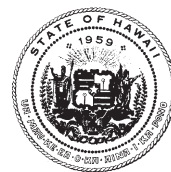

Study of Curriculum, Budgeting, and Repair and Maintenance for Hawaii's Public Schools

A Report to the
Governor
and the
Legislature of
the State of
Hawai'i

Report No. 95-14
April 1995



THE AUDITOR
STATE OF HAWAII

Office of the Auditor

The missions of the Office of the Auditor are assigned by the Hawai'i 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 are 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.

Hawai'i'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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Follow-Up Report on a Study of Curriculum, Budgeting, and Repair and Maintenance for Hawaii's Public Schools

A Report to the
Governor
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the State of
Hawaii

Submitted by

THE AUDITOR
STATE OF HAWAII

Marion M. Higa
State Auditor

Report No. 95-14
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Follow-Up Report on a Study of Curriculum, Budgeting, and Repair and Maintenance for Hawaii's Public Schools

Introduction

The Office of the Auditor issues a wide variety of reports and studies recommending improvements in government operations. In response to growing interest in the impact of our audits, we have expanded our follow-up program to include a systematic review of selected findings and recommendations of previous audit reports. We revisit the subject agencies to verify and assess any progress made in addressing prior audit findings and recommendations. Government auditing standards require an audit follow-up process to determine whether an auditee has taken timely and appropriate corrective actions on findings and recommendations from previous audits.

The purpose of this report is to describe actions taken by the Board of Education (BOE), the Department of Education (DOE), and the Department of Accounting and General Services (DAGS) with respect to certain recommendations in our December 1992 report, *A Study of Curriculum, Budgeting, and Repair and Maintenance for Hawaii's Public Schools*, Report No. 92-31. We hope that the information provided in this report will assist policy makers in ensuring effective, efficient, and accountable programs.

Background

Hawaii has the only state-administered, unified public school system in the nation. With a budget of almost \$1 billion, the public education system accounts for about one-third of the state's general fund expenditures. These expenditures support a variety of activities and programs ranging from classroom instruction, administration, and repair and maintenance to the purchase of textbooks.

The Legislature has actively promoted educational reform for several years, giving schools greater fiscal and curriculum autonomy through School Community Based Management (SCBM) and student centered schools.

Act 295, Session Laws of Hawaii 1992, incorporated a number of educational reform measures to implement the restructuring of the public school system. In conjunction with those measures, Act 295 directed the State Auditor to inventory "add-on" programs that compete with the core curriculum for instructional time. The Auditor was also asked to review Chapter 37, HRS, on budgeting and Chapter 26, HRS, as it applies to repair and maintenance of school buildings to determine whether the two chapters promote decisionmaking at the school level.

Our 1992 report found that “add-on” programs could not be definitely identified because the DOE had not clearly defined a statewide curriculum or core curriculum. DOE lacked curriculum guidelines and did not have a program to assess the adequacy and effectiveness of its instructional programs. In addition, the BOE policies establishing responsibility for curriculum management were unclear.

Our 1992 report also found that the memorandum of agreement on school repair and maintenance between the DOE and DAGS did not reflect current repair and maintenance policies and procedures. While generally positive about the repair and maintenance program, DOE personnel were concerned about the growing backlog for minor repairs on Oahu and for programmed major repairs statewide. Finally the study found that improved training and realignment of some responsibilities could improve the repair and maintenance program.

This follow-up report focuses on actions taken on our 1992 recommendations dealing with curriculum, and repair and maintenance. Our 1992 report found that the state law on budgeting did not constrain the educational system; therefore, we do not address budgeting in this follow-up report.

Approach to Follow-Up

As a follow-up of our 1992 report, we reviewed BOE’s letter to the Auditor of November 12, 1993, DOE’s letter of November 8, 1993, and DAGS’ letter of November 18, 1993, which provided information on actions taken. We then conducted fieldwork at the three agencies to gather additional information necessary for this report. Our work was performed from January 1995 through March 1995.

The following is our overall assessment of the progress made by BOE, DOE, and DAGS, followed by a description of each of our previous recommendations, actions reported by the agencies in their 1993 letters to us, and the results of our recent fieldwork.

Summary of Follow-Up

Our overall assessment in the area of curriculum management is that our recommendations have not been implemented. Hawaii public schools have been experiencing many changes caused by School Community Based Management and restructuring under education reform and new performance standards adopted by the BOE. The DOE believes that with adoption of SCBM and its emphasis upon decisionmaking at the school level, our 1992 recommendations on curriculum management are not appropriate.

Our overall assessment in the area of repairs and maintenance is that progress has been made on our recommendations. DOE and DAGS agreed with the recommendations. Studies have either been completed or are in process, and programs recommended in our 1992 report have been instituted.

Curriculum Recommendation from 1992 Report

In our 1992 report, we recommended that the BOE develop new policies to clarify the statewide core curriculum and the appropriate roles and responsibilities of the state, district and school personnel.

Implementation as reported in BOE's letter

In its November 1993 letter to the Auditor, the BOE reported that current policies on curriculum oversight, as described in *The School Code, Policies and Regulations: Curriculum and Instruction Series 2000 and Student Series 4000*, adequately addressed our concerns and that no new policies were needed.

Results of our fieldwork

In our follow-up fieldwork, the new chair of the BOE confirmed that the BOE still believes that no new core curriculum policies are needed. That chairperson also noted that as part of its ongoing reform of the public school system, the Legislature in Act 272, SLH 1994, redefined the roles and responsibilities of the BOE, DOE, the superintendent, and the state, district, and school level personnel to increase school level autonomy. Schools now have considerable leeway to develop their own core curriculum. Thus while new core curriculum performance standards were adopted by the BOE in October 1994, schools have considerable autonomy to develop their own curriculum to meet the base performance standards.

Curriculum Recommendation From 1992 Report

We recommended that the DOE better manage the curriculum, beginning with improving and aligning its written, taught, and tested curriculum. In particular, we recommended that DOE:

- Develop curriculum guides for science, mathematics, social studies, and language arts that are current and that provide sufficient information to help teachers translate the guides into effective classroom practices. The guides should show articulation across grade levels.
- Develop a staff development program that coordinates training, focuses training on curriculum materials, evaluates the training given, and evaluates staff development for future planning.

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- Assess the written and taught curricula for linkages between these and the testing program.

Implementation as reported in DOE's letter

The DOE's 1993 letter to the Auditor said that DOE had developed the following curriculum documents to provide direction and focus for classroom instruction:

- *Essential Content* (December 1992) describes the *what* of curriculum and identifies the department's content standards.
- *Student Outcomes for the Foundation Program for the Public Schools of Hawaii* (May 1993) provides a framework within which each school and teacher can set related instructional objectives.
- Subject area frameworks suggest a content sequence and identify a core of knowledge, attitude, process, and skill for all students in each subject area.

The letter also noted that based on SCBM principles, staff training programs were now deferred to schools for their determination. However, training in the use of curriculum documents is planned and delivered through a state/district/school team approach. All staff development programs and activities are evaluated. The evaluations are included in the DOE's annual report.

Finally, the letter noted that DOE had organized a joint higher/lower education task force—the Hawaii School University Partnership (HSUP)—to assess area frameworks. HSUP was designing a framework for assessment and accountability, with a report due in December 1993. DOE also continues to use the annual Stanford Achievement Test (SAT) as the measure of student performance, and modifies curriculum based on test results. The new curriculum frameworks include assessment components.

Results of our fieldwork

We reviewed the curriculum documents and found that they addressed standards, outcomes, and goals for classroom instruction. The BOE adopted the Hawaii State Commission's June 1994 report on performance standards as the official performance standards in October 1994. These performance standards are the basis that all schools must use to evaluate curricula throughout the state. All other curriculum documents will be supplemental and complementary to these standards. The performance standards identify core of knowledge, skill, and outcome for students in each subject area by grade level. DOE says curricula developed at the school level are the vehicles used to implement the standards.

The superintendent of education confirmed that DOE's position on staff training has not changed. Staff training is now a school level responsibility, and the DOE does not have statewide coordinated training programs. Responsibility for curriculum materials and training are also at the school level. We reviewed the annual evaluation report on staff development activities for FY1993-94 and found that it reflects the restructuring to implement SCBM. Under SCBM, schools determine their staff development direction and have the flexibility and resources to deliver in-service activities to address the needs of their employees.

We reviewed the HSUP task force report on area frameworks. The report found that the development of a coherent student assessment system, based upon a framework which integrates curriculum, instruction, and assessment, is essential to support effective learning. Based upon the HSUP findings and the recommendations made by the Hawaii Performance Standards Commission (commission), DOE initiated a bill in the 1995 legislative session that would establish a comprehensive educational assessment and accountability system in accordance with new performance standards. Also, in accordance with commission recommendations, student performance would be assessed on an ongoing basis in the classroom by the teachers using multiple assessment methods.

Curriculum Recommendation from 1992 Report

We recommended in 1992 that the BOE develop new policies that clearly fix responsibility for curriculum management, and that they monitor the DOE's implementation of these responsibilities to ensure it is carried out.

Implementation as reported in BOE's letter

In its 1993 letter to the Auditor, the BOE reported that no new policies were needed because the responsibility for curriculum management (development and dissemination) is clearly delineated in the School Code with the assistant superintendent for the Office of Instructional Services. In addition, with SCBM, schools have greater authority and responsibility for curriculum management and implementation. The BOE did not believe additional policies were necessary.

Results of our fieldwork

In our follow-up fieldwork, we confirmed with the BOE chair that no new policies have been developed. However, performance standards have been adopted and the superintendent is now in the process of developing an assessment system. SCBM, as defined in Chapter 296C, HRS, now requires shared decisionmaking and collaborative involvement of the principal, teachers, support staff, parents, students, and other community members in developing education programs and school improvements, including curriculum development and

management. Mandatory performance standards were adopted by the BOE in October 1994, and all public schools, regardless of SCBM, must incorporate these standards into their curricula. We also note that Act 272, SLH 1994, requires the BOE to review proposed student-centered school plans, and the DOE to evaluate each school four years after its establishment to assure compliance with performance standards.

Repair and Maintenance Recommendation from 1992 Report

In our 1992 report, we recommended that to improve the school repair and maintenance program, DAGS and DOE should work together to:

- Revise the repair and maintenance memorandum of agreement to reflect current policies and practices.
- Implement a training program for school administrators on the basics of repair and maintenance.
- Develop standards for school inspections and provide training to inspectors on application of these standards.

Implementation as reported in DAGS' and DOE's letters

DAGS' and DOE's letters of November 1993 both responded that DAGS' Central Services Division and DOE's Facilities Branch were working to revise the memorandum of agreement to reflect current policies and practices.

The departments also reported on implementation of a training program for school administrators on repair and maintenance basics. The training is currently held at the district level for principals and vice principals. Although vice principals are targeted as key personnel in repair and maintenance work, the training has been expanded to include all administrators. The training covers the repair and maintenance organization structure, purpose and components of a systematic maintenance program, program highlights, and telephone numbers to call for assistance.

DAGS and DOE also reported that training on facility standards and how to implement the School Inspection Program has been provided for administrators and inspection team members. Approximately 550 administrators and inspection team members from all seven school districts attended training sessions. The training included a program overview, procedures, use of forms, application of standards, and a slide presentation of various facility conditions.

Results of our fieldwork

We found that the memorandum of agreement was revised in November 1994. Our review shows that current repair and maintenance policies and practices dealing with administration and inspection have been incorporated. Future changes addressing administrative and custodial participation are being reviewed and considered.

The superintendent of education and the comptroller both stated that a training program for administrators has been instituted, is ongoing at the school district level, and has been expanded to all incoming administrators. Our review of the training materials developed for this program indicated that they address the major areas dealing with facility standards. Vice principals are considered key persons in repair and maintenance work and training sessions are scheduled for weekends.

In addition, we found that a school inspection program has been instituted; an annual inspector training program is ongoing. Inspection teams consisting of DOE administrators, teachers, volunteers and DAGS staff have visited every school and completed written repair and maintenance reports. The DOE reported during our follow-up work that all but three schools exceeded minimum repair and maintenance standards. DOE also says it has hired an inspections specialist who is working with DAGS to develop a more complete inspection process and training program.

**Repair and
Maintenance
Recommendation
From 1992 Report**

Our 1992 report also recommended that DAGS:

- Determine what resources are needed and how to deploy them to ensure that Oahu schools receive a level of service equitable to the service on the neighbor islands. Emergency call needs should be factored into this determination.
- Make its Central Services Division completely responsible for all informally bid programmed major repairs, in addition to all non-bid repairs. Later, DAGS may wish to review the results of this new assignment to determine the feasibility of assigning responsibility for all programmed major repairs to the Central Services Division.

In its November 1993 letter to the Auditor, DAGS reported that the department's Central Services Division had made an assessment of repair and maintenance needs. However, budgetary constraints set forth in the director of finance's directive 93-08 had precluded a supplemental repair and maintenance budget request for FY1994-95. The program was, therefore, continuing to review ways of utilizing existing resources

to meet school priorities and, where appropriate, a budget proposal would be submitted for the 1995-97 fiscal biennium.

DAGS projected that \$500,000 would be required to implement the recommendation for changing the duties of the Central Services Division. The recommendation would require new engineering, inspector, and clerical positions, and office space to house them. In addition, recent changes in purchase order and non-bid limits all required additional study. DAGS concluded that due to fiscal restraints, further assessment of this recommendation could not occur until sometime in the future.

Results of our fieldwork

During our follow-up fieldwork, DAGS officials reported that implementation of both recommendations has been hindered by budgetary considerations. They have worked to equalize repair and maintenance staff ratios for Oahu with the neighbor islands but financial restrictions have resulted in a hiring freeze. As a result, DAGS says it is unable to fill 28 vacant maintenance positions that it believes are needed to meet the repair and maintenance work load. DAGS indicated that it was requesting funds for additional maintenance workers in its 1995-97 fiscal biennium budget request.

We found that DAGS also accepts the recommendation pertaining to its Central Services Division but cannot implement it because funding for four new positions is not available. DAGS is also examining ways to restructure in a manner that will accommodate general staff reductions while assuring that DAGS responds to DOE's requests on a timely basis.

Repair and Maintenance Recommendation from 1992 Report

Our 1992 report also recommended that the DOE:

- Allow schools to work directly with DAGS without going through the district business specialist.
- Encourage the employment and promotion of custodians who have "handy-person" skills and fully involve custodians in school repair and maintenance.
- Report to the 1995 Legislature on the benefits of the program providing \$8,000 to each school for minor repairs.
- Study the feasibility of a transfer of repair and maintenance duties from principals and vice principals to a facilities and business manager serving one school or a group of schools.

Implementation as reported in DOE's letter

In its 1993 letter to the Auditor, the DOE responded that the revised memorandum of agreement for repair and maintenance will allow schools to work directly with DAGS without going through the district business specialists for minor repairs.

DOE also stated that it makes every effort to employ and promote "handy-person" type custodians within the hiring and promotion policies and guidelines. Also, existing union contract provisions for custodians include repair and maintenance responsibilities. In order to utilize custodians more effectively, the DOE noted that it was considering the development of a strategic plan for school repair and maintenance which would include an incentive program for custodians. Custodians would be able to upgrade their pay classification by taking designated classes or receiving additional training to increase their skills. The upgraded pay classification would require expanded work skills and responsibilities which include repair and maintenance activities. Development of such a program would require input from the DOE personnel office and the union.

DOE reported that the \$8,000 minor repair fund program was being monitored via the School Report on Minor Repair and Maintenance Account (Form OBS-RM1). A report will be issued to the 1995 Legislature regarding the benefits of the \$8,000 per school program.

Finally, the DOE letter noted that a pilot program had been initiated, assigning a business manager to a school in each of the seven districts. The business manager's responsibilities include planning and developing all capital improvement projects (CIP), organizing all repair and maintenance requests and projects, working directly with all vendors providing repair and maintenance and CIP services, and overseeing all repair and maintenance and CIP projects. The results of the pilot program would enable DOE to evaluate the potential benefits of our recommendation.

Results of our fieldwork

We confirmed that the revised memorandum of agreement does allow schools to work directly with DAGS. DOE officials reported that performance to date has been mixed. The use of a district business specialist for repair and maintenance continues to be attractive because a knowledge of repair and maintenance, especially in emergency repairs, is needed. The accounting firm of KPMG Peat Marwick was contracted by DOE to conduct a management study of the repair and maintenance program and to make recommendations for improvement. DOE has received KPMG's report and is in the process of evaluating the program.

DOE officials we spoke with stated that the recommendation to upgrade the skills of custodians has been accepted and is being implemented.

Our review of custodian teaching materials verified that the recommendation to train custodians in repair and maintenance is in effect. However, we found no evidence that the DOE is actively encouraging the employment of custodians who have “handy-person” skills as recommended in our 1992 report.

We found that DOE reported to the 1995 Legislature on the \$8,000 minor repair fund. The report makes suggestions to improve current repair and maintenance practices, including providing more flexibility over what improvements can be done with these funds.

DOE will issue a report on the pilot program for assigning a business manager to schools to handle repair and maintenance. The report is in response to our 1992 recommendation that the DOE study the feasibility of assigning these duties to a business manager. DOE informed us that the pilot program has been favorably received by school administrators, who see this method as saving time for principals and vice principals.

Conclusion

Since our 1992 report, changes caused by the education reform and the adoption of performance standards by the BOE have impacted the implementation of our recommendations. For example, our report recommended the development of new policies to clearly fix responsibility for curriculum management. Act 272, SLH 1994, an education reform law, will restructure the statewide public school system by providing increased autonomy for school-level decisionmaking, redefining roles and responsibilities of the state, district and school personnel. Curriculum, instruction, and training decision recommendations made in our 1992 report are deferred to schools under SCBM.

The new mandatory performance standards have made all other curriculum documents and criteria supplemental to the standards. As we recommended in our 1992 report, the standards identify the core of knowledge, skill, and outcome for students in each subject area by grade level. All schools in the state are required to meet the standards by incorporating them into their curricula. Furthermore, the education reform law requires the BOE and the DOE to monitor the implementation of the standards within SCBM schools. This basically follows our 1992 recommendation. Finally, in response to our 1992 report, the DOE submitted to the 1995 Legislature a bill to establish a comprehensive educational assessment and accountability system in accordance with new performance standards adopted in October 1994.

In response to the repair and maintenance recommendations in our 1992 report, the DOE has instituted training programs for school

administrators, inspection teams, and custodians. The revised memorandum of agreement between DOE and DAGS has changed some repair and maintenance policies and procedures. Other recommendations concerning administration of the repair and maintenance program are still being studied and reviewed.