

# Principals' spending authority advocated

## Hawai'i bureaucracy cited for lagging public schools

By Jennifer Hiller  
ADVERTISER EDUCATION WRITER

Hawai'i has long been recognized as having one of the most equitable school systems in the country, but while local educators often point to that as their biggest asset, it might also be their biggest downfall, according to a University of California-Los Angeles management expert.

The single, statewide school district that is unique to Hawai'i has meant a system of essentially equal and fair funding at schools across the state. But William Ouchi, a UCLA management professor, said that along with its system of school financing, Hawai'i has centralized much of its school decision-making and authority, adding layers of bureaucracy on top of school principals.

Democrats, Republicans, education officials and union leaders, a plan promoted by Ouchi would essentially hand financial control of the schools to Hawai'i school principals.

Now, the state provides money for positions and programs at schools. But principals do not have the freedom to spend all money as they choose.

The House Education Committee has approved a resolution that asks the state Board of Education to give them a plan before the end of the year to move the schools to what is called "weighted per-pupil funding." Lawmakers plan to introduce legislation next year to make the new formula law.

A recent study that Ouchi will publish in the fall — and that Hawai'i's leaders have been talking about for weeks — indicates that school districts perform best when principals control their school budget and are accountable for student achievement.

The less centralized the district, the better student performance becomes, his study found.

The other school system in the country that nears Hawai'i in its level of centralization is California, Ouchi said. Both systems rank near the bottom on many measures of educational achievement.

Hawai'i and California public school students have consistently scored below national averages in math, reading, science and writing since the early 1990s on the National Assessment of Educational Progress, a measurement that is also known as the nation's report card.

"It's not a pure coincidence that Hawai'i and California are both last," Ouchi said.

Suddenly en vogue with

If the idea maintains its momentum, it could mean the most radical change for Hawai'i public schools in decades.

From his home in California, Ouchi, a Hawai'i native, detailed what the plan has meant in other school districts.

The weighted per-pupil formula gives money to schools based on the make-up of their student population; poor, special education or non-English speaking students would bring extra money to a school, for example.

Parents could choose whatever public school they wanted their child to attend, and the money would follow the child.

Superintendent Pat Hamamoto, who has advocated moving to a per-pupil model, says the weighted student formula might represent the final piece of the standards and accountability movement for the DOE. In the past several years, the department has been trying, somewhat fitfully, to send more money to the schools.

"It empowers decision-making at the schools," Ha-

See SCHOOLS, A28

## Schools: Spending power studied

FROM PAGE A23

Hamamoto said. "This is truly a partnership between principals, teachers and the community."

Sen. Norman Sakamoto, D-15th (Waimalu, Airport, Salt Lake), is pushing the DOE to at least get a pilot program going in the new school year to test the per-pupil model.

But Hamamoto isn't sure how she can undo the DOE's budget program only part of the way. "You cannot have half the system on the old or half the system on the new," she said. Hamamoto wants to see the per-pupil method start with the state's 2005-2007 biennium budget to give the department time to train principals and sell the idea to the public.

There are other hurdles. Union contracts, especially the one for principals, would have to be reworked under a weighted student formula because of the changes in responsibility.

Hamamoto said reaction so far from principals has been mixed. "There are parameters to the current system," she said. "It's very comfortable. We know what it is."

Hamamoto also said principals would have greater control over hiring, and would have to use more of their budget to hire experienced teachers. "Communities that have highly paid faculty may lose them," she said.

Rep. Michael Kahikina, D-44th (Nānākuli, Honokai Hale), pointed out that the present system is unfair because schools on the Leeward Coast and the Neighbor Islands have trouble keeping experienced teachers on staff. Moving to a weighted formula might give those schools enough resources to attract seasoned teachers, he said.

Rep. Roy Takumi, D-36th (Pearl City, Palisades), also said that schools such as Lāna'i High and Elementary, the only school on that island, suffer because of a lack of cultural programs and field trips. "Right now they don't get anything extra, but there's no doubt that they suffer for their geographic isolation," he said.

Ouchi, who met with several lawmakers and the governor's staff when he was home in March for a family visit, is a former student of the University of Hawai'i Lab School and a graduate of Punahou School.

His book "Making Schools Work: A Revolutionary Plan to Get Your Children the Education They Need" will be published in September and argues that heavily centralized school systems such as those in New York City, Chicago and Los Angeles have lower student achievement and often spend more money per pupil than more decentralized systems.

Principals in Edmonton, Alberta — the decentralized model Seattle and Houston schools have copied — control about 92 percent of the district's total budget. Private schools in Edmonton have gone out of business or have merged with the public school system because of its excellence.

Cincinnati public schools also

are moving toward a weighted per-pupil model.

Ouchi said the weighted student formula causes all schools to compete for students, develop specialized programs and become like magnet schools.

In Seattle, for example, one school specializes in homeless students. The additional money attached to those children has helped the school lower class size and hire more teachers. One school teaches students in a foreign language for half of the day and has a waiting list of 150 students, Ouchi said.

But also in Seattle, the superintendent recently resigned and the district faces a \$35 million budget shortfall, which is being attributed to their system of small, expensive-to-operate schools, and an elaborate bus system to ferry students to their school of choice.

Good student performance has followed the weighted per pupil model, Ouchi said.

In Edmonton, 90 percent of the children read at or above grade level, he said. Houston outperforms Los Angeles by 10 points at every grade level on the Stanford Achievement Test since moving to the weighted-student formula, while Seattle far outperforms Chicago on the Iowa Test of Basic Skills, the standardized test that those systems use.

If Hawai'i follows the model of Edmonton, Seattle and Houston, some say the endlessly debated issue of what to do about school governance might become irrelevant.