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Make education spending transparent

By John Sosa, Randy Roth and Stephen Terstegge

A letter writer recently asked a seemingly simple question: [“Where do funds for education go?”](#) (Star-Advertiser, May 9).

The simple answer is: Nobody knows ... at least not in a meaningful way.

In fact, it can be challenging just to determine the amount of money being spent on education in Hawaii each year.

According to the state Department of Education, approximately \$1.98 billion will be spent on education this year. But that excludes a variety of education costs, such as employee fringe benefits, capital improvements and related debt service.

When all education expenditures are considered, the total exceeds \$3 billion.

Reasonable people can debate whether more money is needed, but why confuse the issue unnecessarily by excluding a billion dollars of education costs? If we are serious about knowing where the money is being spent, we should begin with the correct amount.

We also should focus on, (1) how much of that money actually gets to the schools, (2) who makes each spending decision, (3) for what specific purpose, and (4) who evaluates for effectiveness. None of this is currently available.

The DOE reports systemwide “clumps” of spending, such as \$941.6 million for school-based budgeting, \$367.7 million for special education, \$190.6 million for school support, \$53.7 million for instructional support, and \$49.8 million for state administration.

Systemwide numbers like these are virtually meaningless to an individual teacher, principal, student or parent at any one school. How could anyone possibly know how much of it reaches a particular school, or have an informed opinion that it is or isn't being spent wisely?

It doesn't have to be this way.

The Education Institute of Hawaii (EIH) is working with a contractor to aggregate the DOE's financial data by sources and then disaggregate, not just by function and program — such as Special Education and English Language Learners — but by location of each spending decision. It will also identify the timing of expenditures, treatment of unspent funds, and level of spending over which each school had meaningful control.

The resulting Excel-based, easy-to-use tool will make it possible for the state's elected and appointed officials, educators and members of the public to form an opinion on the adequacy and efficacy of spending at the school level.

Because EIH's methodology is currently utilized in many other places, it will be possible to make meaningful comparisons not just within Hawaii's education system, but with other states and large school districts.

Hawaii's DOE has not yet fully embraced this transparency project, but that did not come as a total surprise. A recent study, "Following the Money 2018: How the 50 States Rate in Providing Online Access to Government Spending Data," gave an F grade to Hawaii and only three other states.

Although the DOE's refusal to cooperate voluntarily has slowed development of a school-level transparency tool, EIH is determined to make this project happen.

EIH is doing this as a first step in transforming Hawaii's overly centralized bureaucracy into a schools-centered system in which education professionals closest to the children play a significantly larger role than do state-office bureaucrats in determining how best to meet the children's needs.

John Sosa is executive director of the Education Institute of Hawaii (EIH); Randy Roth is a retired University of Hawaii law professor; and Stephen Terstegge is an EIH board member and parent of two public school children.