

Strategic Issues:

- The eight islands of Hawaii have only one postsecondary education system: the University of Hawaii (UH) system.
- In 1998, the state gave the UH system control to set tuition, implement hiring procedures, and address budgetary issues.
- In 1999, University of Hawaii at Manoa granted the most graduate degrees to minorities, topped only by New York University and Webster University according to the magazine *Black Issues in Higher Education* (Associated Press, Aug. 30, 1999).
- In 2003, the University of Hawaii system implemented its multi-year strategic plan to move itself into the high echelon of research institutions. The long-term strategic plan will be completed in 2010 (Associated Press, Jan. 7, 2003).

Summary

- *Critical Challenge:* High school graduation rates in Hawaii dropped during the 1990s. The rate was substantially higher than the national rate in 1992 and below the national rate in 2000. College enrollment rates for high school graduates remained several percentage points above the national rates across the decade.
- *System Issue:* Hawaii has not substantially invested in need-based grants. The state's average income also fell substantially in relation to the national average income during the decade. Student perceptions of college costs could have eroded high school graduation rates during the decade.
- *Opportunities:* Better coordination of tuition with need-based aid would improve high school graduation rates and college enrollment rates for high school graduates in Hawaii.

Access Indicators*High School Graduation Rates* (Table 11.1)

High school graduation rates in Hawaii decreased for the first eight years of the decade from 78% in 1992 to 62% in 1998. However, in 2000 the rate increased slightly to 64%. Despite this increase, Hawaii was still below the national average high school graduation rate by three percentage points.

College Enrollment Rates (Table 11.1)

College enrollment rates increased in the early years of the decade to a high of 62% in 1996 before dropping for the remainder of the

decade. In 2000, the college enrollment rate was 60%. However, Hawaiian high school graduates enrolled in college at higher rates than the rest of the nation throughout the decade. In 2000, the state rate was three percentage points above the national average.

State Demographics*State Demographics* (Table 11.2)

Poverty rates fluctuated somewhat throughout the decade, ranging from 9% in 1994 to 12% in 1996. Unlike other states, Other Minorities, primarily Asian-Americans, made up the majority of the state at over 60% of the total population in the decade. Whites made up 25% of the population. Hispanics are the second largest minority in the state and comprised 8% of the population in 2000. African Americans were 3% of the population in the same year. The adjusted per capita income decreased throughout the decade from \$29,512 in 1992 to \$27,851 in 2000, indicating a decline in purchasing power.

System Composition (Table 11.3)

Hawaiian preference for four-year institutions for postsecondary education declined over the decade from 42% in 1992 to 37% in 2000. Public two-year institutions enrolled 33% of the state's college students, and private institutions enrolled 30% in 2000.

Financial Indicators

Financial Capacity (Table 11.4)

Tax rates in Hawaii fluctuated around 10% over the decade. Despite the small size of this fluctuation, the tax rate was at least three percentage points above the national average throughout the decade. Although K-12 expenditures per student increased throughout the decade with the exception of 1996, they were still \$77 under the national average in 2000.

Educational Revenue (Table 11.5)

State and local appropriations for the public higher education system decreased substantially over the decade. In 1992, the public system received \$12,109 in appropriations which was \$5,751 above the national average. This amount decreased to a decade low of \$8,068 in 1996. Although appropriations rebounded to \$8,816 in 1998, the amount decreased once again in 2000 to \$8,222, a differential of \$727 above the national average.

Tuition and Fees (Table 11.6)

Consistent with the trends of most states, tuition and fees in Hawaii increased throughout the decade. Tuition in 1992 was \$1,112 per FTE and increased to \$1,631 per FTE in 1996. By 2000, the amount increased to \$1,955 per FTE. Despite these increases, tuition and fees in Hawaii were a relative bargain when compared to the rest of the nation. Even in 2000, tuition and fees in Hawaii were \$773 lower than the national average.

Need-based Grants (Table 11.6)

Hawaii provided very little support in the form of need-based grants. In 1992, financially needy students received an average of \$32 in grants, and by 2000 the average had fallen to \$13. The average need-based grant in Hawaii was a minimum of \$312 below the national average at every two-year period.

Non-need Grants (Table 11.6)

There are no significant non-need grants in Hawaii.

Projections

Coordinated System of Grants (Table 11.7)

Had Hawaii increased its need-based grant aid, given tuition charges, 200 more students would have graduated from high school, an increase of one percentage point. Of the state's high school graduates, 600 more students would have attended postsecondary institutions within the state.

Federal Grant Program Prospectus (Table 11.7)

In addition, had the federal government provided incentives for Hawaii to provide adequate grant aid equaling one-quarter of the tuition on top of current state aid, 200 more high school students would have graduated, an increase of one percentage point. A five percentage point increase in college enrollment, amounting to 700 new students, would have resulted from this policy change.