff:	Project Staff: In-Kind Staff:

Criterion I: Program Planning/Collaboration	Program Year 1995-96	Program Year 1996-97	Program Year 1997-98	Program Year 1998-1999	Program Year 1999-2000
I.1 The partnership has collectively developed a plan for implementation that includes a mission statement and goals. Each education partner has integrated this plan into its own school improvement plan/process and has coordinated and consolidated initiatives/efforts that address <u>all</u> students (K-16). The intent is for STW to be integrated into the broader educational system.				**<u>IMPORTANT:</u>** For Program Year 1998-99, leave this column blank. Provide the information for this column on the Grant Year Planning and Accountability Matrix (Grant Year PAM) where there is more space for you to elaborate on the plan.	

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;riterion 1: Program lanning/Collaboration	Program Year 1995-96	Program Year 1996-97	Program Year 1997-98	Program Year 1998-1999	Program Year 1999-2000
.2 The partnership includes but is ıot limited to the required epresentatives of) Employers :) Local education agencies l) Local postsecondary educational institutions l) Local educators (such as teachers, counselors, and administrators) i) Representatives of labor organization or non-managerial representatives i) Students \ll partners (including all schools in he partnership area) are involved n every phase of the initiative and he partnership has identified their oles and responsibilities.					
.3 The partnership has ıstablished an administrative and ıovernance structure to operate ınd develop the STW initiative. If he structure is outside or in ıddition to an existing structure, he relationship between structures hould be described/defined.					
.4 The local partnerships' STW ılan is developed in coordination vith local and State economic and vorkforce development plans.					
.5 The partnership has a viable inancial plan and has obtained/ ılans to obtain additional resources o continue operation after the ederal funding period has ended.					

Criterion II: Program Planning/ Implementation	Program Year 1995-96	Program Year 1996-97	Program Year 1997-98	Program Year 1998-99	Program Year 1999-2000
II.1 The partnership has a program of instruction, curricula, and assessment that places content in relevant real-world settings and situations. This will include but not be limited to the integration of academic and vocational learning that prepares students for the high-performance workplace.					
II.2 The partnership has provisions for a comprehensive, developmental, K-16, career education program which will result in initial career exposure no later than grade 7 and career path selection no later than grade 11. The partnership will develop a case management system to provide services for each student, including matching student career goals with related school-based and work-based learning opportunities. The partnership has made efforts to ensure participation of the following groups: 1) Out-of-school youth, including teen parents 2) Disadvantaged (low-income, low-achieving) youth 3) Limited English speakers 4) Youth with disabilities 5) Academically talented youth 6) Youth pursuing non-traditional careers					
II.3 The partnership provides orientation, training, technical assistance and services for school staff, businesses, mentors, parents, and other partners on the objectives and implementation of the initiative.					

I.4 The partnership has a process to identify and arrange for a wide range of paid and unpaid work-based learning activities that will enable all students to participate in community-based learning.					
II.5 The partnership has a process for integrating school-based learning and work-based learning including identifying generic workplace skills and providing instruction in all aspects of industries. Each student placed in a work-based learning experience is assigned a school-site mentor and a work-site mentor who are responsible for coordinating learning activities.					
II.6 The partnership has made available placement and follow-up assistance to students for transitioning into appropriate employment or continuing their education/training.					

Criterion III: Evaluation	Program Year 1995-96	Program Year 1996-97	Program Year 1997-98	Program Year 1998-99	Program Year 1999-2000
III.1 The partnership has built in an on-going evaluation component that includes standards, benchmarks, graduate/leaver follow-up data, and regular review for the purpose of improvement.					
III.2 The partnership participates in all State and Federal data collection and evaluation efforts.					

Hawai`i School-to-Work System
Grant Year Planning and Accountability Matrix
Program Year 1998-1999

Criterion I: Partnership Building/Collaboration	**We plan to accomplish...** (This column lists the proposed activities for the requested funds.)	**We accomplished...** **We did not accomplish...because...** (This column will be completed at the end of the year.)
I.1 The partnership has collectively developed a plan for implementation that includes a mission statement and goals. Each education partner has integrated this plan into its own school improvement plan/process and has coordinated and consolidated initiatives/efforts that address <u>all</u> students. The intent is for STW to be integrated into the broader educational system.		
I.2 The partnership includes but is not limited to the required representatives of 1) Employers 2) Local education agencies 3) Local postsecondary educational institutions 4) Local educators (such as teachers, counselors, and administrators) 5) Representatives of labor organization or non-managerial representatives 6) Students All partners (including all schools in the partnership area) are involved in every phase of the initiative and the partnership has identified their roles and responsibilities.		
I.3 The partnership has established an administrative and governance structure to operate and develop the STW initiative. If the structure is outside or in addition to an existing structure, the relationship between structures should be described/defined.		
I.4 The local partnerships' STW plan is developed in coordination with local and State economic and workforce development plans.		

Criterion I: Partnership Building/Collaboration	We plan to accomplish... (This column lists the proposed activities for the requested funds.)	We accomplished... We did not accomplish...because... (This column will be completed at the end of the year.)
I.5 The partnership has a viable financial plan and has obtained/plans to obtain additional resources to continue operation after the federal funding period has ended.		

Criterion II: Program Planning/Implementation	We plan to accomplish... (This column lists the proposed activities for the requested funds.)	We accomplished... We did not accomplish...because... (This column will be completed at the end of the year.)
II.1 The partnership has a program of instruction, curricula, and assessment that places content in relevant real-world settings and situations. This will include but not be limited to the integration of academic and vocational learning that prepares students for the high-performance workplace.		
II.2 The partnership has provisions for a comprehensive, developmental, K-16, career education program which will result in initial career exposure no later than grade 7 and career path selection no later than grade 11. The partnership will develop a case management system to provide services for each student, including matching student career goals with related school-based and work-based learning opportunities. The partnership has made efforts to ensure participation of the following groups: 1) Out-of-school youth, including teen parents 2) Disadvantaged (low-income, low-achieving) youth 3) Limited English speakers 4) Youth with disabilities 5) Academically talented youth 6) Youth pursuing non-traditional careers		
II.3 The partnership provides orientation, training, technical assistance and services for school staff, businesses, mentors, parents, and other partners on the objectives and implementation of the initiative.		

Criterion II: Program Planning/Implementation	We plan to accomplish... (This column lists the proposed activities for the requested funds.)	We accomplished... We did not accomplish...because... (This column will be completed at the end of the year.)
II.4 The partnership has a process to identify and arrange for a wide range of paid and unpaid work-based learning activities that will enable all students to participate in community-based learning.		
II.5 The partnership has a process for integrating school-based learning and work-based learning including identifying generic workplace skills and providing instruction in all aspects of industries. Each student placed in a work-based learning experience is assigned a school-site mentor and a work-site mentor who are responsible for coordinating learning activities.		
II.6 The partnership has made available placement and follow-up assistance to students for transitioning into appropriate employment or continuing their education/training.		

Criterion III: Evaluation	We plan to accomplish... (This column lists the proposed activities for the requested funds.)	We accomplished... We did not accomplish...because... (This column will be completed at the end of the year.)
III.1 The partnership has built in an on-going evaluation component that includes standards, benchmarks, graduate/leaver follow-up data, and regular review for the purpose of improvement.		
III.2 The partnership participates in all State and Federal data collection and evaluation efforts.		

STW Reports, Data Collection, and Benchmarking Measures

I. The Annual Progress Measures Survey is an annual evaluation of the STW implementation conducted by the National STW Office.

A. The Annual Progress Measures Survey was not required by the National School-to-Work Office. Instead, it was voluntary. The Hawaii School-to-Work Office made it mandatory from the local partnerships to:

1. have a systematic data collection tool that is the same with all other participating states, and
2. reduce the data collection burden of the local partnerships by using the national evaluation forms for state evaluation.

B. The Survey collects much more than just demographic data. Instead:

1. It is a comprehensive data collection instrument that covers both educational institutions ranging from elementary schools to four-year colleges/universities and business partners;
2. It asks about information on nine types of STW activities implemented a different education levels and number of participants;
3. Particularly for the secondary level, the survey asks about detailed information on the types of students served with different types of STW activities, graduation rates, and post-secondary transition rates; and
4. It also collects information on the sizes of businesses involved in STW activities.

C. Information collected with the Survey has been summarized as national reports for the Congress and shared with participating states.

II. In addition to the Annual Progress Measures Survey, local partnerships are required to submit the following:

A. Quarterly reports on activity implementation. Required information includes:

1. what was implemented,
2. who was the target group and the size of the target group,
3. objectives of the activity,
4. how much money was spent on the activity,
5. what was the money sources,
6. what was the money used for,
7. effectiveness of the activity, and
8. technical assistance needed.

B. Grant Year Planning and Accountability Matrix. Required information includes:

1. activities planned according to implementation criteria; and
2. activities implemented

C. Names of the students placed in the work-based learning situations

D. Business partners. Required information include:

1. name, address, and contact of the business, and
2. type of activities/services offered by the business to Hawaii's schools.

Enclosure 2

III. The State STW Office also collects data directly from the Evaluation Section of the Hawaii Department of Education. Requested information includes:
   A. student background,
   B. student performance (courses taken, grades, and credits earned), and
   C. student attendance.

IV. The STW Office also interviews business partners to collect the following information:
   A. their participation in STW activities,
   B. their satisfaction with the STW activities, and
   C. their feedback and suggestions on improving the STW activities.
   D. The instruments and findings were provided to the Auditor's Office during their visits to the State STW Office.

V. Additionally, the Hawaii STW Office has contracted an external evaluator to conduct a benchmark research for measuring the success of STW implementation in Hawaii. The research will:
   A. study STW implementation in Hawaii in the past three years, including the needs, resources, supports, and challenges;
   B. study the environment of program implementation for schools and businesses;
   C. study the trends of performance of students in representative schools, especially during the past three years; and
   D. set up meaningful and reasonable benchmarks for measuring the success of STW implementation in Hawaii for both system building and program outcomes.

VI. The data collection instruments, findings, and the plan for the benchmark research were provided to the auditors during their visits to the Hawaii STW Office.

ATTACHMENT 3

BENJAMIN J. CAYETANO
GOVERNOR

PAUL G. LeMAHIEU, Ph.D.
SUPERINTENDENT

[redacted]

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

OFFICE OF THE SUPERINTENDENT

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OFC. OF THE AUDITOR
STATE OF HAWAII

December 21, 1998

Ms. Marion M. Higa
State Auditor
Office of the Auditor
465 S. King Street, Room 500
Honolulu, HI 96813-2917

Dear Ms. Higa:

Thank you for the opportunity to respond to the draft report, *Management Audit of Hawaii's School-to-Work Opportunities System.*

The Department of Education endorses the response from the Executive Council of the Hawaii School-to-Work Opportunities System. In addition, we would like to make known the following departmental stance regarding the report.

The Department of Education concurs with the State Auditor's finding that "before federal funding ends, the Executive Council and the Department of Education (more specifically the Board of Education) need to make sure their roles are clearly defined." This is a most fundamental issue.

This is critical, not only in addressing the recommendations presented in the report, but in realizing the intent and vision of Hawaii's School-to-Work Opportunities System. To this end, the Department will work with the Executive Council to determine how the School-to-Work initiative can best be integrated into the educational system--fiscally as well as programmatically.

Very truly yours,

Paul G. LeMahieu, Ph.D.
Superintendent of Education

PLeM:ad

c: Dr. Herbert Randall, School-to-Work
Office of Accountability and
School Instructional Support