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ABSTRACT

This document presents findings of a Pacific Region Educational Laboratory (PREL) study on the status of school finance and facilities in the 10 entities of the Pacific region served by PREL--American Samoa, Commonwealth of the Northern Mariana Islands (CNMI), Federated States of Micronesia, Guam, Hawaii, Republic of the Marshall Islands, and the Republic of Palau. School finance and facilities data were collected by a group of 14 Pacific educators for the school years 1990-91 and 1991-92, respectively. Findings indicate that overall, 68 percent or more of education funds are from local funds. For the region as a whole, 68 percent of expenditures go to salaries and benefits. Per pupil expenditures vary widely among the entities. Approximately 30 percent of the schools have no drinkable water; 40 percent have no electricity. Using a minimum standard of 25 points, the schools received a mean score of about 14. Finally, educational funding often receives low priority. Recommendations are made to identify education as a priority, develop a comprehensive plan, and develop regional strategies to secure funding. Three figures are included. (LMI)

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# Research Summary Series

By Paul S. Piper, Program Specialist ♦ Laboratory Network Program

## School Finance and Facilities Study

by the PREL R & D Cadre  
Alice J. Kawakami, Editor

### Introduction

School finance and facilities are critical in supporting the delivery of educational services. PREL's School Finance and Facilities Study was designed to provide the ten entities of the Pacific region served by PREL — American Samoa, Commonwealth of the Northern Mariana Islands (CNMI), Federated States of Micronesia (Chuuk, Kosrae, Pohnpei, and Yap), Guam, Hawaii, Republic of the Marshall Islands, and Republic of Palau — a status report on these aspects of their education, as well as make this information available to other interested parties. Since these entities are diverse in their political status and level of economic development, their schools rely on a number of funding sources and operate under a number of organizational structures.

A secondary purpose of this study was to involve Pacific Islanders in the process of the study, thus offering them professional development opportunities.

Seven questions were arrived at that would best represent the status of school finance and facilities. These questions are:

1. What are the sources of school finance in the region?
2. What are the categories of allocation and expenditure for education in the region?
3. What are the per pupil expenditure ratios within the region?
4. What school facilities are available?
5. What is the condition of these facilities?
6. What provisions are made for supporting school facilities through the school finance systems?
7. What trends and issues are emerging for the Pacific region in school finance?

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## ■ Methods of Data Collection

Since the ten subject entities are separated by 3800 miles of ocean, ingenuity of design and action was needed. Two PREL staff were assigned to collaborate with a group of 14 Pacific educators. This group, referred to as the PREL R & D Cadre, is composed of one representative from each of the entities' departments of education, two from postsecondary institutions in the region, one private school representative, and a representative from the national government of the Federated States of Micronesia (FSM). Cadre members also received assistance from their local support groups at home. On-site training and assistance with data-collection was provided by PREL staff. Data was subsequently aggregated and analyzed in the PREL office. Since the CNMI had conducted previous studies they did not participate in this study. Data was collected for the 1990-91 school year for school finance and the years 1990-92 for facilities.

Since collected data is relative to the economies of each entity, individual and household incomes provide context for the study. The median household salaries were found to range from \$1,078 in Kosrae to over \$23,000 in Hawaii (1990 statistics). Because of the extreme remoteness of some schools, and the expense of traveling to isolated schools in Chuuk, Palau, Pohnpei, and the Marshalls, not all schools were included in the facilities survey.

## ■ Results

### Findings for the Research Questions:

1. What are the sources of school finance in the region? (Fig. 1)
  - Except for Palau, 68% or more of education funds are from local funds.
  - Roughly 30% of local funds are designated for education budgets.
  - The FSM and the Marshalls receive foreign aid from nations other than the U.S.
  - In some of the entities, CIP (Capital Improvement Project) funds are available for financing education.
2. What are the categories of allocation and expenditure for education in the region?
  - For the region as a whole, 68% of expenditures go to salaries and benefits.
  - The remaining percentage goes to all other expenses. The highest proportion of spending is about 5% for equipment, furniture and fixtures and for staff development, and the low is about 1% for travel to support school sites.

Fig. 1 Sources of Income for School Finance in the Pacific Region - Fiscal Year 1991

	American Samoa	Chuuk	Guam	Hawaii	Kosrae	Marshalls	Palau	Pohnpei	Yap	TOTAL
General/Local Funds	\$21,631,207	\$8,937,545	\$98,563,350	\$567,385,131	\$2,047,429	\$7,385,249	\$3,520,169	\$6,695,585	\$2,732,321	\$718,897,986
Federal Funds	\$8,560,926	\$0	\$17,169,643	\$64,324,319	\$45,570	\$1,154,675	\$4,452,398	\$1,359,419	\$45,500	\$97,112,450
Total (Op. A)	\$30,192,133	\$8,937,545	\$115,732,993	\$631,709,450	\$2,092,999	\$8,539,924	\$7,972,567	\$8,054,984	\$2,777,821	\$816,010,416
Others (Op. B)	\$8,694,194	\$19,154	\$0	\$13,791,527	\$0	\$46,815	\$0	\$11,300	\$15,402	\$22,578,392
Total (Op. A & B)	\$38,886,327	\$9,956,699	\$115,732,993	\$640,500,977	\$2,092,999	\$8,586,739	\$7,972,567	\$8,066,284	\$2,793,223	\$833,588,808
CIP Funds	\$3,362,446	\$50,000	\$0	\$50,464,700	\$220,222	\$338,000	\$1,956,693	\$1,729,000	\$165,500	\$58,286,561
TOTAL	\$42,248,773	\$9,006,699	\$115,732,993	\$690,965,677	\$2,313,221	\$8,924,739	\$9,929,260	\$9,795,284	\$2,958,723	\$891,875,369

\* Actual CIP funds expended.

\*\* No new funds were provided to the FSM from the U.S. Federal Government in FY 1991. Federal funds listed on the table above refer to carry-over from previous years.

Op. A refers to operations funding from U.S. federal funds and local funding.

Op. B refers to money from local non-government contributions, foundation money, and foreign aid.

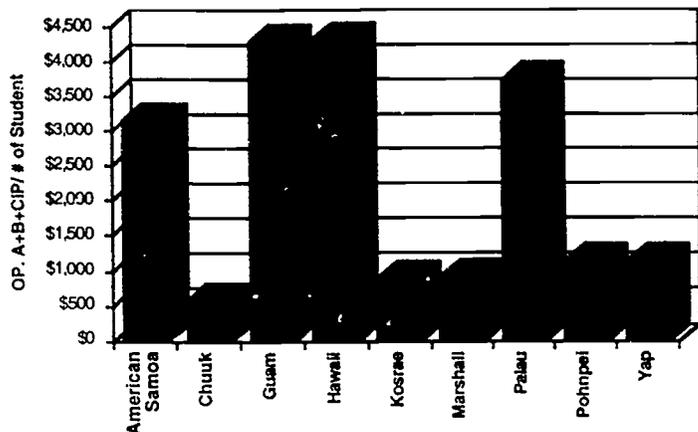
CIP = Capital Improvement Projects.

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3. What are the per pupil expenditure ratios within the region? (Fig. 2)

- The range of per pupil expenditures across the region shows a high of about \$4,300 and a low of about \$580.
- These are high end estimates which include CIP funds as part of the actual expenditure per pupil.

Fig. 2 Variation in Per Pupil Expenditures across the Region



4. What school facilities are available?

- This study included 328 public schools in American Samoa and Micronesia, excluding the CNMI and high schools in the Marshall Islands.
- These schools contain 3,865 classrooms and serve 82,042 students.

- About 80% of these schools have designated school offices, 60% include cafeterias, and 60% have school libraries.
- Less than 40% of these schools include sanitary facilities with running water.
- More than 30% of these schools do not have drinkable water.
- Less than 40% of these schools have electrical power.
- Hawaii provided information on 232 public schools independent of this survey.

5. What is the condition of these facilities? (Fig. 3)

- The condition of 282 schools in American Samoa and Micronesia (excluding Hawaii and the CNMI) was evaluated against a minimum standard of 25 points.
- Twenty-four schools (all located in Guam) or 8.5% of the schools evaluated received ratings of 25 points.
- One school received a score of zero.
- Most of the schools received scores between 7 and 18 on this scale. The regional average is a score of 14.39. The median score (most central) was about 13.5 and mode (most frequently obtained) was 14.
- Hawaii's 232 schools were not included in this data collection; however, the 1991-92 inspection team rated 45 schools as very good or satisfactory and 21 as unacceptable.

Fig. 3 Condition of Pacific School Facilities

Entity	No. of Schools	RATINGS																									
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
A. Samoa	24										2	1	4	3		1		1	4	2	5		1				
											8%	4%	17%	13%		4%		4%	17%	8%	21%		4%				
Chuuk	90			1	1	2	4	2	1	1	3	4	5	6	8	7	9	9	18	4	1		2	1	1		
				1%	1%	2%	4%	2%	1%	1%	3%	4%	6%	7%	9%	8%	10%	10%	20%	4%	1%		2%	1%	1%		
Guam	34																								10	24	
																									29%	71%	
Kosrae	6														1	1		1	1			1		1			
															17%	17%		17%	17%			17%					
Marshall	43	1		1		1	4	10	7	6	2	6	3		2												
		2%		2%		2%	9%	23%	16%	14%	5%	14%	7%		5%												
Palau	20																				2		3	1	14		
																					10%		15%	5%	70%		
Pohnpei	34								2	5	3	10	2	1	2	1	1	2	3	1					1		
									6%	15%	9%	29%	6%	3%	6%	3%	3%	6%	9%	3%					3%		
Yap	31													2	9	17	2		1								
														6%	29%	55%	6%		3%								
TOTALS	282	1	0	2	1	3	8	12	10	14	9	24	13	9	23	28	13	16	25	12	2	4	4	15	2	10	24
		0.35%	0.00%	0.71%	0.36%	1.06%	2.84%	4.26%	3.55%	4.96%	3.19%	8.51%	4.61%	3.19%	8.16%	9.22%	4.61%	5.67%	8.87%	4.26%	0.71%	1.42%	1.42%	5.32%	0.71%	3.55%	8.51%

6. What provisions are made for supporting school facilities through the school finance systems?

- School finance systems vary throughout the entities.
- Education is often given low priority, and existing funding structures often do not reflect inflation.
- Standards regarding the condition of school facilities do not exist regionwide.

7. What trends and issues are emerging for the Pacific region in school finance?

- The need for support for school finance and facilities will increase over time and has to be addressed in a coherent way.
- Moneys for education in the region continue to fall short of the need.
- Per pupil expenditure within the Pacific region varies greatly.
- Education is constrained by limitations of an entity's economic development.
- Pacific schools are overcrowded and insufficient in some entities.
- There is a need for coherent regionwide standards regarding the condition of school facilities.

■ Recommendations and Conclusions

Identify Education as a Priority:

Pacific entities must identify education as a top priority. Expenses for education are not a single expenditure for a product or service but must be viewed as an investment in the future of each entity's society as a whole.

Develop a Comprehensive, Implementable Education Plan:

Each and every entity needs to develop a comprehensive plan, including all aspects that contribute to the learning environment - buildings, infrastructure, teachers, curriculum, and community involvement. Along with this plan, there need to be standards developed that reflect both current and future systemic evolution. Since both plans and standards are dependent upon financial and human resources, a need exists to educate people about the impact of facilities and finance on learning. Deficits in one area of the region will eventually impact other entities through migration and competition for regional resources.

Develop Strategies to Maximize Current Funding and Secure Future Funding:

The region as a *whole* needs to develop strategies to request and secure funding.

Sources to investigate may include grants, local revenues to increase appropriations for education, the U.S. Congress, other programs and agencies of UNESCO, the United Nations, and foreign aid from other countries such as Australia and Japan. Plans and requests for funding should include proportional projected increases to reflect the growth of student populations to be served.

Efforts should also be made to investigate the possibility of extending U.S. federal funding for the Marshalls and FSM.

At the local level, entities need to increase collaboration both on and off island by promoting economic development, parental involvement, business partnerships, and interagency cooperation. In addition, initiatives based on tax increases and/or local fund raising need to be explored.

*Pacific Region School Finance and Facilities Study*, written by the PREL R & D Cadre with Dr. Alice J. Kawakami, editor, is a fifty-two page report that was published by PREL in November 1993, Honolulu, Hawaii. The document is available on request.

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