

**FOLLOW-UP BUDGET REVIEW
AND ANALYSIS OF THE
LOWER EDUCATION PROGRAM
(DEPARTMENT OF EDUCATION)**

A Report to the Legislature of the State of Hawaii

**Submitted by the
Legislative Auditor of the State of Hawaii**

**Report No. 84-13
February 1984**

FOREWORD

Pursuant to legislative direction, the Office of the Legislative Auditor has undertaken a budget review and analysis program aimed at providing the Legislature with additional assistance and perspectives in its consideration of program and budget requests coming before it for action.

In this second year of the program, we have focused attention upon selective aspects of the two major programs of health and social services in addition to following up on the lower education program which was reviewed last year.

Presented in this report are the results of our follow-up on our earlier budget review and analysis of the lower education program (Department of Education). The results of our other examinations are presented in separate reports.

We wish to acknowledge the cooperation and assistance extended to our staff by officials and staff members of the Department of Education.

Clinton T. Tanimura
Legislative Auditor
State of Hawaii

February 1984

Chapter 1

INTRODUCTION

Purpose and Focus of Follow-Up Budget Review and Analysis

This report represents a follow-up effort in a continuing program of budget review and analysis by the Legislative Auditor. The initial effort at review and analysis of the lower education program was reported to the Legislature during the Regular Session of 1983. The enactment of an austere biennial budget for 1983-85, the adoption of a large number of legislative expressions concerning lower education, and continued restrictions on expenditures have formed the basis for this follow-up effort. Also considered were the responses of the Board of Education (Board) and the Department of Education (DOE) to the first budget review and analysis submittals.

The overall objective of the budget review and analysis program is to assist the Legislature in gaining a better understanding of programs and budget requests. More specifically, the objectives applicable to the follow-up of the lower education budget review are:

1. To determine whether decisions subsequent to the budget review and analysis report reflect improvements in the budget process.
2. To evaluate the adequacy of the department's responses to expressions of legislative intent, especially those which relate to the budget act.
3. To evaluate the adequacy of the department's response to the recommendations of the initial review and analysis report and to keep the Legislature apprised of the department's progress.
4. To determine whether any new problem areas or issues should be brought to the attention of the Legislature.

Background on Lower Education

Budget for the FB 1983-85

The 1983 Legislature received a biennial executive request totaling \$856.8 million for the lower education program. This sum included \$787.4 million for the operation of the public schools and adult education programs, \$24.6 million for public library operations, and \$44.8 million to be expended by the Department of Accounting and General Services (DAGS) for repair and maintenance of school facilities and for student transportation. The Legislature also received requests directly from the Board and DOE for funds which had not been included in the executive request. Also presented were requests totaling nearly a half million dollars for education-related purchases of service from private organizations.

Act 301, Session Laws of Hawaii 1983, the General Appropriations Act, appropriated \$842.8 million for the State's lower education program over the biennial period. This sum consisted of \$730.9 million in state general funds, \$88.9 million in federal funds, and \$23 million in special funds. The general fund portion included \$451,000 in purchases of service from private organizations for FY 1983-84, and \$49.5 million biennially for the two support programs operated by DAGS. Also, \$39.8 million was authorized over the biennium for capital improvement projects in the school and library system.

In addition to providing for the continuation of established programs, the FB 1983-85 appropriations provided for the expansion of several programs and the start of a computer orientation program for high school seniors. Legislative concern over the effectiveness of certain programs was manifested by the withholding of FY 1984-85 funding for those programs pending the submittal of specific evaluation reports to the 1984 Legislature.

Organization of This Report

This report consists of three chapters. Chapter 1 consists of this introductory and background material. Chapter 2 reviews the follow-up actions taken by DOE on our recommendation that the department establish an effective system of program evaluation. Chapter 3 assesses the responses submitted by DOE to the legislative requests set forth in provisos to the General Appropriations Act of 1983.

TABLE OF CONTENTS

<i>Chapter</i>		<i>Page</i>
1	INTRODUCTION	1
	Purpose and Focus of Follow-Up Budget Review and Analysis	1
	Background on Lower Education Budget for FB 1983-85	2
	Organization of This Report	2
2	PROGRAM REVIEW AND EVALUATION IN THE DEPARTMENT OF EDUCATION	3
	Summary of Findings	3
	Essential Elements of an Effective Program Review and Evaluation Process	4
	DOE's Follow-Up on Program Evaluation and the Resultant Ambiguity Surrounding The Superintendent's Accountability System August 1983	5
	Specific Program Evaluation Shortcomings in The Superintendent's Accountability System August 1983	9
	Recommendation	16
3	REVIEW OF RESPONSES TO PROVISOS CONTAINED IN THE 1983 GENERAL APPROPRIATIONS ACT	17
	Summary of Findings	17
	Section 23, Act 301: Supplemental Budget Information Displayed on a School-by-School Basis	17
	Section 24, Act 301: Regular and Periodic Review by the Board of Education	19
	Section 25, Act 301: Evaluation of "Grant-in-Aid" Programs	19
	Section 29, Act 301: Hawaiian Studies Program	23
	Section 30, Act 301: Early Provisions for School Success Program	25
	Section 31, Act 301: Compensatory Education Program for Alienated Students	29
	Section 32, Act 301: Evaluating Positions and Streamlining Offices	30
	Section 34, Act 301: Relocation of Offices in Rented Space	32
	Recommendation	33

Chapter 2

PROGRAM REVIEW AND EVALUATION IN THE DEPARTMENT OF EDUCATION

In our 1983 budget review and analysis report on the lower education program, we concentrated on budget preparation and execution processes within the Department of Education (DOE). As one means of improving accountability for decisionmaking affecting DOE's massive budget, we recommended that the department implement a system of reviewing and evaluating the various programs funded through DOE's budget. Although the thrust of the recommendation was aimed at the programs categorized as "current services"—which make up the vast bulk of DOE's budget—the concept is applicable to any program which has already received funding and for which additional funding is likely to be sought.

The Legislature also concluded that there was a need for evaluation when it attached a number of provisos to the 1983 General Appropriations Act requesting DOE to conduct various program evaluations and to report back to the 1984 session of the Legislature so that the evaluation results could be used in considering the supplemental budget for FY 1984-85. Moreover, the Board of Education, in its own review of our report, indicated that this was one recommendation with which it agreed and which it felt should be carried out.

In this chapter, therefore, we examine the steps that have been taken to implement a system of program review and evaluation in DOE. Here the focus is on the review and evaluation machinery that has been put into motion to date, particularly as embodied in the document entitled *The Superintendent's Accountability System August 1983*. In the next chapter, we examine some of the results of the initial efforts at program evaluation.

Summary of Findings

With regard to DOE's efforts to date to implement a system of program review and evaluation, we find as follows:

1. Considerable ambiguity surrounds *The Superintendent's Accountability System August 1983* which is the instrument that has been used to guide initial efforts at program review and evaluation within DOE. This ambiguity casts serious doubt over the utility of the review and evaluation instrument.

2. More specifically, as a review and evaluation instrument, *The Superintendent's Accountability System August 1983* suffers from the following shortcomings:

a. It fails to stress the importance of identifying, defining, and prioritizing specific and meaningful objectives for programs so that program performance can be judged in the light of definite objectives.

b. It fails to define or explain what is required in the way of adequate measures so that proper determinations can be made concerning program effectiveness, program design, program target population, and compliance with program installation schedules.

c. It fails to fix responsibility for program review and evaluation in a manner that will enhance and protect the independence and objectivity of the review and evaluation process.

Essential Elements of an Effective Program Review and Evaluation Process

In the management audit of DOE which we reported on in February 1973, we set forth the essential elements needed to establish an effective program evaluation system within DOE. These essential elements are explained and discussed in some detail in the audit report,¹ but may be summarized as follows:

1. It is necessary to think in terms of definite, meaningful objectives when making program evaluations. Not only should the objectives be quite specific, but also those which are primary should be highlighted relative to other less important objectives. Moreover, the different kinds of objectives should be distinguished from each other—i.e., those relating to program effectiveness, program design, program target population, and program installation scheduling.

1. Legislative Auditor, State of Hawaii, *Management Audit of the Department of Education*, Report No. 73-1, February 1973, pp. 225-240.

2. In program evaluation, it is necessary also to have means of measurement that are definite and clearly related to the objectives being sought. These measures should be aimed at providing a reasonably accurate picture of such aspects as: (a) the attainment or nonattainment of program objectives, (b) the adequacy of the program design, (c) the reach of the program to intended beneficiaries, and (d) adherence to the program installation schedule. Generally, these measures should be defined and agreed upon before the evaluation is actually carried out.

3. Finally, for the in-depth type of program evaluation contemplated in our recommendation and in the legislative requests for program evaluations, it is absolutely essential that the evaluation process be as independent and as objective as possible. In other words, parties directly participating in a program and with a big stake in the future of the program should not be given the burden of evaluating the program or be put in the position where they can significantly influence the conduct and outcome of the evaluation. In our 1973 audit report, we recommended that an independent evaluation unit be established in the office of the superintendent of DOE to perform this evaluation function.

We have used these essential ingredients as guidelines in our current assessment of DOE's activities relating to program review and evaluation.

DOE's Follow-Up on Program Evaluation and the Resultant Ambiguity Surrounding The Superintendent's Accountability System August 1983

Described below are the follow-up actions taken by the Board and DOE in response to: (1) our recommendation that DOE establish a system of program reviews, and (2) various requests from the Legislature that DOE provide it with evaluations covering a number of programs included in DOE's budget. The key event in these actions was the issuance of a document entitled *The Superintendent's Accountability System August 1983*.

Background. The system for program review and evaluation which we focus upon was developed in DOE under the administration of the current superintendent. At the April 1983 Board of Education meeting to review DOE's responses to our budget review report, DOE officials informed the Board that such a system was indeed under development and would be incorporated into the existing

planning-programming-budgeting (PPB) system for program change requests. The document which described the new system, *The Superintendent's Accountability System August 1983*, was released in late August 1983. The Board was briefed on its contents then and once again four months later. In October and November 1983, the Board approved all of DOE's reports that had been prepared in response to the requests of the Regular Session of the 1983 Legislature. These reports had been undertaken under the aegis of the superintendent's accountability system.

The Superintendent's Accountability System August 1983 (hereinafter referred to as the "superintendent's document" or simply "document") describes the seven subsystems which comprise the new accountability system and provides further detail for several of the subsystems. These subsystems, according to the document, are:

- . Goals and objectives framework
- . Directions
- . Review framework
- . Action planning
- . Community involvement
- . Collection and use of information
- . Reports

Further explanation of selected subsystems is included in attachments to the document. These attachments cover the following:

- . Relationship of the three types of objectives with other parts of the accountability system;
- . Goals and objectives framework;
- . Review framework;
- . School level improvement process;
- . Community involvement;
- . Relationship of the major subsystems with DOE's organizational entities and processes.

All current functions of DOE purportedly can be incorporated into the system; those which cannot are to be examined to determine if they are essential. According to the document, development of a "fully operational" accountability system is to be a major effort for improvement of administration during FY 1983-84.

Ambiguity surrounding the superintendent's document. A number of ambiguities surround the superintendent's document which give rise to doubt about the system's utility. The purpose of the accountability system described by the document goes beyond the system for program evaluation and review of current services that we recommended in our budget review report and that we believe the Board requested the superintendent to develop. Why and how this expansion occurred is not clear but, as a result, the elements of program evaluation have been obscured. The poor quality of the various reports transmitted to the 1984 Legislature reflects the submersion of program evaluation into the larger accountability system.

The lack of clarity as to the purpose of the accountability system carries on into the document as well. The document does not enunciate any clear objectives for the system as a whole, nor for its subsystems. Thus, neither the entire system nor its subsystems will be amenable to evaluations of effectiveness. The document simply states that the system "will streamline and focus activities, will improve the kinds and quality of information generated by the department, will systematize and coordinate reporting of the information and will provide a better basis for decisionmaking and actions for improvement."² The test of the validity and pertinence of any objective is whether any appropriate measures of effectiveness can be developed for it. If the above quote is to serve as the objective of the accountability system, DOE will surely find itself hard pressed to prove by any conceivable measures that the system has been effective.

Neither the Legislature nor the Board can be sure that the system that is supposed to result from this document will indeed enable either to fix responsibility for deficiencies in student learning. The broad language of the document is hardly arguable at first glance, *to wit*: "Educational accountability is the condition of being answerable to the Board of Education, the public and to the legislature for the

2. Department of Education, State of Hawaii, *The Superintendent's Accountability System August 1983*, p. i.

services rendered by the Department of Education.”³ But the document does not provide for assigning responsibility and consequences all the way down to the classroom level—which is where learning, if it is to occur at all, is the ultimate yardstick.

Whether the document, including its attachments, represents the sum total of DOE’s explanation of the accountability system is not clear. A great deal of attention is devoted to the goals and objectives framework in an attempt to mesh together the executive’s objectives in the State Education Plan and the Board’s goals and objectives with the superintendent’s own objectives. As indicated earlier in this section, the attachments expand on some of the subsystems but not all.

According to the document, the description of the system should be regarded as “an architect’s sketch,” with the department as “draftsmen, filling in the essential details of each subsystem so that the final results will be functional and structurally sound.”⁴ What kinds of details, who will be responsible for developing those details, in what form those details will be made public and when—none of these is conveyed in the document itself.

It is not even clear to whom this document is addressed—whether to each of the organizational levels (state, district, and school) and which officials in each level. It is also not specific enough to be useful to departmental staff for implementation of any of the subsystems. Some of the problems which we identify in the next section of this chapter can probably be attributed to the lack of sufficient specificity.

Finally, ambiguity surrounds the relationship of this accountability system to the department’s system of planning-programming-budgeting. When a system for review of current programs was discussed with the Board in April 1983, in response to our budget review report, DOE officials stated that the new system would be incorporated into the existing PPB system for program change requests. It will be recalled that PPB is still the official analytic and budgeting system of the State, mandated by the Executive Budget Act of 1970. The superintendent’s document does not mention PPB at all. Within the past one and a half decades, DOE has undertaken program analyses by academic subject areas in a fashion similar to what

3. *Ibid.*, p. 1.

4. *Ibid.*, p. ii.

is proposed as "routine evaluation" in the review framework of the superintendent's accountability system. Whether routine evaluation will be the same as the program analyses under PPB is not clear; in any case, the accountability system document does not acknowledge PPB. Thus, ambiguity exists as to whether the procedures, reports, etc. of the superintendent's accountability system will replace all the work and work products of PPB, or be in addition to them. In either case, considerably more focus should have been applied to the system and its document. As matters stand, the ambiguities cloud the status and potential utility of the accountability system document.

Specific Program Evaluation

Shortcomings in The Superintendent's Accountability System August 1983

The superintendent's document suffers from a number of specific shortcomings as an instrument for guiding DOE's program evaluation activities. The most serious of these shortcomings are described and discussed below.

Lack of emphasis on specific and appropriate program objectives. Setting goals and objectives occurs at several different levels and is done for several different purposes. When dealing with a major program of the size and complexity of lower education, it is necessary to think in fairly global terms and to state purposes in quite broad generalities. However, when looking at specific programs and trying to assess their performance, it is necessary to know fairly specifically what is trying to be accomplished. Moreover, it is important to recognize that there are several kinds of objectives that are pertinent at the specific program level—i.e., those relating to program effectiveness, program design, program target population, and program installation scheduling. Finally, programs may, and often do, have multiple objectives, but this does not mean that all of these objectives are equal in importance. Hence, it is necessary to differentiate primary objectives from other objectives so that proper weight can be given to those which are most significant.

Although the superintendent's document deals with the subject of objectives, it does not do so in terms which are useful for program evaluation. Instead of stressing the need to identify for each program to be evaluated objectives that are specific, pertinent, and differentiated as to type, the superintendent's document deals mostly in broad, unspecific, and undifferentiated objectives.

For instance, the document starts off its consideration of objectives with a brief treatment of overall goals and objectives for the lower education program as a whole as drawn from: (1) the Board's goals and objectives, (2) objectives set forth in the State Education Plan, and (3) other objectives identified by the Superintendent of Education. It then states that these objectives can be subdivided into six functional areas (instruction, personnel, facilities, etc.). It also suggests a further categorization of objectives based upon a time relationship involved in attaining the objectives, as follows:

- | | |
|-------------|--|
| Ongoing | improvements which can be accomplished in existing programs, operations, and policies. |
| Medium-term | fairly major changes that will require 1 to 3 years lead-time to address. |
| Long-term | very major changes that will require more than 3 years lead-time to address. |

Appended to the document is a lengthy attachment in tabular form which lists a wide array of very generalized objectives, such as the following:

"Examine the intermediate school curriculum and organizational patterns and improve the quality and appropriateness of educational services at the intermediate level."

"Assist students to develop global viewpoints as they study local and national issues."

"Expand the Hawaiian studies program kindergarten through the 12th grade. Include in that effort such essential support services as training of teachers, acquiring the services of Hawaiian-speaking aides and resource persons, and developing Hawaiian language materials."

"Develop optimum learning outcomes for grades 3, 6, 8, and 10."

Such objectives are so vague as to be almost meaningless when trying to determine whether or not, or to what extent, they are being attained. Moreover, all kinds of objectives are thrown together with no clear indication as to which may be related to program effectiveness, program design, program target group, or program timetable. Under such a framework as this, DOE's program evaluations suffer seriously in terms of inadequately and inappropriately relating program performance to program objectives. This was a problem which we pointed out to

DOE in our budget review and analysis report, but it is a problem that has not been corrected through the issuance of the superintendent's document.

For instance, we cited the example of the evaluation of the Hawaiian studies program which dealt only in terms of input objectives—whether a program guide was completed, whether training materials and sessions were offered, etc.—and not in terms of output objectives—whether because of the Hawaiian studies program, students indeed become more aware of their place in Hawaiian culture, whether they become aware and knowledgeable about the Hawaiian language as a tool for understanding Hawaiian culture, etc.

However, the program evaluations made under the superintendent's document suffer from the same deficiency. Chapter 3 contains several examples of this problem. An additional example is cited below to indicate that the problem continues to be a widespread one.

In the evaluation of the gifted and talented program, the objectives identified for this program include such items as identifying gifted and talented students, providing appropriate programs, providing resources, providing staff training, and developing an evaluation design. Here, again, all of the emphasis is on input objectives—the hows of carrying out a program—and no focus is placed on output objectives—i.e., objectives concerned with the ultimate end results being sought. Yet, the evaluation report purports to assess the effectiveness of the program and actually concludes that the program is effective.

It is impossible to assess program effectiveness if there is no clear and definite idea as to *what* a program is supposed to achieve, as distinct from *how* it is supposed to carry out its task. The how may be relevant for assessing program design or program timetable, but really tells nothing about what effects or end results the program is having. In this case, then, DOE's assessment of effectiveness is actually meaningless.

Failure to focus properly on appropriate means of measurement. After clear, definite, and properly differentiated objectives have been identified for programs, an effective system of program evaluation also requires that there be clear, definite, and appropriate means for measuring whether or not, or to what extent, specified objectives have been attained. To accommodate the different kinds

of objectives, there should be differentiated types of measures—i.e., effectiveness measures, program design measures, target population measures, and program timetable measures. To be useful, measures should be as specific as possible and directly relevant to the objectives being sought.

The superintendent's document, however, pays scant attention to the whole matter of measuring performance. It acknowledges that some type of measurement is required in the evaluation process, but this is about the extent of its treatment of the subject of measures and measurement. It does not stress that measures should be clear, definite, differentiated as to purpose (i.e., by type of performance being assessed), and be firmly established at the initiation of the evaluation process. It refers only vaguely to such things as gathering information, measuring progress toward intended results, judging accomplishments, and comparing actual results with intended results.

The superintendent's document recognizes "Effectiveness" and "Efficiency" as two components of a program evaluation process, but in designating the evaluation criteria to be used for these two components, all the document includes for these respectively is "Measures of Effectiveness" and "Cost Effectiveness." No further explanation is provided regarding what these terms mean or how they might be used in the process of evaluating programs. Consequently, considerable confusion surrounds the use of such terms as "effectiveness," "cost-effectiveness," and "efficiency" in the program evaluation reports which the department has produced.

In our 1983 budget review and analysis report and the accompanying catalog of legislative requests relating to DOE, we pointed out deficiencies in the types of measures used by DOE to evaluate its programs and therefore raised serious questions about the validity of the results reported. Yet, upon reviewing the program evaluation reports prepared after issuance of the superintendent's document, we find the same shortcomings are still present. Chapter 3 contains several examples which illustrate this point. Further indication of the extent and severity of the problem is set forth in the discussion that follows.

In our review of DOE follow-up action on legislative requests directed to the department during the 1983 legislative session, we found that DOE had prepared 13 reports which might be termed program evaluations. Uniformly, DOE found every one of these programs to be "effective." In many instances, the programs were also

said to be "efficient" or "cost-efficient." Nowhere, however, are the terms "effective," "efficient," or "cost-efficient" defined or described.

The usual practice in these program evaluation reports is simply to calculate a per student cost and to report the resultant amount as if it were sufficient explanation or justification in itself to show that the program in question is effective, efficient, or cost-efficient. However, no attempt is made to relate any such cost to a desired, expected, or projected cost or to compare it with the cost of a similar program. As a consequence, the reported costs have little meaning.

The use of this standard approach without any guideposts or reference points suggests that a single yardstick might be applied to them all. Yet, this obviously does not make sense. Not only do the various programs vary widely in size, scope, and purpose, but they also differ significantly in their reported per student costs—the range is from \$2.30 to \$2655 per student—even though they are all judged to be effective. If the same measure applied to all, then the low cost programs would have to be found to be much more effective or efficient than the high cost programs.

Even if the cost per student measure were found to be a suitable one, it would still suffer from serious deficiencies in the way it has been employed in the 13 evaluation reports conducted under the superintendent's document. This is because DOE has not been explicit or consistent as to what expenses should be included in calculating costs or how target groups should be counted in determining costs per student.

For example, in its evaluation report on the gifted and talented program, DOE uses two different totals for the number of participants in the program—8,866 and 15,146. Moreover, in deriving the costs attributable to the program, the report omits two significant cost items involved in the program: (1) the costs of three state office positions which the report identifies as being part of the program, and (2) the salaries and associated costs of an unspecified, but apparently sizeable, number of instructional resource augmentation (IRA) positions which have been diverted from elsewhere to the program and which are deemed to be a "crucial" part of the program. Not mentioned in the report is one other district resource teacher whose job assignment clearly includes the gifted and talented program, and there may be still other DOE personnel involved in one way or another with the program. Thus, if

the costs of this program were properly calculated, they would probably be several times higher than the costs reflected in the evaluation report.

Besides this cost per student measure, the evaluation reports use other types of measures. In many instances, however, the measures are input, not output (effectiveness), measures or they place heavy reliance upon unsubstantiated reactions and opinions of persons directly involved in the programs.

Thus, instead of measuring programs by such criteria as a given percentage increase in student test scores or a given decrease in absences or grade failures, the reports come out with results like the following for the gifted and talented program:

- "Some elementary schools have pull-out programs but do not have them for all grades."
- "Some teachers, librarians, administrators and parents are being trained to better qualify them to assist students and are becoming more enthusiastic and happy about their students' achievements."
- "Some secondary schools have honors classes, advanced placement courses, credit by exams, early admissions and special science and art projects."
- "Excellent accomplishments have been made by students as shown in the outstanding products, performances, projects that have contributed to solving some real problems and issues in our community."

How many schools have which kinds of programs? With what yardsticks of success? How much more have students in the program accomplished than their peers in the same school? Or as compared with similarly gifted students in schools without such programs? To what extent have gifted and talented students achieved their potential? And what community problems have gifted and talented students solved? The report fosters more questions than it provides answers, but it expects the reader to accept it as sufficient grounds to support the program.

By employing such measures to evaluate and justify its programs, DOE undermines its own credibility and invites a lack of confidence in the claims it makes on behalf of its programs.

Failure to ensure independence and objectivity to the evaluation process.
As we note in our 1973 audit report on DOE, program evaluations can be

made at two levels. *First*, there are the periodic and routine evaluations where little more is attempted than to determine the *apparent* reasons for the attainment or nonattainment of specific objectives. Due to their routine and repetitive nature, these assessments might well be performed by those administering the programs.

Second, however, are in-depth evaluations. Due to their intensity and to their use as a basis for decisionmaking concerning the future of a program, in-depth evaluations require utmost care in ensuring their objectivity. They should not be the responsibility of either the persons administering the programs being evaluated or the persons who assisted in the design of the programs.

The superintendent's document recognizes a difference between what it calls routine "annual reviews" and what it refers to as "in-depth periodic studies." (It also provides for a third category of evaluation, which it calls "ad hoc studies," but which is more like the second category than the first.) The superintendent's document, however, does not even recognize the issue of independence and objectivity in the evaluation process, much less make any provision to ensure the propriety and integrity of its in-depth evaluations.

Indeed, the differentiation of types of evaluations contained in the superintendent's document is more concerned with the amount of effort required and the length of the resultant report than with the nature, conduct, and objectivity of the evaluation process itself. Thus, while we recommended in our 1973 audit report on DOE that objective in-depth evaluations be made by an independent evaluation unit situated in the Office of the Superintendent of Education, the superintendent's document makes no reference to the question of objectivity, and, in fact, disperses responsibility for all types of evaluations to the units which are also responsible for administering the programs to be evaluated. This is true despite the fact that an evaluation unit has existed for a number of years in the superintendent's office.

By failing even to acknowledge the problem of maintaining objectivity in the conduct of evaluations, the superintendent's document creates or sustains an environment within DOE where this matter excites no real concern and receives no concerted attention. It is little wonder, then, that many of the evaluation reports prepared under the new accountability system lack credibility. They can hardly be considered truly objective and dispassionate assessments of the subjects covered when all they amount to are self-evaluations by program personnel.

In actuality, DOE has an organizational and administrative framework within which a much more objective evaluation process could be carried out. As noted above, there is an evaluation unit located in the superintendent's office. Moreover, the handling of the various program evaluations requested by the Legislature during its 1983 session was channeled through this unit. Nevertheless, the unit was given no clear charge to carry out the evaluations itself or to oversee them in such a manner as to ensure that they would be as objective as possible.

As a consequence, the requests were farmed out to a number of persons and groups within DOE to be carried out. In many instances, persons or units who were involved in one way or another in the administration and design of the affected programs were entrusted with making the evaluations or were placed in a position where they could influence the conduct of the evaluations. As might be expected from such an approach, the results of the evaluations frequently show a lack of objectivity and impartiality.

Chapter 3 provides examples of the failure on the part of DOE to take appropriate steps to make its program evaluation reports as objective as possible. The net effect, of course, is to undermine the entire credibility of the reports. This is a problem that will continue to exist until the DOE clearly recognizes the nature of the problem and takes the necessary steps to deal with it. In its present form, the superintendent's document is completely deficient in this area.

Recommendation

We recommend that the Department of Education establish a clear and unequivocal system of program evaluation which can be used to carry out effective program evaluations within the departments. In our 1973 audit report on the Department of Education, we set forth the basic requirements for such a system and suggest an organizational arrangement through which this system might be carried out.

Chapter 3

REVIEW OF RESPONSES TO PROVISOS CONTAINED IN THE 1983 GENERAL APPROPRIATIONS ACT

The 1983 Legislature took an especially keen interest in public education and expressed a number of concerns via provisos in the General Appropriations Act, other laws, and resolutions. In this follow-up budget review report, we focus upon the concerns set forth in the budget provisos.

Among the 15 provisos applicable to the lower education program, eight required responses by the Department of Education (DOE). By their nature, the responses varied in the range of comprehensiveness required. Many of the requests, however, called upon the department to make program evaluations and to provide the Legislature with the results of the evaluations for use in legislative decisionmaking on DOE's budget requests. We discuss separately each of the proviso requests and DOE's responses to them. Yet, our major finding is a broad one which applies to the responses in general.

Summary of Findings

Overall, we find that the responses to the requests for program evaluations contained in the provisos to the appropriations act are of poor quality and will be of little utility, if any, to the Legislature and to the Board of Education in making effective allocation of resources for the lower education program. We find also that the responses do not sufficiently address the legislative concerns which prompted the requests.

Section 23, Act 301: Supplemental Budget Information Displayed on a School-by-School Basis

The Regular Instruction Program is budgeted as program "EDN 105" in the lower education budget. This is by far the largest single budget item in lower

education, involving \$162.5 million in general funds and \$11.3 million in federal funds for FY 1983-84. All basic costs of operating DOE's schools are budgeted under this category—regular teacher salaries, supplies, equipment, and other costs. By comparison, the next largest program is EDN 107, the exceptional child program, which requires \$29.2 million from all funding sources.

Finding it difficult to understand such a huge program in one large lump sum, the Legislature directed DOE to submit information in 1984 in finer detail as a supplement to the conventional budget documents. Two sets of information on a school-by-school basis were requested. These are: (1) the general funds being requested for each school under each program; and (2) a report on each school's expenditures—actual expenditures for FY 1982-83 and projected expenditures for FY 1983-84. The school-by-school budget display was to accompany the executive supplemental budget request while the expenditure reports were to be submitted no later than two weeks after the convening of the 1984 session.

The executive submitted a supplemental request of \$1.2 million for DOE, largely for regular and special education teachers for allegedly unanticipated enrollment increases. DOE reported that it cannot identify the schools where the additional teachers would be placed since assignments are based on official enrollment counts taken in the Fall. However, it does not appear unreasonable to seek at least some indication from DOE as to where enrollment growth was reportedly unexpected since each school is regularly surveyed for its projections. If a discernible pattern of error emerges, DOE management should be expected to review its methodology. Also, even such limited information could be used by the Legislature for comparison with the forthcoming school-by-school expenditure reports to determine whether the current services base is, indeed, stretched to its limits.

DOE has also prepared an additional supplemental request for FY 1984-85 beyond the Governor's ceiling totaling \$8.68 million. This portion, referred to as the DOE Part II request, spans the gamut of programs. Wherever possible, DOE has prepared this portion in a school-by-school format.

The second part of the request, expenditure reports for each school for FY 1982-83 and projected expenditures for FY 1983-84, were due February 1, 1984.

Section 24, Act 301: Regular and Periodic Review by the Board of Education

The Board was directed to develop and implement a system for regular and periodic review of the ongoing programs and operations of DOE. The system is to include, but not be limited to, the following characteristics: (1) annual reviews scheduled so that all programs shall be reviewed by a specified date; (2) programs scheduled so that related subjects shall be reviewed as simultaneously as possible; (3) meaningful criteria; (4) procedures and safeguards to reorganize, expand, reduce or terminate programs when deemed appropriate as a result of the review; and (5) opportunity for public input in the review process.

The Board was to submit a report of its findings and recommendations 20 days prior to the convening of the 1984 session.

The Board's response consists of two parts: (1) a report which discloses that the review system is still under development, with plans and implementation scheduled for FY 1984-85; and (2) an attachment from the superintendent's accountability system document, titled "review framework," which sets forth schedules for review and evaluation starting from the current year.

The Board's response appears to be cast solely in terms of the superintendent's accountability system. Moreover, even as between the two parts of the response, there are internal inconsistencies over timetables and the pending development of a conceptual base while implementation has already begun. The Legislature cannot be assured that the review system will generate the information and evaluation that it seeks.

Section 25, Act 301: Evaluation of "Grant-in-Aid" Programs¹

The appropriation of \$451,249 for FY 1983-84 for six "grant" programs in lower education was made in another part of the General Appropriations Act. A proviso directs DOE to submit an evaluation of each of the "grant" programs at least 20 days prior to the convening of the 1984 session.

1. Five of the six programs should more appropriately be considered "purchases of service" rather than "grants" or "grants-in-aid." The sixth program, the Holomua Project, is a government program.

DOE submitted separate reports on each of the six "grant" programs. These are commented on individually below.

Palama Interchurch Council—Immigrant Youth Program, appropriation of \$62,516. The two objectives reportedly attained were: (1) to provide a summer program, and (2) to provide counseling to 200 students. Not enough data were available to determine whether a third objective—to increase communication between schools and students and parents—was attained. However, the overall evaluation was "generally effective and efficient." Per capita cost was reported to be \$47.

DOE's conclusion of effectiveness for this program is flawed. The input nature of the first two objectives and to some extent the third objective, as well, reveals nothing of what this program is supposed to achieve. And even if under the third objective communication were increased between schools on the one hand and students and parents on the other, there must be another outcome—a change in students of some kind—desired from this communication.

DOE's conclusion of efficiency is also flawed. The review framework of the superintendent's accountability system provides absolutely no guidelines for the determination of efficiency. Merely reporting per capita costs sheds little light on whether the program is efficient.

Language Arts Multicultural Program, appropriation of \$150,000. DOE found the program both "effective and efficient" on the basis of attainment of five relatively specific objectives and a per student cost to the State of \$385. The language arts program served 390 third and fourth grade students in four schools in Hawaii District. The addition of federal funds in the amount of \$32,000 raises the actual cost per student to \$467.

The objectives for this program combine outcomes with measures of effectiveness, e.g., "eighty percent of the target students will have gained at least one normal curve equivalency as measured by the Metropolitan Achievement Test in basic skills." Evaluation data submitted appear to support the contention that the specific objectives have been attained. However, there is no discussion as to the relationship of these objectives to those of DOE's regular program, nor a comparison of how these children performed while in the program and prior to their participation.

Again, there are no standards or points of reference to award an efficiency rating to this program. A per capita cost of \$385 may well be high since the participants also attend their regular schools and are counted in all regular allocations.

Maui Hui Malama, appropriation of \$36,000. DOE found the program "effective and efficient" on the basis of the rate at which students pass the General Educational Development exam and a per student cost to the State of \$225. Because of other sources of funds which total 57 percent of the program cost, the actual cost per student is \$525. Approximately 160 students are served per year by this alternative school. The target group consists of teenagers at least 16 1/2 years of age who have dropped out of school as well as those referred by regular high school counselors.

The efficiency rating for this program is probably merited if the students are not counted in the enrollment of the regular schools from which they have dropped out. In the absence of clear definitions from DOE as to the term "efficiency" and the costs to be included in its calculations, however, no conclusions can be confidently drawn.

Pacific and Asian Affairs Council (PAAC), appropriation of \$43,200. The objectives, in brief, are: (1) to provide cocurricular programs on international affairs, (2) to increase students' awareness of Hawaii's role in Asia and the Pacific, and (3) to develop in students a willingness to be responsible and well-informed leaders in Hawaii. These objectives exemplify DOE's deficiencies in mixing input and output objectives and in developing unmeasurable or difficult to measure objectives. As long as PAAC provides activities with its funds, as attested to by its list of activities attached to the evaluation report, the first objective is easily met. However, this merely indicates what was bought with the funds, not what was to be achieved, and is not an indicator of effectiveness. Moreover, merely providing opportunities for participation will not necessarily increase students' awareness of the State's role, nor will such participation necessarily develop a willingness to be responsible and well-informed leaders. Yet, DOE would have the readers of this report believe that the second and third objectives are met by the same participation data.

The reported per student cost to the State is \$2.30, leading DOE to conclude that the program is cost-effective. Private funds which comprise 63 percent of the PAAC budget reportedly bring the total cost to \$6.26 per student. However, there is cause for caution, if not skepticism, in relying on these reported costs. DOE has counted both direct and indirect participants as one each—the indirect participants being primarily the students of the teachers attending PAAC's outreach programs.

Total club membership is 1,175 students at 36 schools and various attendance statistics are reported for other activities, but the totals are nowhere close to the 18,000 that DOE claims are "involved" in PAAC. In arriving at the impressive participation figure of 18,000, DOE included everyone touched by PAAC's program in any way. Yet, it makes no attempt to attest to the effectiveness of the PAAC program with all of these 18,000 participants. If the State's grant amount to PAAC were divided only by the number of direct participants, the per student and teacher cost would be considerably higher than \$2.30.

Holomua Project, appropriation of \$97,000. In our 1983 budget review report we recommended that DOE declare whether this project is an integral part of the curriculum and whether it merits continued state funding. DOE has yet to make such a declaration; it has routinely evaluated this as one of the "grant" programs and found it "effective." No improvements have been made to clarify the need for this program, the specific target group and its characteristics, and its place in the existing curriculum. Evaluation results are reported in a very sketchy manner, merely fashioned as "yes" to the question of achievement of various skills by the participants.

Significantly, DOE has not determined the Holomua Project to be "efficient"—perhaps because of a per student cost of \$2,155. This cost is in addition to the cost of educating these students in regular classes which they attend for their basic education. The 45 students who participate in this project for part of a day benefit from the services of a project staff of 5.5 positions—an extremely favorable ratio of 8 students per staff member, made even more enviable since students participate for only part of each day.

Comprehensive Education Dropout Prevention Program, appropriation of \$62,533. DOE's evaluation report of this program is comprised of a review of the program design since the program was not in operation in FY 1982-83. Although a

predecessor program was operated by the same organization, the DOE's report claims that the currently planned program is different and prior data are not relevant. The plans anticipate 400 participants at a cost of \$156 per student, above and beyond the cost of regular education. DOE has reported both "purposes" and "objectives" for the program. The purposes are: (1) to reduce communication barriers between potential dropouts, their parents, and the school, and (2) to reduce ethnic ingrouping and outgrouping. The objectives are: (1) reduce excessive absenteeism, (2) enlist "no-shows," (3) facilitate attitude changes, (4) increase communication, (5) provide career orientation, and (6) involve parents. The staff of 4.5 positions will conduct after school activities and intercede with school authorities and parents for the 400 minority participants. If the expected number of students is attained, the cost per student will be \$156.

While it is true that the program design appears to be comprehensive and provides for much data gathering, no firm conclusion should be drawn as to the program's effectiveness and efficiency. It should be noted that in its evaluation report on the Comprehensive School Alienation Program (CSAP), DOE recommends that the Legislature provide for the Dropout Prevention Program to be funded permanently under CSAP. The basis for this recommendation could only have been DOE's review of the program design since at the time the recommendation was made, the program was just barely in operation. Given the deficiencies of the superintendent's accountability system under which both the CSAP report and this evaluation for the program design were conducted, such action by the Legislature now might well be premature.

Section 29, Act 301: Hawaiian Studies Program

Legislative concern over the Hawaiian studies program continues to be manifested even as some expansion has been authorized. By proviso, DOE was directed to incorporate a restructured program design into a report due 20 days prior to the 1984 session. Also, an evaluation of the program in terms of its effectiveness with students is required.

In the committee report to the 1983 General Appropriations Act, the Legislature further clarified that it intends that DOE evaluate the Hawaiian studies program in the manner suggested by the Legislative Auditor in 1983. We had found

that DOE's then program design viewed evaluation in terms of input—whether a program guide was completed, whether training materials and sessions were offered, for example—and not in terms of output—whether students become more aware of their place in Hawaiian culture, whether they develop an intercultural understanding of Hawaiians if they are not Hawaiian, and whether they become aware and knowledgeable about the Hawaiian language as a tool for understanding Hawaiian culture. While a far-ranging report on this program has been submitted, the issue of the restructured program design as required by the Appropriations Act has not been addressed.

With respect to the requirement for an evaluation in terms of the program's effectiveness in achieving output objectives with students, the report reiterates that an evaluation design has not been completed, and that program evaluation in terms of outcome "cannot be carried out until implementation of the program has been completed." Since it will be 1993 by the time the first group of kindergarteners graduates with 13 years of the Hawaiian studies program behind them, it appears that DOE is asking for full implementation in the meantime but withholding outcome evaluation until then. The report cites a number of "evaluations" which point to the program's "effectiveness," but only one has attempted to compare the program's objectives with what students have learned or how they have changed as the result of the program. That one evaluation was extremely limited in scope. The other "evaluations" offered do not address legislative intent.

Multiyear plans for the program remain highly nebulous and unclear. The latest available multiyear plan is dated June 1980, as submitted to the 1983 Legislature. However, the display is garbled and various projections are used, leaving a reader confused as to which figures to believe. The totals do not come close to supporting DOE's request for FY 1983-84. According to the 1980 timetable, such a request should have come at some later date, but when that should be cannot be determined. A multiyear plan should clearly convey such information as the number and types of positions already on board and those desired, target groups to be served by those numbers, and the nature of the other operating costs. Totals for each year should be shown as well as any pertinent assumptions from which the figures were derived.

DOE claims that in three years, efficiency in the Hawaiian studies program has increased because the number of full-time equivalent (FTE) *kupuna* has remained

the same—22.4—but the number of students has increased by 317 percent. In all other DOE programs where per student costs are shown, the reported cost of a program was divided by the number of students served—FTE was not a factor in those calculations. It should be noted that the cost of this program has increased by 63 percent in the same period.

DOE maintains that the regular classroom teacher is the cornerstone of this program, not the *kupuna*. This is based on the stated intent of “totally merging” Hawaiian concepts into the existing elementary curriculum. DOE’s expenditure of resources, however, does not reflect such an emphasis. Plans for training regular teachers to teach such a “merged” curriculum are unclear, and the effects of such a merger on the existing curriculum are not explained. It would appear that these changes in the elementary curriculum would entail in-service training on a large scale.

Thus, despite the length of DOE’s response in this case, much remains ambiguous and unexplained concerning the Hawaiian studies program.

Section 30, Act 301: Early Provisions for School Success Program

The Early Provisions for School Success Program (EPSS) is currently in its second year in DOE. Legislative interest in providing for early diagnosis and help led to the appropriation of \$1.8 million in FY 1982-83 for testing of kindergarten students, 100 support teachers, and in-service training. Results of probable success in the first year persuaded the 1983 Legislature to continue the program in FY 1983-84, but funds for FY 1984-85 were deleted pending an evaluation report. DOE sought those funds in Part II of its supplemental budget request, but the Governor has rejected all of Part II for being beyond the executive budget ceiling.

Preliminary and short-term results indicate some benefits from EPSS, but the Legislature should be fully satisfied that the gains are attributable to EPSS as currently designed before it authorizes any further expansion. Also, the Legislature should be aware that DOE’s plans for the future of EPSS are expansive, the program is more costly than the budget appears to provide for, and the per student cost has been understated. We discuss these further below.

Overstatement of cost-effectiveness claim. DOE has presented the per capita cost in the following way, making it appear less expensive with each year of expansion, *to wit*:

- 1982-83: 12,493 grade K students at \$177 each;
- 1983-84: 25,207 grades K and 1 students at \$87 each;
- 1984-85: 37,544 grades K, 1 and 2 students at \$75 each.

Such a method of calculation assumes that resources are spread fairly evenly over all participants. In fact, however, there is a vast difference in the services that support teachers provide to K students compared to all others. Direct services have been, and will continue to be, limited to K students. DOE's multiyear plans provide that support teachers will be "linkers" with first, second, and third grade teachers as those grades are added. Thus it is incorrect to count students in grades 1 through 3 the same way that kindergarteners are counted. The salaries of the 100 support teachers constitute the bulk of the program's costs. The manner in which they are actually deployed should be reflected properly in any cost-efficiency or cost-effectiveness calculations.

Misstatement of actual and projected costs of EPSS. The cost of the first year of EPSS, FY 1982-83, is routinely reported to have been \$1.875 million—the amount of the appropriation. However, actual expenditures were reported to be \$2.373 million. For FY 1983-84, DOE requested and received \$2.193 million for the same cost items as the previous year, another understatement left uncorrected despite the fact that expenditures were already on their way to exceeding the appropriation. DOE's request for FY 1984-85 is \$2.858 million—an increase of \$1 million for the third year of the program. It is uncertain whether this now represents the true cost of EPSS.

There have been two kinds of inconsistencies between the way the new program was budgeted and how the funds were spent. *First*, EPSS was underbudgeted from its inception, according to DOE officials, because it was not included in the calculations for the collective bargaining appropriations act of 1982. However, since all teachers are paid according to the collective bargaining agreement and their place on the salary schedule, DOE is obligated to pay them regardless of any shortages in the accounts from which their respective salaries are drawn. In the

case of EPSS, where the bulk of the budget is for the salaries of 100 teachers, the impact of not budgeting for salary increases of 10 percent became substantial. Since an average salary of \$15,144 per 10-month teacher² had been used in budgeting, the understatement amounted to \$150,000. DOE budget officials adjusted other accounts to cover this difference. There is no way EPSS could have cost only \$1.875 million in its first year; \$2.025 million would have been a more realistic figure. And because the \$1.875 million figure was used in DOE's multiyear projections, those projections are grossly understated. A year ago, DOE projected a cost of \$2.193 million for FY 1984-85; it now seeks \$2.858 million. Projections of \$3.13 million for FY 1985-86 and almost \$4 million thereafter are surely *at least* \$1 million understated for each year.

Second, and more important in terms of its long term effect, the difference in practices between budget preparation and expenditure leads to misstatements in cost and budget requests. The cost to the State of adding this new program stemmed from the cost of replacing the experienced support teachers, presumably with less experienced teachers.

Budgeting and appropriating on the basis of these less expensive replacements was a correct practice. However, in implementing the program, DOE paid the support teachers from the EPSS account and their replacements from the regular education account—a reversal of the appropriation. Thus EPSS expenditures were higher than the appropriation, but again, DOE officials covered the shortage from the regular education account. The latter, of course, was overbudgeted to the extent that the higher support teachers' salaries were paid from the EPSS account.

As long as these budgeting and expenditure practices continued to be used consistently, the only adverse effect would be in the conflicting perceptions of what EPSS costs—whether the cost is in terms of the replacement teachers or the experienced personnel that the program design requires. However, the FY 1984-85 budget request for EPSS has been prepared with a major change. The program is now being budgeted in terms of the salaries of the support teachers, not their replacements, *without a corollary reduction in the regular education account*. The

2. A new hire is paid from September so the cost in the first fiscal year is for ten months' salary. For the second year of EPSS, the salaries are based on a 12-month year on the assumption that the same personnel will remain in the positions.

request of \$2.858 million represents an average support teacher salary of \$24,870. Had DOE continued its former practice, the budget should have been based on \$19,989. The difference of \$488,000 for the 100 teachers is currently double-budgeted because DOE has not reduced the regular education budget (EDN 105) by the like amount. Even if DOE can show that the replacement teachers are not at entry level salaries, there is little likelihood that their salaries will equal that of the support teachers, so either the regular education or the EPSS budget is overstated.

Expansive multiyear plans. In our 1983 budget review and analysis report we recommended that DOE fully reveal its multiyear plans for EPSS because only such general language as "expansion to third grade in 1985-86" had been received by the Legislature. DOE's 1984 report to the Legislature continues to describe its plans in these general terms.

The details are to be found only in the very fine print of the "Multi-Year Implementation Plan," dated February 1983. Examination of that fine print reveals two potential problems for the Legislature: (1) DOE intends that EPSS be expanded substantially, and perhaps more extensively than the Legislature intended when it first approved EPSS; and (2) program components are not described in sufficiently discrete fashion to offer the Legislature some leeway in how it chooses to continue the program.

Substantial expansion. According to the multiyear plan, staff size and program components are to be increased by FY 1988-89. DOE intends to add 37 support teachers in FY 1985-86 and expand to 175 thereafter. Direct services, however, would still be targeted to kindergarten students, so it is not clear how the additional support teachers would be deployed. Seven "demonstration centers" would be established in FY 1985-87, with an unspecified number "as needs dictate" in the biennium after that. If the Legislature accepts this plan and DOE's figures, the program will have cost \$21.2 million by FY 1988-89. These estimates, however, are decidedly understated because they are based on the first year's appropriation of \$1.875 million, the problems of which we have discussed in the previous section.

Aggregation of program components. The EPSS budget for two years has consisted of funds for 100 support teachers, substitutes for the days that teachers undergo in-service training, testing materials, and administrative costs. For FY 1984-85, the budget request includes new costs for repair and maintenance,

consultants, significantly increased travel, and car rentals. According to DOE officials, one demonstration center is already planned for the current year and the others for next year—an acceleration of the multiyear plan. These are not identified as expansion requests. Nor are the expansions in the subsequent bienniums separately identified, either in terms of the incremental costs or incremental program components. Without such identification by DOE, the burden falls on the Legislature to first determine that expansions are contained in a budget request, and then to seek a disaggregation. Without knowing which additional costs belong to which components, the Legislature may find itself locked into program expansions it did not wish to support had it known about them.

Section 31, Act 301: Compensatory Education Program for Alienated Students

DOE was directed to evaluate all of its programs for alienated students under EDN 108 including the Comprehensive School Alienation Program and the various learning centers and alternative programs in schools and off-campus locations. The programs were funded for the first year of the biennium only, with the proviso that before any further appropriations are made for the second year, the DOE must submit its implementation plan to integrate the various programs. A report was due 60 days prior to the convening of the 1984 session.

DOE submitted a two-part response: (1) a report on all its alienation programs and (2) an implementation plan for a statewide comprehensive alienation program. Neither of the parts responds to the concerns of the Legislature for this \$4 million program.

The first part, the report on all programs, purports to show the effectiveness of all programs and projects but does not provide statistics on each program or project separately. Rather, the statistics are grouped according to category of program delivery, i.e., alternative learning center, special motivation class, outreach and campus counselor, advisor, and work-study project. Target group data for CSAP, the Comprehensive Statewide Alienation Program, are not shown separately from the target group data for each of the other projects, so it is not possible to determine how CSAP alone compares with the other projects in effectiveness or cost, or how each project compares with every other project. This inconsistency in target group data

and program costs thus does not enable the Legislature to truly weigh the component parts of this \$4 million program—its intent in including this proviso in the first place. DOE's labeling of all programs and projects "effective" is not credible in the absence of information on each.

The second part of the response, the implementation plan, contains no indication of any changes to the program. Indeed, according to DOE officials, the program has continued to be run according to a 1981 program plan because of its success. DOE has reportedly spent the interim between the 1983 and 1984 sessions trying to understand why the second year's funds were deleted, rather than focusing on possible program changes. Although no operational changes were made to the 1981 plan, the response was labeled an "implementation plan" merely to conform to the language of the resolution.

DOE recommends that the Legislature continue all of the prior programs, add one that has just started as a "grant" program, and do this by appropriating in one large lump sum. These recommendations completely ignore the Legislature's concerns for this program. To adopt these recommendations would mean even less light will be shed on these programs and the Legislature will be in even less control of a program whose need should be reduced or eliminated if all other programs of DOE are as successful as DOE claims them to be.

Section 32, Act 301: Evaluating Positions and Streamlining Offices

The Legislature has been concerned for some years over the growth in the administrative offices of DOE, particularly the Office of Instructional Services (OIS) and the district offices. This proviso was basically in two parts: a call for a plan to streamline OIS and the district offices, and an evaluation of the teacher positions in both OIS and the districts. The teacher positions were to be evaluated for their essentialness, and DOE was to redeploy the nonessential teacher positions back to classrooms.

The issue of the reorganization of OIS has been under development within the management audit and civil rights (MACR) branch in the Office of the Superintendent for some time. MACR finally completed a report in late 1983, and the superintendent recommended some changes to the Board on January 19, 1984.

Rather than streamline OIS, the recommendation calls for the transfer of one function from the Office of the Superintendent to OIS. Any actual reductions in OIS are contingent upon the 1984 Legislature's holding firm on a reduction in the appropriation for personnel at the district and state levels. Should the 1984 session refuse to restore approximately \$670,000, only then does DOE plan to cut positions. Otherwise, the reorganization will not be a "streamlining" as the Legislature expected. It should be noted that DOE's original timetable for reorganizing OIS did not adequately accommodate the limited time available to the Legislature to act upon any proposed reorganization. In response to concerns expressed by board members, the department advanced its timetable, but whether the new schedule is kept and whether the final proposal will be adequate remain to be seen.

DOE's response to the Legislature is limited to the matter of the district resource teachers (DRTs) and the teacher positions in OIS. The superintendent appointed a task force to respond to this part of the request. The task force limited itself to the DRTs and so reported to the Board, but prior to the transmittal of that report to the Legislature, it was altered to include the state office teachers within its scope of review. The task force had decided not to include those teachers because their functions were all distinctive and reportedly could not be compared among themselves or with the DRTs.

The revised report has found all 159 district and state positions to be effective and essential. However, the basis for that conclusion is founded solely on user perceptions as determined by a survey that presupposed that these positions were not superfluous.

This report is not credible. There is a wide range in the types and numbers of resource teacher positions from district to district, with no discernible rationale for their deployment. The report does not acknowledge the fact that a large number of language arts DRTs are former Hawaii English Program installation teachers (ITs) who were not placed in classrooms when ITs were no longer needed. The report does not acknowledge such patterns of deployment as four music DRTs in Hawaii District and none in Maui District; DRTs for school climate, and energy and global education; or that there are teacher positions labeled "district office teacher" and "teacher liaison."

The entire matter of district staffing and the function of the district offices has been a source of concern to the Legislature for more than a decade. The anomalies of

staffing and function were pointed out in our 1973 management audit of DOE. The lack of position descriptions was noted then; it does not appear that DOE has developed an accepted set of descriptions in all that time. A draft set is now under discussion with the related employee representatives. While it is true that a reorganization of curriculum staffing at the districts cannot be divorced from a review of state level curriculum staffing, the report as submitted to the 1984 Legislature offers little assurance that DOE is responding to the concerns of the Legislature that management staffing be more efficiently used.

Section 34, Act 301: Relocation of Offices in Rented Space

The availability of surplus school facilities resulting from declining enrollments in some areas over the past several years has led to the legislative thrust of reducing appropriations for rented office space and relocating DOE administrative offices to schools. That legislative thrust was maintained via a budget proviso that directed DOE to explore alternative housing and report 20 days prior to the 1984 session. The report is to include a comparison of relocation with the cost of renting in FY 1983-84.

DOE reported that it has moved four activities from rented spaces since 1976, the largest of which was OIS. The remaining three are the Windward and Leeward District offices and the DOE storeroom. The two district offices can be moved into school facilities if funds for the relocation are appropriated—\$300,000 for each district office. Current lease rent for Windward District is \$46,900 with an increase to \$66,300 in 1984. Lease rent for Leeward District is \$23,142.

DOE reported that relocation of the storeroom to a school is not feasible for two reasons: (1) schools are not built with high ceilings and docking facilities, and (b) warehousing operations are not compatible with school operations. DOE's request to the Department of Accounting and General Services and the Department of Land and Natural Resources to locate a state-owned warehouse or land to construct a warehouse have not produced any results thus far. The current lease rent is \$92,000 per year.

While DOE responded to the letter of the request, the larger issue of maximum use of existing facilities and efficient operations for the users of those facilities was omitted. Of particular concern is the plan which we understand is being considered

for once again consolidating all of the Office of Instructional Services in one facility. In response to legislative reluctance to continue renting facilities for OIS, DOE dispersed the various branches and sections of OIS to several schools in Honolulu District. Pending the completion of the OIS reorganization study it is understandable that nothing further has been done to reconsolidate OIS. However, that problem must be borne in mind even as specific decisions are made over the assignment of state-owned space to educational activities.

Recommendation

We recommend that the Department of Education and the Board of Education be prepared to present to the Legislature additional information and recalculations, where appropriate, on the effectiveness and efficiency of the programs for which reports have previously been submitted. In those areas where adequate information is lacking and cannot be developed within a short time, the Department of Education should present to the Legislature the actions that will be taken and the timetables required to provide the requested information. More important than these recommendations, however, is our recommendation made in Chapter 2 that the Department of Education establish an effective system of program evaluation.

