

# Lingle, House like student funding

*Schools would have money per child and more accountability*

By Susan Essoyan

sessoyan@starbulletin.com

In the fractious debate over funding for public schools, Gov. Linda Lingle and state House Democratic leaders have finally found some common ground.

The idea bringing them together is an approach to budgeting touted by management guru William Ouchi, which gives schools money based on the hurdles their students face.

The amount per student would be weighted according

to factors that traditionally hold back academic achievement, such as poverty or high teacher turnover, with more resources going to the neediest. Students could choose which school to attend, and the money would follow them if they switched. Each school would decide how to spend its budget dollars.

"It's an important first step, and the governor is very hopeful that members of the Legislature will work with her in fleshing out a complete plan," said Randy Roth, senior policy adviser to Lingle.

House Democratic leaders are so taken with the idea that they held a news conference

yesterday to promote it. Schools Superintendent Patricia Hamamoto and a representative of the Hawaii State Teachers Association attended and expressed support.

"This plan will put real budgeting power into the hands of local schools where it belongs," said House Majority Leader Scott Saiki (D, Moiliili-McCully). He said the program has been adopted in Seattle and Edmonton, Canada, and test scores shot up in both places.

The idea is not new. It was studied by the Department of Education back in 1994. It resurfaced last month while Ouchi, a management professor at the University of California-Los An-

geles, was in Hawaii to visit his parents. Roth set up meetings for him with the governor, legislative leaders and educators.

The approach, known as Weighted Student Formula, takes time to develop and could not be implemented in the biennial budget now being negotiated at the Legislature.

Traditionally, legislators budget money by educational program, rather than by student, and give direction on how it should be spent. "We've never given it in a lump-sum way," said Rep. Roy Takumi (D, Pearl City-Pacific Palisades).

Giving schools control of their budgets and letting them compete for students can foster

improvement, according to Ouchi. He is best known for his 1981 bestseller, "Theory Z: How American Management Can Meet the Japanese Challenge." More recently he co-authored a study, "The Impact of Organization on the Performance of Nine School Systems: Lessons for California," published this year.

House leaders see weighted budgeting as a means of giving control to the ultimate grass roots: the individual schools. The administration, however, believes that for the new budgeting formula to succeed, Hawaii must have locally elected school boards and principals who are held accountable for school performance, Roth said.