LEGISLATIVE REPORT


REFERENCE: Act 51, Session Laws of Hawaii 2004

ACTION REQUESTED: The department shall submit findings and recommendations regarding progress made in and the impact of various provisions of Act 51, along with statutes, rules, policies or procedures that need to be amended or enacted, and programs recommended to be repealed.
A REPORT TO THE LEGISLATURE AND THE GOVERNOR ON THE DEPARTMENT OF EDUCATION’S RESPONSE TO ACT 51

December 9, 2004
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OVERVIEW

The Department of Education (Department) is pleased to present this initial report on its progress in responding to Act 51, Session Laws of Hawaii 2004, (Act 51) as amended by Act 221, Session Laws of Hawaii 2004 (Act 221), and its efforts to continually improve public education in Hawaii. In addition, the Department has provided a summary of Act 51’s impact upon the operations and services of the public school system. The “Reinventing Education Act of 2004” is a milestone for the State, reflecting the courage and vision of the Legislature, and committing the Department to a series of bold and innovative initiatives. In the short time since Act 51’s passage, the Department notes that significant changes have already been made to improve students’ academic achievement, maintain their safety and well-being, and promote their civic responsibility.

Act 51 was designed to affect every stakeholder in Hawaii’s public school system—students, parents, teachers, school administrators, Department staff, community members, other state agencies, and the community. It also helped to ensure that each of these stakeholders play an integral role in shaping the future of public education in Hawaii. This Act enables the Department, in partnership with the aforementioned stakeholders, to fully commit to the reinvention of education and to focus on improving student achievement through three broad lines of action:

(1) Empowerment;

(2) Accountability; and

(3) Streamlining.

The Department sincerely appreciates the continued support of the Legislature to improve Hawaii’s public schools and to help ensure that students emerge from the schools as fully functioning and responsible citizens, ready to meet the needs of the 21st century. Various provisions of Act 51 have given the Department’s staff much to work on. Personnel from all levels in the public school system have risen to and embraced the challenges, and shown their commitment to move forward. The Department is thankful for those challenges, and hopeful that this Act will prove to be a primary impetus for Hawaii’s public schools to be a model that any school system in the country would wish to emulate.

The evidence of change is indisputable, as documented by the performance of our students and our schools. Test scores on the Hawaii State Assessment are consistently higher across the grades and subjects tested, and in some cases dramatic improvement has been clearly demonstrated. Improved test scores were consonant with the ability of Hawaii’s public schools to make Adequate Yearly Progress (AYP). One year ago, only 39 percent of the public schools
were able to achieve AYP under the accountability provisions of the No Child Left Behind Act (NCLB). This year, that figure surged to 53 percent!

Perhaps as a result of the enactment of Act 51, along with the improvement in student test scores and school AYP results, the public is optimistic about education and is likely to support continued work to transform our schools. According to the results of an October 26, 2004, public opinion poll published in the Honolulu Advertiser, almost half (49.3 percent) of Hawaii residents are optimistic that public education will improve over the next two years, while only 6.8 percent predict that the schools will get worse.

Yet, as noted by the Legislature, there are significant roadblocks to progress that prevent the Department and individual schools from successfully performing their duties. These roadblocks include but are not limited to a historic distribution of educational responsibilities among various state agencies, insufficient support for and involvement in public education among important stakeholders, and the withholding of needed financial resources from the Department. Despite economic projections from the Council of Revenues that the State’s revenue forecasts are much higher than projected, the Department only received notice from the Governor’s Office on December 1, 2004, that approximately $4.3 million of the $11.4 million appropriated for the various provisions of Act 51 will finally be released.

The focus of Act 51 is not so much upon change for its own sake, but change for a specific purpose, and change to benefit a particular population. The Legislature made this message clear.

“Students are the primary clients served by the public education system and they must be served well by providing them with access to the tools they need to succeed, a nurturing environment conducive to learning, and supplementary opportunities for growth that facilitate their development.” (Act 51)

To this end, the Legislature identified a number of critical goals for Act 51. These goals include:

- Addressing the individual needs of students by requiring the establishment of a weighted student formula for allocating moneys to public schools;
- Requiring not less than seventy percent (70%) of operating funds for the Department of Education, excluding debt service and capital improvement programs, to be expended by school principals;
- Empowering principals as educational leaders of their schools;
● Supporting principals and involving school communities by establishing school community councils at public schools;

● Requiring the development of plans, to be implemented in the 2006-2007 school year, for performance contracts for principals;

● Removing bureaucratic constraints that hamper the effectiveness of the Department of Education;

● Enhancing the accountability system of the Department of Education; and

● Providing more books and learning materials for students.

Such goals certainly require the commitment and support of everyone in the State, in order for there to be a fair chance to achieve them. The Department applauds the enactment of Act 51 and is dedicated to addressing each of its provisions. The focus and the importance of Act 51 are clear. Our resolve is decisive.

“The Legislature has fashioned an innovative, comprehensive, and ambitious yet implementable law, the purpose of which is to improve student achievement. In doing this, the Legislature has committed itself, the Board of Education, the Department of Education, the Governor, and the entire state government to efforts that require actions and commitment over many years.” (Act 221, Session Laws of Hawaii 2004)

The main elements of Act 51 include:

(1) Establishing a weighted student formula;

(2) Providing additional information technology;

(3) Empowering principals through a Hawaii Principals Academy and other means;

(4) Strengthening community involvement through school community councils and parent-community networking centers;

(5) Providing more mathematics textbooks;

(6) Lowering class size in kindergarten, grade one, and grade two;

(7) Providing full-time, year-round, high school student activity coordinators;
(8) Providing support for students who need additional help to succeed in school;

(9) Establishing a national board certification incentive program for teachers;

(10) Enhancing teacher education;

(11) Reducing the bureaucracy that hampers the effectiveness of the Department of Education;

(12) Improving the educational accountability system; and

(13) Requiring Board of Education members to hold community meetings in their districts.

In addition, Act 51 assists the Department by clarifying the authority and responsibility of principals. Further, Act 51, as amended by Act 221, Session Laws of Hawaii 2004, clearly states that the role of the principal includes overseeing the day-to-day management of the school, the primary function of which is to develop and deliver instructional services to students in accordance with statewide educational policy and standards. The principal:

- Ensures that the curriculum facilitates the achievement of the statewide student performance standards adopted for the public school system;

- Maintains and exercises authority over the implementation of the budget, policies, and operations of the school; and

- Collaborates with other principals in the principal's school complex to ensure that:
  
  (1) Logical, sequential curricula are adopted within the school complex;

  (2) Best practices are shared among and implemented by schools within the school complex;

  (3) The goals and objectives of the school complex are being met;

  (4) The use of school complex-based personnel and contractors who divide their time between more than one school in a school complex is coordinated to maximize efficiency; and

  (5) The passage of students through the continuum of grades is coordinated in a manner consistent with Section 302A-1004, Hawaii Revised Statutes.
The Department of Education is pleased to present this report on the progress made in and the impact on the public education system of the various provisions of Act 51. In addition, this report summarizes statutes, rules, policies, or procedures that need to be amended, removed, or enacted to enable the effective implementation of the weighted student formula, implementation of school community councils, and enhance transparency in financial reporting; and summarizes a program audit that may help to determine which programs need to be repealed to enable the Department and individual schools to have greater flexibility in budgeting, operations, and curriculum management.

WEIGHTED STUDENT FORMULA

Committee on Weights

Act 51 stipulated that a Committee on Weights (Committee) be established within the Department. The purpose of the Committee is to:

- Create a list of student characteristics that will be weighted;
- Create a system of weights based upon the student characteristics that may be applied to determine the relative cost of educating any student;
- Determine specific student weights, including their unit values;
- Determine which moneys will be included in the amount of funds to be allocated;
- Recommend a weighted student formula to the Board of Education;
- Perform any other function to facilitate the implementation of the weighted student formula; and
- Meet not less than annually to review the weighted student formula, and if the committee deems it necessary, recommend a new weighted student formula for adoption by the Board of Education.

The Legislature appropriated $10,000 to the Department for Fiscal Year 2004-2005 to support the operations of the Committee. Committee members are reimbursed for expenses, including travel expenses, necessary for the performance of their duties.

The composition of the Committee was approved by the Board of Education on July 29, 2004. The Committee consists of slightly over 40 members including principals, teachers, and other individuals with the appropriate professional skills,
experience, and qualifications needed to facilitate the work of the Committee. The composition of the Committee is approximately 50% Department employees and 50% community members.

The Committee’s first meeting was held on September 9, 2004, and it subsequently formed advisory work groups to obtain input from key stakeholders. To date, four meetings have been held.

The Committee has not yet finalized its recommendation to the Board of Education on a weighted student formula. Work still needs to be completed on the following:

1. A final list of student characteristics;
2. The system of weights based on student characteristics;
3. The actual units applied to the weights; and
4. The total funds available to the weighted student formula allocation.

The task assigned to the Committee is complex, in part because it potentially impacts every section and unit within the Department. The work is further complicated by the manner in which programs have been traditionally funded, as well as legal and regulatory requirements linked to some of the programs.

Within the Department, the role and function of each office, branch, section, and complex area are being examined to determine if funds would be more effectively utilized at the school level. Schools are and will be impacted because while greater resources will be available to support improved performance, there will be more clearly defined connections between funded priorities and expectations and the day-to-day school operations.

Community members are already gaining a greater awareness of the many unseen costs associated with providing a standards-based education to all students. Such costs include food, transportation, and custodial services. Committee participants are also increasingly aware of the limited funding available to support standards-based instruction for students with characteristics deemed to require additional funding to achieve proficiency.

**Weighted Student Formula**

The Department is required to adopt a weighted student formula for allocating funds to all public schools, excluding new century charter schools and new century conversion charter schools. This formula takes into account the educational needs of each student.
Improvements are needed to ensure that moneys go to the schools that have the greatest need. The formula also helps to ensure that principals have more discretion in how they use their money. At the heart of the decision is the fact that some students are more costly to educate than others. Money is allocated to schools based on a system of weighted characteristics that apply to every student in the public schools. There are several advantages in adopting a weighted student formula. These include:

- The relative cost of educating students can be more accurately assessed, based on the unique learning needs of each student;
- Funding follows students to whichever school they attend; and
- The budget process becomes more transparent as it is based on dollars, not on staff positions.

The Department of Education is required to provide supplementary allocations (from within appropriations provided to the Department) to those schools whose budgets are adversely affected by the weighted student formula for no more than three years beginning with the 2006-2007 school year. The adoption of the weighted student formula is but one of several opportunities to transfer greater power, authority, and flexibility to the school level. The provisions of Act 51 simultaneously transfers more power, authority, and flexibility to the schools, while building upon and reinforcing the Department’s decentralization efforts begun in the early 1990’s.

“It is the legislature's intent to place a far greater number of decisions, and a much higher percentage of moneys, directly in the hands of individual schools and their leaders.” (Act 221)

INFORMATION TECHNOLOGY

The Department uses technology to support a variety of information systems and address diverse departmental needs. Thus, a fully functioning and effective information technology infrastructure is a crucial element in the Department’s plans to continually move forward.

Recognizing this need, the Legislature appropriated $2,000,000 for FY 2004-2005 for:

- Positions to provide technical support to school level information systems users;
- Infrastructure to meet the security and privacy requirements of the telecommunications network;
● Customization of the student information system software; and
● Training regarding the use of information technology.

The implementation of school-by-school academic and financial planning will require timely, comprehensive, and efficiently gathered student achievement data. This data will be the basis upon which each school will identify targeted areas for improvement. In order to fulfill this need, the appropriation provides the necessary infrastructure and support for the initial Phase I implementation of the electronic standards-based student report card and the new electronic student information system (eSIS). In addition, the data will be essential to meet federal NCLB requirements.

Since notice of the release of funds was received on December 1, 2004, the Department will move quickly to accomplish as many of these initiatives as feasible. Lacking the necessary funding for crucial positions, the Department has thus far been unable to fully support 12 pilot schools selected for eSIS. The Department was unable to hire 19 individuals to fill positions needed to support the schools. Pilot implementation of the system has been further hampered by delays in training teachers. The Department expected that the $2 million appropriation would be used in the rollout to the next 78 Phase I schools scheduled to commence in January, 2005 (the next part of the pilot). With the release of the funding on December 1, 2004, the Department will attempt to accommodate as many schools as possible.

PRINCIPALS

Act 51 amplifies the importance that the Legislature has traditionally placed on the role of the principal. This law has provided principals, acting as educational leaders, with more authority relating to budgeting, and more flexibility to expend funds. Consonant with these expanded powers, principals will be held accountable for their performance.

Increased authority and flexibility can be counterproductive if principals are not given adequate training and support to take on these additional duties. In addition, modifications to their working conditions and compensation packages need to reflect the importance of their roles. The Department has undertaken several steps to ensure the proper alignment of the required changes in the roles, functions, requirements, and expectations being placed on this pivotal position in the educational system.
Salary and Other Terms and Conditions of Employment

With the invited participation of the Hawaii Government Employees Association (HGEA), the Department is required to propose salary schedules and other terms and conditions of employment of principals and vice principals based upon a 12-month term of service. A survey of educational officers conducted at the Superintendent’s Conference in June 2004, found that an overwhelming number of educational officers were in agreement that a 12-month working calendar was required to complete their present duties and responsibilities.

The Department is currently in negotiations with HGEA and is waiting for salary figures from the State Negotiator to allow for good faith collective bargaining to continue. Negotiations have moved slowly due to: (1) A challenge in getting relevant data (base level salaries for principals and variations for movement of different levels of principals moving at different times); (2) A firm offer from the State; and (3) A firm offer by HGEA in terms of what the union is asking for.

Revising the role of the principal cannot take place in isolation from a revision of the expectations that vice principals will need to assume. Effective schools begin and end with strong leaders. The next step is to seek ways to transition vice principals from a 10-month to a 12-month schedule.

In a separate report to the Legislature and to the Governor, the Department will provide findings on proposed salary schedules and the terms and conditions of principals and vice principals based on a 12-month term of service.

Separate Classification for Educational Officers

Act 51 required the Board of Education to adopt two separate classification/compensation plans for educational officers. One plan is for principals and vice principals and is based on the general pattern of a school administrator's career development and qualification requirements. A separate plan is for all other educational officers and is reflective of the career development pattern and qualification requirements for the respective professional field of expertise.

The current classification and compensation system is separate and distinct for 10-month school level educational officers and 12-month district and state educational officers utilizing a single pay scale. Ten month school level administrators are classified by the sum of three factors:

1. Student enrollment;
2. Staffing level; and
3. Grade level category.
Twelve-month district and state educational officers are classified by six factors:

1. Level of difficulty;
2. Complexity of duties;
3. Scope of responsibilities;
4. Minimum qualification requirements;
5. Alternative experiences gained within and outside the school system; and
6. The position's integral relationship to the fundamental mission of the Department to enhance the delivery of educational services to increase student achievement.

A draft of the revised classification and compensation system for education officers is complete. The draft serves as a base from which dialogue and discussion can begin regarding a separate and distinct classification plan for 12-month district and state educational officers.

Broadbanding the educational officer positions will take a great deal of time, input from the field, and close collaboration from the exclusive bargaining agent of the Department. Thus far, numerous formal and informal meetings on this issue have taken place and a wide range of discussions has occurred. The completion of a broadbanding schedule will take at least one year. The Department anticipates the formation of a classification and compensation workgroup to include a range of stakeholders impacted by the new schedule. The presentation to and adoption by the Board of Education of this broadbanding schedule is anticipated for Spring 2006.

Performance Contracts

The Superintendent is required to select and convene a working group to create a plan for performance contracts for principals to be implemented in the 2006-2007 school year. The working group includes the Superintendent of Education, representatives of the complex area superintendents, school principals, and any other agency, organization or group as deemed appropriate by the Superintendent. The Superintendent is required to request that the exclusive representative for collective bargaining unit 6 participate in the working group.
The working group is required to:

(1) Establish appropriate performance criteria which will be used in individual performance contracts for principals, including:
   
   (a) Core criteria to be incorporated into performance contracts statewide; and
   
   (b) Criteria that may be used at the discretion of individual schools.

(2) Determine appropriate performance benchmarks, or methods of devising performance benchmarks, that may be used to assess principal performance relative to expected standards, provided such performance benchmarks, at a minimum, include those elements related to principals in the educational accountability system;

(3) Determine appropriate rewards, assistance, and sanctions to be included or considered for inclusion in performance contracts; and

(4) Address any other issues necessary for the implementation of performance contracts.

A workgroup of stakeholders was convened for four (4) meetings in August and September 2004. The workgroup had input from eight individual focus groups in July 2004. The draft of a performance contract was developed in the workgroup. The Department is submitting findings on the work to establish the performance contract in a separate report.

**Hawaii Principals Academy**

School administrators are the prime builders in creating a school culture in which there are elevated expectations for student learning and effective teaching. Improving the quality of Hawaii’s school leaders is the most effective way to make a significant difference in public education.

The Department launched the newly created Hawaii Principals Academy on October 18, 2004. The academy is the first comprehensive professional development program in Hawaii specifically dedicated to train principals, prospective principals, and complex area superintendents. With an appropriation of $500,000 for fiscal year 2004-2005, the Hawaii Principals Academy will support and train complex area superintendents, principals, and prospective principals in the following areas:

* Becoming better leaders;*
Improving students’ academic achievement, safety and well being and civic responsibility;

Collaborating with school community councils;

Developing curriculum alignment;

Managing school budgets; and

Establishing partnerships with the private sector.

The Department convened workgroups for principals and complex area superintendents to identify professional development and training needs in relation to Act 51 priorities. The workgroups identified four leadership institutes:

1. **Adaptive Schools Institute**: To promote the collaborative processes around student learning, planning for the academic and financial plan, and authentic community engagement.

2. **Communication Institute**: To promote communication planning, a climate of engagement, and power to positively influence other persons through oral, written, and visual communication.

3. **Business Institute**: To create an effective financial plan through resource management.

4. **Data Analysis Institute**: To gather and analyze systemic information about student learning and its possible meanings in determining a school’s academic and financial plan.

A Hawaii Principals Academy Leadership Website is being created to document registration, record attendance, and to provide a resource portal for administrators to access academic and leadership tools and documents.

The Hawaii Principals Academy will focus on providing school administrators and complex area superintendents an opportunity to engage in professional development that will enable them to more effectively assume their role as leaders. Effective principals ensure that educational reform is not static. They also motivate school and community stakeholders to embrace the change process. Finally, they ensure that resources are available to support needed changes.

**Appropriation for the Administrator Certification for Excellence Program**

The Legislature appropriated $183,780 for Fiscal Year 2004-2005 for the Administrator Certification for Excellence (ACE) Program. This appropriation
supports the goal of student achievement by providing staffing and funding to the ACE program, which trains and prepares school leaders. The trainees also learn operational procedures and best practices techniques to ensure the safety and well being of students as well as the importance of developing and maintaining a well-balanced civics education curriculum. The appropriation also supports the renewal and training of veteran mentor principals who benefit from exposure to the latest research-based best practices.

**Appropriation for Principal Recall Days**

The Legislature appropriated $400,000 to compensate principals who are recalled to work by the Department, outside of their regular term of service, for professional development and other activities that may enhance their effectiveness as leaders of their schools. A majority of the principals participated in the program at a cost of $345,000. The Department finds that the additional time for professional development and training could definitely enhance the leadership abilities of participating principals.

**COMMUNITY INVOLVEMENT**

“One of the most important means of improving educational outcomes and public confidence in those outcomes in schools is by enhancing community involvement.” (Act 51)

**School Community Councils**

School community councils are being established to provide a means whereby parents, the community, and other key stakeholders can have a greater voice and influence in their schools. The Department of Education recognizes the need for creating a clear enunciation of powers and responsibilities among these various stakeholders, while at the same time ensuring that the principal’s role as the primary educational leader of the school is not diluted.

Act 51 stipulated that School/Community-Based Management (SCBM) Councils must prepare for the transition to School Community Councils (SCC) in the 2005-2006 school year. Since some schools do not have SCBM councils, the Department needs to ensure that schools not participating in the SCBM system are prepared for the implementation of SCCs in the 2005-2006 school year.

Each school, except for new century charter schools and new century conversion charter schools, must maintain a SCC to:

- Review and evaluate the school's academic plan and financial plan, and either recommend revisions of the plans to the principal,
recommend the plans for approval by the complex area superintendent;

- Ensure that the school's academic and financial plans are aligned with the educational accountability system;
- Participate in principal selection and evaluation; and
- Provide collaborative opportunities for input and consultation.

Act 51 provided a number of parameters under which the SCCs must operate. For example, SCC meeting notices and agendas are to be posted in a publicly accessible area in the school's administrative office and on the school's Internet web site. The SCC meeting minutes are to be available on a timely basis and kept in the school's administrative office and on the school's Internet web site.

Complex area superintendents may require revisions to a school's academic and financial plan if the plan is in violation of law or conflicts with statewide educational policies and standards, or otherwise is not in the best interests of the school. The Superintendent may recommend to the Board of Education the dissolution of a council and may establish an interim council if the SCC engages in any act or omission that would constitute gross negligence, willful and wanton misconduct, or intentional misconduct. The Superintendent may also recommend removal of any member of a SCC.

In addition, the law specified the general compositions of the SCCs. The number of school personnel in any council must be equal to the number of primary stakeholders on the SCC. Each SCC will be composed of the principal and at least one member representing:

- Parents
- Teachers
- Non-certificated school personnel (e.g., custodians)
- Community representatives
- Student representatives

The principal has the authority to set aside any decision made by the council if the principal determines the decision is not in the best interests of the school, provided the principal notifies the council. If the council opposes a decision of the principal, then an appeal must first be brought to the complex area superintendent for resolution, and, if necessary, to the Superintendent and finally, to the Board of Education.
Complex area superintendents must assist the SCCs and principals within their respective complex areas in obtaining the support and services of the Department and ensuring the progress and success of the school's academic and financial plan. Each SCC shall establish policies governing the council's composition, election, staggered terms of office for members, operation, and vacancies.

Act 51, as amended by Act 221, SLH 2004, specifies that principals, rather than SCCs, are responsible for the initial development of their schools' academic and financial plans. This will ensure that principals are intimately involved in the formulation and execution of their schools' educational and fiscal goals. The provisions of Act 221 helped to ensure the balance and distribution of powers and responsibilities between the principal and the SCC.

As the Department moves forward in the transition from SCBM councils to SCCs, modifications to a number of processes and procedures are taking place. For example, the Department has revised its School Administrators Recruitment, Selection, and Appointment Program (SARSA) to be in line with the requirements of Act 51.

The Legislature appropriated $350,000 for training and other activities needed to facilitate the transition from SCBM Councils to SCCs. The Department will use the funding to create and refine tools and resource materials for the new SCCs, including the development of a systematic statewide training program. Realizing the important role of the complex area superintendents, the Department plans to allocate funds to all complex area superintendents as they assist and support their respective schools during this milestone transitional period.

In October 2004, the Board of Education approved Policy No. 2411, “School Community Councils”. This policy states:

“The Board of Education (Board) supports a school improvement process that involves collaboration and shared decision making by the primary stakeholders of each school community. A school community council, or SCC, provides a means whereby parents, students, and community members have an increased voice in the affairs of the school. A school community council focuses on the goals of the school, and provides direction, coordination, and communication to improve teaching and learning resulting in greater student achievement.

Implementation of a school community council requires the collaborative involvement of the primary stakeholders of the school: principal, teachers, support staff, parents, students, and other community members. The functions of the school community council are to: encourage dialogue about improving
teaching and learning; serve as trustee and facilitator of the school’s vision and mission; use a systematic improvement process that will assess students’ strengths and weaknesses; examine program offerings; design improved ways to deliver education to positively affect student performance through involvement in the development of the school’s Standards Implementation Design (SID) Academic and Financial Plan; and participate in the selection and evaluation of the school principal.

The Department of Education (Department), through the Board and the Superintendent, shall establish a school community council system for Hawaii’s public schools.

The Department shall establish school community councils in all public schools as specified by state law and shall establish procedures to support implementation of school community councils. The procedures shall:

1. Encourage and facilitate increased participation and input by parents, students, community members, and other primary stakeholders in the affairs of their schools;

2. Provide clear and concrete delineation of powers and responsibilities among the school community council, principal, complex area superintendent, and Board;

3. Require a well-articulated vision, mission, school improvement process, SID Academic and Financial Plan, School Community Council By-laws, a commitment to shared decision making, and procedures for the recommendation of the SID Academic and Financial Plan to the complex area superintendent for approval as delineated in Act 51, Session Laws of Hawaii 2004;

4. Specify that decisions may involve but are not limited to the areas of personnel, curriculum, instruction, and budget. Discussion and decision making shall be guided by the legal responsibilities of the Department in the areas of federal and state laws, safety and health, fiscal responsibility, civil rights, and collective bargaining;

5. Define the authority and responsibility of the school principal to facilitate the school community council process, handle the day-to-day operations of the school, implement the policies of the Board, provide technical assistance in sharing
collective bargaining agreements, federal and state laws, 
policies, and guidelines in the decision making process;
6. Require a focus on student achievement and provision for 
objective periodic assessment of the school community 
council process at the school; and

7. Require conformance with all state laws, rules, and Board 
policies.

Upon request, schools shall provide the results of their objective 
periodic assessment of the school community council process and 
other information to the Department and/or Board.

Note: For School Year 2004-2005, this policy shall apply to the 22 
schools that were selected to participate in the pilot program to 
implement school community councils and participate in the 
development of the weighted student formula; provided that this 
policy may apply to other schools as determined by the Department 
of Education. Beginning with School Year 2005-2006, this policy 
shall apply to all public schools as specified by state law. The 
participation of the SCC in the selection and evaluation of the 
principal will not be part of the pilot program.”

Piloting School Community Councils and Academic and Financial Plans

Act 51, as amended by Act 221, SLH 2004, appropriates $400,000 for fiscal year 
2004-2005 for the piloting of school community councils and development of 
academic and financial plans in at least at one school in each complex area. The 
Department is required to begin the pilot program no later than January 1, 2005. 
A total of 22 schools were selected for the pilot.

To date, the Department has developed a working draft of a School Community 
Council Handbook for the Weighted Student Formula Pilot Schools. Through 
feedback from the 22 pilot schools and their assigned pilot facilitators, this 
handbook is currently being revised in preparation for statewide implementation.

SCC training sessions were conducted for principals in all complex areas from 
August to October, 2004. The timeline for implementation of SCC training 
statewide as well as the development of a SCC Website will begin after all 
schools have elected their councils during the spring semester of 2005.

State office personnel have been assigned to each pilot school as a facilitator. 
The facilitators assist their schools by accessing information and brainstorming 
with the principal and SCC members to overcome various obstacles. Currently, 
all pilot schools have functioning school community councils. The composition of 
the councils is in accordance with the statutory requirements (i.e., the number of
school personnel is equal to the number of primary stakeholder parents, community members, and students).

Pilot schools have received training or assistance in transitioning from SCBM councils to SCCs. The Department has also provided pilot schools with training in understanding the role and function of the SCC with respect to weighted student formula and developing the Standards Implementation Design: Academic and Financial Plan.

All pilot schools are now in the process of analyzing school trend data to develop the Standards Implementation Design: Academic and Financial Plan. The pilot school principals will submit plans to their School Community Councils for review and recommendation, and then to the complex area superintendent for review and approval.

The creation of SCCs and the use of a single comprehensive Standards Implementation Design: Academic and Financial Plan based upon student performance data provide the opportunity to radically improve education. This process will provide the school community with opportunities for meaningful involvement and opens the door for informed discussion to improve outcomes and student performance. Furthermore, the budget allocation and resource expenditure process will be more transparent and better understood.

To assist pilot schools in developing an academic and financial plan, the Department is assembling a tool that captures the essential and relevant conclusions and decisions that result from the data analysis, problem identification, and action planning processes. This will provide schools with:

- One process for plan development that meets the multiple report criterion required by various stakeholder groups;
- A process, that if followed, will ensure a minimally acceptable plan; and
- Reports and plans that illustrates the school’s ability to detect and correct performance issues in a manner that various groups stakeholder groups are able to understand and appreciate.

Appropriation for Parent Community Networking Centers

Student success in school is attributed to a variety of factors, including the influence and support that students receive from their families, as well as the guidance and instruction they obtain from their teachers. There also is overwhelming research evidence of the critical need for an integrated comprehensive system of family support, parent education, teacher-parent
partnerships, and volunteer and resource development at the neighborhood/school, grade and classroom/family levels.

“Parent-community networking centers serve to create supportive partnerships among the home, school, and community for the purposes of improving school achievement and building a sense of family among all.” (Act 51)

As a consequence of the need for such centers, the Legislature appropriated $1,743,900 for Parent-Community Networking Centers (PCNCs). Funding was appropriated for:

- Supplies, equipment, and telephones; and
- A minimum of one part-time parent facilitator in each school.

The Department received the Governor’s notice to approve the release of funds for these centers on December 1, 2004 and will now proceed to provide a comprehensive, parent/family involvement program in every school.

**STUDENTS**

**Mathematics Textbooks**

The Legislature appropriated $2,500,000 for math books and other math learning materials, provided the math curriculum within a school complex is aligned. The Superintendent of Education issued a memorandum to all principals and complex area superintendents that explained the procedure to request funds for purchasing mathematics textbooks and other learning materials. The memorandum also described the requirements and expectations of the funding request and the guidelines that would be followed to prioritize such requests.

The Superintendent assigned the mathematics educational specialist to form a committee to review the proposals and submit recommendations for which schools should receive funding and in what dollar amount. Schools that showed evidence of complex articulation and curriculum alignment within the complex were given the highest priority. Awards to schools have been determined and the Department will send the allocations to 78 schools in December 2004.

**Appropriation for Lower Class Size (K-2)**

During the 2004 Regular Session, the Legislature noted that grade three was a pivotal assessment year and that children in the preceding grades should be provided with the instructional support needed to ensure superior performance in assessment instruments mandated by the No Child Left Behind Act. Thus the
Legislature advised that a class size of not more than 25 students per teacher be established in kindergarten, grade one, and grade two classrooms.

In light of such needs, the Legislature appropriated $2,143,350 to reduce class size in kindergarten, grade one and grade two, excluding new century charter schools and new century conversion charter schools, by hiring 75 full-time regular elementary teachers. The Department has completed the implementation of this provision of Act 51. Based on the official enrollment count, 62 positions to date have been established throughout the state to ensure the class size in grades K-2 will not exceed 25 students. The remaining 13 positions are currently being held as reserve positions by districts/complex areas to handle enrollment increases from now until a month after the second semester.

Appropriation for Student Activities Coordinators

The Legislature appropriated $460,000 for full-time, year-round high school student activities coordinators in all public high schools. The Student Activities Coordinator will be instrumental to all secondary schools in the implementation of the School Community Councils mandated by Act 51 in three ways:

- Coordinate the election of the student representatives. These positions already run elections for their schools’ student councils by overseeing such activities as nominations, forums, and balloting.

- Provide expert advice on how to conduct elections. The coordinators have extensive experience with the running of school-wide elections and will be a valuable resource to the principals in conducting the School Community Council elections.

- Provide expertise on facilitating effective meetings. In addition they have access to material resources which outline suggested procedures for holding student council elections. The coordinators or student council officers, or both, also are familiar with the two main methods of conducting meetings - parliamentary procedure and the interactive method (or facilitative leadership). The Student Activities Program has produced a video and a guide on how to conduct meetings.

Thirty-five (35) out of forty two (42) high school Student Activities Coordinators converted to 12-month status on July 1, 2004. Seven Student Activities Coordinator positions still need to be converted.
Appropriation for Programs That Help Parents

The Legislature appropriated $100,000 for programs that support parents in working with students who need additional help to succeed in school. The Department received notice that the Governor approved the release of these funds on December 1, 2004. Therefore, the Department will move forward to fund these valuable programs.

Some students struggle with academic success due to destructive behaviors outside of school, such as alcohol and drug use, gang affiliation, truancy, family conflict, violence, and running away. The Department has planned to use sixty percent (60%) of these funds for the Parent Project® and Loving Solutions, which are parenting skills programs designed specifically for parents with “strong-willed or out-of-control children”. Because of its success in preventing, identifying and intervening in the most detrimental of adolescent behaviors, the Parent Project® has won three state awards in California and has been successfully adopted for use by hundreds of schools and community-based organizations throughout the nation. It is a comprehensive, award-winning model for school-based programs serving high-risk families. The implementation will include training an estimated 40 trainers, plus 500-600 parents of students who are struggling with academic success. For this baseline year, the evaluation will include program effectiveness as reported by parents.

The Department has also planned to allocate forty percent (40%) of these funds based on proposals submitted to the Office of Curriculum, Instruction and Student Support (OCISS) by complex area superintendents on behalf of schools. Proposals for the use of these funds must demonstrate measurable outcomes, concrete practical strategies and solutions for parents to deal with helping their children succeed in school, and be related to the school or complex’s Standards Implementation Design action plan goals. The Department received and reviewed the proposals and will now allocate the funds.

TEACHERS

“Other than home and societal factors, teacher quality was determined to be the single most influential factor in student achievement.” (Act 51)

Teacher National Board Certification Incentive Program

The program is administered by the Hawaii Teachers Standards Board, and will continue comparable efforts initiated under a memorandum of understanding between the Department of Education and the Hawaii Teacher Standards Board which expires June 30, 2005. The Department has developed an expenditure plan for the differentials and reimbursements. Teachers who applied for
certification have been notified and have received the application to apply for payments.

Teachers will be notified of their certification status in late November, 2004. They will then fill out the application form and submit it to the Department. The Office of Human Resources Certification and Development Section will then process the differentials and the reimbursements.

**Funding for Salary Differentials and Support**

The Legislature appropriated $480,000 for salary differentials and reimbursements for national board certification candidate support. This program provides:

- A $5,000 bonus per year for each public school teacher who maintains current national board certification;
- $1,500 upon completing the certification program of the National Board for Professional Teaching Standards;
- A reimbursement of the remainder of the national board certification application fee upon achievement of national board certification.

The program also includes a mentoring component that encourages and enables national board certified teachers to assist other teachers and share their teaching expertise.

**Funding for the Hawaii Teachers Standards Board**

The Legislature appropriated $92,000 for the administration of the standards board. These funds enable the board to provide for training, assistance, candidate recognition initiatives, and operational expenses, including the establishment of a temporary position associated with national board certification candidate support by the Hawaii Teacher Standards Board.

**Faculty Positions at the University of Hawaii**

The Legislature appropriated $500,000 for seven (7) full-time teacher education positions and one (1) full-time educational administration position at the University of Hawaii. Funding for such positions was designed to increase the pool of qualified teachers and administrators available to the Department.

**REDUCTION OF BUREAUCRACY**

The Legislature noted that roadblocks to progress could prevent the Department of Education and individual schools from successfully performing their duties.
“A wide variety of state agencies perform many services for the Department of Education. In some cases, this is an efficient, cost-effective means of organizing state government. The Legislature finds that in other cases, however, this system hampers the efficiency of the State's public educational system. The services provided to the Department of Education by the Department of Accounting and General Services, the Department of Budget and Finance, Department of Human Resources Development, Department of the Attorney General, and Department of Human Services need to be scrutinized to reduce bureaucracy and improve the responsiveness and service delivery of the Department of Education.” (Act 51)

Interagency Working Group

The Department is required to convene an interagency working group to address systemic impediments to the efficient management and operation of schools, and develop comprehensive plans for transferring certain rights, powers, functions, duties, and resources, including positions, from the Departments of Accounting and General Services, Budget and Finance, Health, Human Resources Development, Attorney General, and Human Services to the Department of Education. The Department will be issuing a separate report to the Legislature and the Governor on the activities and findings of this working group.

Transferring Functions, Accounts, and Personnel

The State Educational Facilities Repair and Maintenance Account and the School Physical Plant Operations and Maintenance Account (excluding positions funded by these accounts) were transferred from the Department of Accounting and General Services to the Department of Education effective July 1, 2004. Publication of the annual report on the State Educational Facilities Repair and Maintenance Account and the status of repair and maintenance projects existing on June 30, 2000 is now the responsibility of the Department of Education. The report will be provided to the Legislature and the Governor under separate cover from this report on Act 51. Publication of the annual report on the School Physical Plant Operations and Maintenance Account and the status of repair and maintenance projects scheduled after June 30, 2001, is now the responsibility of the Department of Education. The report will be provided to the Legislature and the Governor under separate cover from this report on Act 51.

The Hawaii 3R's School Repair and Maintenance Fund was transferred to the Department effective July 1, 2004. Publication of the annual report on the Hawaii 3R's School Repair and Maintenance Fund is now the responsibility of the Department of Education. The report will be provided to the Legislature and the Governor under separate cover from this report on Act 51.
The Department of Accounting and General Services is required to transfer capital improvement projects and contract administration functions, as well as repair and maintenance functions that are not covered in the abovementioned paragraphs by July 1, 2005. The Department of Human Resources Development is also required to transfer the centralized human resources system, recruitment, certification, examination, management, classification, and compensation of Department of Education employees, including labor relations functions, to the Department of Education by July 1, 2005.

By July 1, 2006, the Department of Budget and Finance will be required to transfer funding for collective bargaining agreement increases and the securing, administration, use and custodial supervision of federal funds and other aid to the Department of Education. The Department of the Attorney General must transfer the duties relating to the negotiation of workers’ compensation claims and labor management relations to the Department of Education. The Department of Human Services is required to transfer employment background checks for the After-School Plus Program, private vendors, and other employees, and the Department of Health is required to transfer school health aides and public health nurses who supervise the school nurse aids, effective July 1, 2006.

**Single School Calendar**

By July 1, 2005, the Board is required to adopt a single school calendar for all public schools beginning with the 2006-2007 school year. This provision does not apply to multi-track schools, new century charter schools, and new century conversion charter schools. To ensure that all schools were adequately informed about this provision, the Department disseminated a brochure explaining the need for and manner in which the selection of a single school calendar will be accomplished.

Surveys to obtain input from stakeholders were circulated to parents, Department staff, and students (grades 4-12) during November 2004, with responses due to the Department by December 15. The survey has up to five options that best meet three criteria – current level of use by schools, potential impact on student achievement, and implementation impact on schools.

Once the Department tabulates the public and employee rankings of the single school calendar options, it will formulate a recommendation to the Board of Education. Stakeholder responses will constitute but one of several sources of information upon which the recommendation will be made. The Department will also work with the Board of Education to clarify outstanding issues regarding the adoption of a single school calendar and consult and confer with the applicable collective bargaining units. The Department will work with other state agencies and interested parties to ensure that Department personnel do not experience a disruption in pay, benefits, or employment as a result of the calendar selected.
Presently, over 50 percent of our schools are on various modified school calendars, resulting in different start dates, end dates, vacation schedules, and intersessions. The adoption of a single school calendar will help to provide more coherent and systematic instructional patterns across schools with academic quarters that end before the breaks, and shorter summers so students do not need as much review time. Three breaks during the school year can be used to help ensure students do not fall too far behind.

A uniform schedule will be more efficient for payroll and personnel management purposes. These are currently handled centrally, requiring the Department to juggle different calendars for more than 250 schools. In addition, the adoption of a single school calendar will cut school transportation costs and will allow youth organizations to plan activities better and help police officers identify truants.

**ACCOUNTABILITY**

“[The prompt development of] academic achievement, safety and well-being, and civic responsibility] indicators remains critical to the ongoing implementation of a comprehensive and systematic educational accountability system that is straightforward and easily tracked over time.” (Act 51)

Academic achievement, student safety and well-being, and student civic responsibility remain the three areas of primary focus for the Department. To ensure that the efforts of all schools are systematically concentrated on these three areas, the Department has framed a set of indicators for each area. Such indicators have been provided to the schools and are published in the Department’s Educational and Fiscal Accountability Trend Reports. In addition, these indicators are found in the Department’s strategic plan and are an essential core on which the Department and its programs are evaluated.

While the Legislature has provided suggestions on a broad set of indicators, the Department has the flexibility to find or develop, or both, the most appropriate set of measurable indicators for the three areas of focus. The Legislature stipulated that measures in existence on May 3, 2004, would be reported to the Legislature and the Governor no later than twenty days prior to the convening of each regular session. New measures to be developed by the Department of Education must be reported no later than twenty days prior to the convening of each regular session thereafter. The Department of Education is also required to report trend data as such data become available.

Act 51 stipulated that the Department report on the specific indicators that should be used to measure academic achievement, safety and well being, and civic responsibility among students. These indicators include the following:
Academic Achievement

Hawaii State Assessment Results for Reading, Mathematics and Writing: These tests, sometimes referred to as HCPS II tests in other Department of Education (DOE) reports, are currently given in grades 3, 5, 8, and 10. Beginning with the Spring 2005 Hawaii State Assessment, students in grades 4, 6, and 7 will also be tested in compliance with the No Child Left Behind (NCLB) Act.

National Assessment of Educational Progress (NAEP) results for reading, math, and writing. These tests are given by the United States Department of Education (USDOE) in participating states to a sample of students in grades 4 and 8. The NAEP performance standards for each proficiency category are different from Hawaii performance standards. USDOE reports only state results.

The percent of students who are not promoted to the next grade level. For elementary schools, all grade level students retained except kindergarten are reported with the standard of 3% or less retained. For middle/intermediate schools, all retained 8th grade students are reported with the standard of 6% or less. All retained 9th grade students are reported for high schools.

Dropout Rate: The percent of high school students who have not returned to school and have either officially exited as a “drop-out” or whose school enrollment status is undetermined.

Graduation On-Time: The percent of high school students who had completed high school within four years of their 9th grade entry date

Safety and Well-Being

Average Daily Attendance: The percent of the official student enrollment attending school every day. For example, 95% Average Daily Attendance means that on any given day during the past school year, 95% of the students are in school on the average.

Offenses by Type of Incident: Number of occurrences (citations) of student behaviors that are classified as “offenses” for mandated federal reporting. The citations are grouped into 3 categories: violence, property offenses, and illicit substance.

Facilities Inspection Reports: A school must have an overall score of satisfactory or very good in order to pass. Scores in six areas are summed to provide the overall score: grounds, building exterior, building interior, equipment and furnishings, health/safety, and sanitation.

Persistently Dangerous School: This term is based on NCLB regulations that take into account school size, number of school years, length of
suspension, and number of suspensions for certain offenses. These offenses are assault, possession or use of dangerous weapons or firearms, use of dangerous instruments, murder, robbery, sexual assault and terroristic threatening.

**Workers’ Compensation Claims:** Percent of total school claims for the year that resulted in loss of work time.

**Student and Teacher Perceptions from SQS:** Percent of positive responses on questions about safety and well-being on the DOE bi-annual School Quality Survey (SQS).

**Civic Responsibility**

**Young Voter Registration:** Number of students who are age-eligible to register to vote in any up-coming election and are registered through the school’s early voter registration program; number and percent of schools who offer this early voter registration program. Students may register if they meet age, citizenship, and residency criteria.

**Participation in the Kids Voting Hawaii Program:** Number and percent of students who participated in mock-voting event offered through the school.

**Participation in the BOE Student Member Election:** Number of high school students who voted in the election for the student BOE member.

**Students Who Are Not Suspended:** Percent of students who are “offense-free;” that is, they have not committed offenses which result in suspension from school.

**Community Service Projects:** Number of projects and number of schools participating in volunteer service projects such as a school sponsored “Jump Rope for Heart” project.

**Parent Participation:** Percent of parents who returned their School Quality Survey. Parents who took the time to complete and return their opinions about the quality of the school their child attends model responsibility regarding school-community involvement.

**Participation in the Student Aloha Program:** Number of students and number of schools that participate in this student program sponsored by Aloha United Way. This program educates young people about the values of community service and encourages them to raise funds and to learn about community agencies assisting Hawaii residents.

The abovementioned indicators will be used on the Department’s 2004 Educational and Fiscal Accountability Trend Reports. As additional indicators
are found or developed, such indicators will be placed on the trend reports to be published in future years. The Department of Education has published the 2004 educational and fiscal accountability trend reports for every school and complex as well as for the system as a whole. These reports are in hard copy format and are placed on the Department’s website.

**Educational Accountability**

The Department’s comprehensive accountability system has an annual statewide fiscal accountability program that publishes trend data for school, school complex, and system-wide plans and results, by:

- Amounts allocated,
- Amounts expended,
- Amounts carried over, and
- Any significant changes to the budget, with an explanation for the change.

The accountability system also includes an evaluation of the effectiveness of complex area superintendents and principals in supporting:

- Students’ academic achievement, safety and well-being and civic responsibility; and
- The satisfaction of stakeholders affected by the work of the complex area superintendents and principals, which may be measured by broad-based surveys, and
- Fiscal accountability.

The Department’s accountability system contains a series of clear, easily understandable reports on key performance indicators for schools, school complexes, and the public school system. Such reports provide easily understood indicators on academic performance, student safety and well-being, and student civic responsibility. In addition, these reports contain information on the amount of funds allocated to schools, how much those schools expended, how much was carried over, and significant changes to the budget. As noted above, these trend reports are published in hard copy as well as electronic format and are on the Department’s website. These trend reports provide information for School Year 2001-02, School Year 2002-03, and School Year 2003-04.
Financial Accountability

Act 51 provides that principals are authorized to expend not less than 70% of appropriations for the total budget of the Department, excluding debt service and capital improvement programs.

The major pieces of the 70% planned to be expended by school principals by school year 2006-07 are as follows:

- General funds allocated under the weighted student formula, including school employee salaried payroll for teachers, principals, vice principals, and school office staff, with related employee fringe benefits;
- Categorical funds required for specific purposes by the Legislature;
- Federal funds governed by federal regulations; and
- Special and trust funds.

The exact proportion of the aforementioned components will be subject to the recommendations of the Committee on Weights as defined by Act 51.

As of this writing, functions such as the centralized delivery of support services including special education, food service, custodial, student transportation, school utilities, instructional support, adult education, and the A+ Program are being reviewed by the Committee on Weights. The Committee on Weights is tasked with the responsibility of determining what programs and funds are to go into the weighted student formula. It is anticipated that the Committee on Weights will provide the Legislature with a status report and possible recommendations during the 2005 Legislative Session.

The Department has prepared a separate report in response to Section 13 of Act 221, Session Laws of Hawaii 2004, that details programs, functions, and funds that would need to be placed under the management of individual schools to enable principals to expend an increased percentage of the appropriations for the total Department budget, excluding debt service and capital improvement programs.

Board of Education Accountability

In addition to the Board's general business meetings, the Board must hold at least two community meetings per year in each departmental school district to discuss and receive input from the community on public education and public library issues. The Board of Education will be providing the Legislature and the Governor with a separate report on the community meetings.
FINDINGS AND RECOMMENDATIONS

The Department found that Act 51 and Act 221 were instrumental in its continuing journey to achieve excellence in public education and to ensure that all schools are provided with the means to enhance students’ academic performance, safety and well being, and civic commitment. The package of initiatives in Act 51 and Act 221, have contributed to the Department’s progress in advancing student learning and strengthening community involvement. As educators, community members, and parents, the Department’s staff fully recognized the formidable task and responsibility of providing our students with access to the tools they need to succeed.

The Department is grateful for the opportunity and challenge to reinvent education so that Hawai‘i’s public school graduates realize their individual goals and aspirations; possess the attitudes, knowledge, and skills necessary to contribute positively and compete in a global society; exercise the rights and responsibilities of citizenship; and pursue post-secondary education or careers without the need for remediation (Board of Education Policy 2407, “High School Education”).

The Department looks forward to continued dialogue with all education stakeholders as we navigate and chart a clear course to improved student achievement.

Statutory Rules, or Policy Changes

Although all 22 pilot schools have established school community councils, the full pilot has yet to be completed. In addition, while work on the weighted student formula is on schedule, a formula has not been approved and implemented. Thus, all of the potential issues and challenges related to the full establishment of the councils and the adoption of the academic and financial plan have yet to be identified.

The Department will continue to review and analyze its implementation of the provisions of Act 51 and 221, and will keep the Legislature, Governor, and Board of Education informed of any statutory, rule, or policy revisions that may be necessary.

LIST OF PROGRAMS RECOMMENDED TO BE REPEALED

Program Audit

The Department had initiated a program audit of Department programs at the direction of the Board of Education. A contract was awarded to Pricewaterhouse Coopers (PwC) to conduct the audit. The purpose of the program audit included the following:
1) Evaluate the alignment, quality, efficiency and effectiveness of program operations;

2) Assess the extent to which programs contribute to achievement of standards and AYP;

3) Assess whether the program is aligned with Board of Education and Department priorities, and the Federal No Child Left Behind Act;

4) Assess the design of programs to determine whether the design carries out the objectives;

5) Determine whether program objectives were met;

6) Determine whether the program complements, duplicates, overlaps or conflicts with other related programs;

7) If programs were in existence for many years, determine whether the programs are still relevant and necessary;

8) Determine whether measures of effectiveness are valid and reliable;

9) Assess whether the program is using its resources appropriately, economically, and efficiently;

10) Identify areas for improvement;

11) Assess the adequacy of the management control system for measuring, reporting and monitoring each program’s effectiveness; and

12) Determine whether there are consequences if a program does not meet its objectives.

PwC has completed its fieldwork and gathered and evaluated a broad array of qualitative and quantitative data. The Department anticipates a written report communicating the results of the program audit by the first quarter of 2005. Therefore, the Department is not recommending the repeal of any specific program at this time.