

# Getting Less for More

## Feeding the Government Education System in Hawaii

By Kenny Lee, Policy Intern

Governor Linda Lingle's request for all departments to provide a budgetary reduction plan is causing heated debate among stakeholders in Hawaii's public education system. As the Board of Education struggles to make \$46 million in cuts on a \$2.4 billion budget, it is an ideal time to review the money that has been spent and the results of this investment. The Department of Education Operating Budget has grown from \$972 million in FY 99-00 to \$2.4 billion in FY 08-09.<sup>1</sup> The current proposed reduction of \$46 million represents a mere 1.9% cut of the entire budget.

As funding has increased, enrollment has decreased. Public school enrollment peaked in '97-'98 with over 189,000 students and since then has steadily declined (Figure 1). For the current school year, the DOE's official enrollment figure is 177,871.<sup>2</sup>

This increase in funding and decrease in enrollment means that the DOE spends \$13,782 per student per year. This rivals the tuition of all but the most expensive private schools in Hawaii.

Despite the significantly increased funding, Hawaii public schools lag national averages on the Scholastic Aptitude Test. The SAT is a widely accepted predictor of a student's success in college.\*

Hawaii's scores are declining while the gap widens between Hawaii's performance and US performance. In 2002, Hawaii public school students scored 65 points below the national average. Today, they score 88 points behind the rest of the country (Figure 2).<sup>3</sup>

### Key Facts

- Hawaii taxpayers spend \$2.4 billion per year on public education, up from \$972 million just 8 years ago.
- Hawaii spends almost \$14,000 per student per year, more than the tuition at most private schools.
- Over the last 8 years, test scores have gotten worse.
- One-third of 9<sup>th</sup> graders don't receive a diploma 4 years later.

Figure 1: More Money, Fewer Students

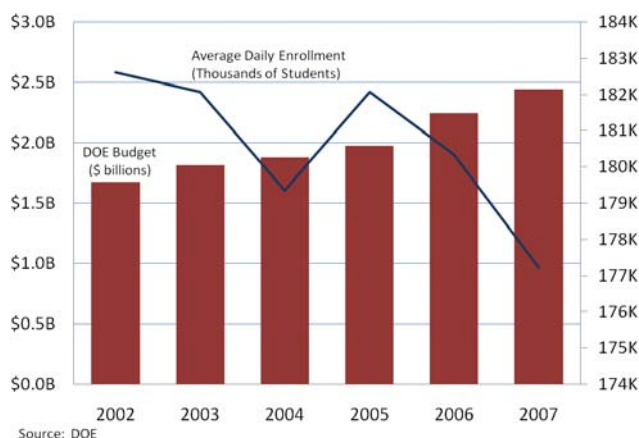
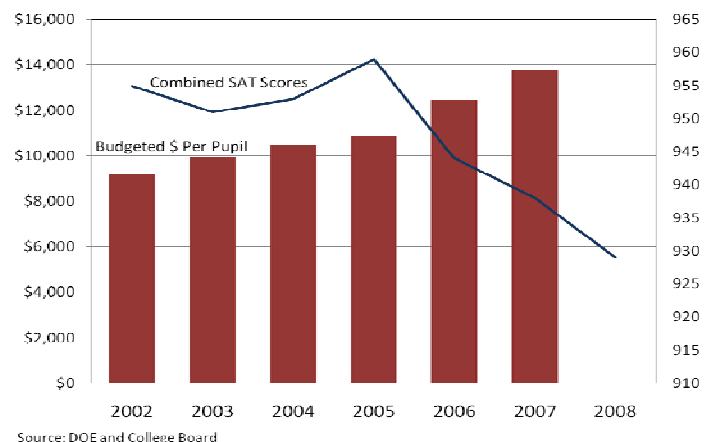


Figure 2: More Money, Lower Test Scores



\*The College Board generally cautions against comparing SAT scores between different years because participation rates can vary and therefore impact averages. However, the SAT participation rate in Hawaii has remained consistent, so average SAT score is a valuable indicator of student achievement, particularly for those who are college-bound.

Our public education system is not just failing to prepare our children for college. The National Assessment of Educational Progress, or NAEP, is the “gold standard” of educational testing for grades K-12. It is administered by the US Department of Education and serves as a common yardstick across all 50 states. Hawaii’s performance has consistently lagged behind national averages, most recently finishing second to last in 8<sup>th</sup>-grade mathematics and third from the bottom in reading.<sup>4</sup>

Figure 3: Public School Enrollment and Graduation

	9 <sup>th</sup> Grade	10 <sup>th</sup> Grade	11 <sup>th</sup> Grade	Diplomas Issued	Percentage
'99-'00	15629	-	-	-	-
'00-'01	15915	13148	-	-	-
'01-'02	16036	13521	12424	-	-
'02-'03	16142	13695	12684	10013	64.1%
'03-'04	16459	13529	12904	10324	64.9%
'04-'05	16971	13682	12845	10497	65.5%
'05-'06	17167	14278	12914	10460	64.8%

Source: NCES and DOE<sup>5</sup>

Hawaii’s performance is particularly alarming considering that many students in Hawaii do not even complete high school. Examining enrollment numbers by grade level, it becomes clear that more than one-third of children who enter the 9<sup>th</sup> grade do not receive a diploma four years later.

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The national statistics are clear on how education level affects income. A person without a high school diploma earns on average \$19,915 per year. This compares to \$29,448 per year for those with high school diplomas, and \$54,689 per year for those with Bachelor’s degrees.<sup>6</sup> With 5,000 students failing to graduate each year, Hawaii is losing \$3.6 billion in lifetime earnings with each non-graduating class.<sup>7</sup>

When it comes to Hawaii’s public schools, it is clear that we have spent more and more and received less and less. In the late 1990’s, the Superintendent’s office pointed out repeatedly in its annual reports that the State of Hawaii did not devote a large enough percentage of its budget to education. At the time, the DOE received 14% of the state’s budget.<sup>8</sup> Today, the DOE consumes 23% of the state’s annual funds, receiving almost \$500 million more than any other department.<sup>9</sup>

Taxpayers have fed the public education system well over the last 10 years. The problem lies with the system itself. Continually increasing funding to an ineffective bureaucracy will do nothing but waste our time, our money, and our children’s future.

<sup>1</sup>The Superintendent’s Info Exchange, March 6, 2008, <http://doe.k12.hi.us/periodicals/infoexchange/2008/infoexchange080306.pdf>

<sup>2</sup>Department of Education News Release, September 18, 2008, <http://www.hcps.k12.hi.us/STATE/COMM/DOEPRESS.NSF/a1d7af052e94dd120a2561f7000a037c/d6e6ba0a80a3d9510a2574c90005228e?OpenDocument>

<sup>3</sup>College Board SAT national and state statistics <http://professionals.collegeboard.com/data-reports-research/sat/cb-seniors-2007>

<sup>4</sup>National Center for Education Statistics, <http://nces.ed.gov/nationsreportcard/states/profile.asp>

<sup>5</sup>Data from National Center for Education Statistics, <http://nces.ed.gov/pubs2007/pesenroll06/tables.asp> and DOE Diploma Statistics <http://doe.k12.hi.us/reports/highschoolcompleter.htm>

<sup>6</sup>US Census Bureau News Release, March 15, 2007, <http://www.census.gov/Press-Release/www/releases/archives/education/009749.html>

<sup>7</sup>Author’s calculations based on US Census income data, 40-year working career using 3% annual inflation adjustment.

<sup>8</sup>Superintendent’s Annual Reports, [http://arch.k12.hi.us/state/superintendent\\_report/sar2001.html](http://arch.k12.hi.us/state/superintendent_report/sar2001.html)

<sup>9</sup>State of Hawaii Budget, <http://hawaii.gov/budget/memos/pfp/>