

Bill gives principals more control over spending

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A new education proposal that appears to have political momentum would upend the Department of Education's top-heavy budgeting system and give more financial control to school principals.

If successful, the measure would

mark the first substantive change in education financing in years by ensuring that money follows students instead of the bureaucracy of district and state education offices.

The idea, introduced yesterday by House Democrats, has the backing of Schools Superintendent Pat Hamamoto, who has advocated moving to a per-pupil system of al-

locating money for years. It also has the general support of the governor, many other legislators, some union leaders and members of the Board of Education.

"Basically what we want to do is give the schools more control over their budget," said Rep. K. Mark Takai, D-34th (Pearl City, Newtown, Royal Summit). "We believe

schools cannot be in complete control until they control their finances."

House Democrats hope to pass legislation this session directing the Department of Education to move to this model of financing. Senate Education Committee Chairman Sen. Norman Sakamoto, D-15th (Waimalu, Airport, Salt Lake), said

he believes the Senate would also be willing to move to such a model by the end of this session.

The idea is not new, but was energized in the Legislature by a recent study that indicated that school districts perform best when principals control their school

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budget and are accountable for student achievement.

The weighted per-pupil formula gives money to schools based on the makeup of their student population: schools with high-poverty students, learners for whom English is a second language, rural or isolated populations or high teacher or student turnover might receive more money per pupil. Special education students would also get much more money than average.

Parents could choose what school their child attends, and the money designated for their child would move to the new campus with them.

Principals would have flexibility in spending, as opposed to the current system in which many programs are forced upon schools by the state office.

Hawai'i, the nation's only statewide, single district, has been the target of much criticism for difficulty in navigating its bureaucracy.

Now, principals control a limited budget and typically get money from the state office for a certain number of employee positions or certain types of programs.

Supporters say the proposed system, known as a weighted student formula, would remove control over money from the central office, giving schools the chance to choose their own academic programs, the number of employees and types of positions.

The idea is based on the Seattle schools model, which designates anywhere from \$2,800 to \$25,000 per pupil based on a student's individual needs, as well as systems in Edmonton, Alberta, and in Houston.

A recent study co-authored by University of California-Los Angeles professor William Ouchi, who spoke at the Legislature a few weeks ago, has had heavy influence on lawmakers.

Ouchi looked at nine school systems and their governance structure, as well as six independent school systems, to compare centralized and decentralized systems. The premise: that the structure of district governance affects student achievement, and that school districts perform best when principals control their school budget and are held accountable for performance.

Heavily centralized school systems such as those in New York City, Chicago and Los Angeles had lower student achievement and often spent more money per pupil than the decentralized systems, according to the study. Principals in Edmonton control about 92 percent of the district budget.

Gov. Linda Lingle's staff had introduced Ouchi to House education leaders. Yesterday Lingle said the weighted student formula would help move money into the classrooms and fits her philosophy of local school boards. "I'm happy they are willing to be open to some new ideas instead of just the same old thing," she said.

Rep. Roy Takumi, D-36th (Pearl City, Palisades), said the system would eliminate the finger-pointing that now exists.

"Principals and teachers cannot say the system is letting them down," he said.

Hamamoto, a former principal, said the DOE started looking into a per-pupil system in the early 1990s. "I believe this will truly help improve education in Hawai'i and help empower principals and members of the commu-

nity to have ownership of their schools," she said.

But Hamamoto said they still need the buy-in of the community, teachers, principals and the unions, which might have to alter contractual agreements. She would like to see the new fiscal system start with the new biennium in 2005, but that it would be feasible to start with the 2004-05 school year's budget.

Sakamoto said he wants to see a pilot test of the weighted formula immediately. "September's coming. Let's try it. This is a small business idea. We don't need to go up several chains of command and get the lawyers involved."

Joan Husted, executive director of the Hawai'i State Teachers Association, said the weighted student formula should be popular with teachers.

"The action needs to be at the schools," Husted said. "Our teachers will generally be happy to hear that there shouldn't be dictates coming down from above."

School board member Laura H. Thielen said she likes the idea but wants to see how the weighted formula is calculated. She also said that principals should have real control over whom they hire and for the type of position.

"We don't want to perpetuate the system now where the most desirable schools have the most senior teachers and the rural schools are left struggling with high turnover," she said.

Rep. Guy Ontai, R-37th (Millani, Waipi'o), said it would make school spending more open to the public and turn principals into CEOs. "It's a very different model," he said. "It's a huge step in the right direction."

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