

DAVID Y. IGE
GOVERNOR



KATHRYN S. MATAYOSHI
SUPERINTENDENT

DEPT. COMM. NO. 192

STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

January 5, 2017

The Honorable Ronald D. Kouchi, President
and Members of the Senate
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki, Speaker
and Members of the House of
Representatives
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Federal Grants Revolving Fund Annual Report to the Legislature, pursuant to section 302A-1405, Hawaii Revised Statutes (HRS). In accordance with section 93-16, HRS, I am also informing you that the report may be viewed electronically at:

<http://www.hawaiipublicschools.org/VisionForSuccess/SchoolDataAndReports/StateReports/Pages/Legislative-reports.aspx>

Very truly yours,

A handwritten signature in black ink, appearing to read "K. Matayoshi", written over the typed name.

Kathryn S. Matayoshi
Superintendent

KSM:TOC:ko
Enclosures

c: Legislative Reference Bureau
Originating office



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

LEGISLATIVE REPORT

SUBJECT: Relating to Federal Grants Revolving Fund (Revolving Fund)

REFERENCE: Section 302A-1405, Hawai'i Revised Statutes (HRS)

ACTION REQUESTED: Annual Report to the Legislature

INTRODUCTION: Section 302A-1405, HRS requires the Department of Education (HIDOE) to annually report to the Legislature on activities related to the Revolving Fund. Uses of the Revolving Fund include searching for discretionary grants, developing program applications to secure additional revenues, monitoring grant execution, ensuring compliance with grant requirements, and auditing grant expenditures.

Department of Education Federal Grants Revolving Fund

The Revolving Fund revenues are derived from the difference between the indirect cost rate for discretionary and non-discretionary grants, for discretionary grants. As the difference went from 9.6% (12.5%-2.9%) for fiscal year (FY) 2015 to 0.1% (3.6%-3.5%) for FY 2016 and FY 2017, the projected revenues for this fund are minimal and the balance in the fund has been declining. In FY 2015, the revenues were \$1,183,270. In FY 2016, the revenues declined to \$14,425 and are estimated to be \$5,000 in FY 2017. The ending cash balance for FY 2017 is estimated to be \$376,916, down from \$1,571,916 in FY 2016. The following table shows the breakdown of allocations and expenditures for FY 2016.

Funds	Allocation	Expenditures*
A (Personnel Services)	\$0	\$931,893
A1 (Other Personnel Services)	\$0	\$348,465
B (Other Current Expenses)	\$2,379,491	\$245,119
C (Equipment)	\$0	\$18,520
TOTAL*	\$2,379,491	\$1,543,997

*Figures were rounded to the nearest dollar.

"B" funds were used for 16 temporary positions. Positions that directly supported grant search and development to secure additional revenues include a Grant Writer, a Program Specialist, and administrative positions. Functions of these positions included securing, monitoring, and reporting on grant funds. These funds were also used to support positions in the Monitoring, Accountability, and Compliance Office (MAC), formerly known as the Special Projects Office, which monitor grant execution, ensure compliance with grant requirements, and audit grant expenditures in support of the Board of Education/HIDOE Strategic Plan Goals and Objectives. With the declining revenues in this fund, an unbudgeted needs request for these positions has been made to ensure we can complete our state and federal reporting and compliance requirements. Further positions in the Data Governance and Analysis branch (DGA) supported many of the data requests needed for reporting on grant projects. These positions also supported many other data related functions of HIDOE such as providing a mechanism for proposing, addressing, tracking, and maintaining issues related to data governance which cannot be resolved at an individual level or which have conflicting concerns and/or interests that impact institutional processes and effectiveness. Data is verified, validated, analyzed, and submitted for state and federal reporting as well as summarized and visualized for HIDOE. Due to the versatility of these positions in DGA, we have made a legislative request to permanently fund their positions. Additional "B" funds were used for general office supplies and equipment (i.e., monthly maintenance fees, office supplies, office equipment, Complex Area grant fund requests, in-service training travel, etc.).

Activities related to the Revolving Fund include:

(1) Direct Assistance with Grant Applications

The Grant Management Team (GMT) was in place during FY 2016. They provided HIDOE faculty and staff with a range of grant-related assistance including grant search, proposal development, budget development, editing, and federal discretionary grant submission at the school, complex, and department levels.

The GMT was reduced at the end of FY 2016 due to diminishing funding in the Revolving Fund. As a result, comprehensive services were scaled back beginning in FY 2017.

Assistance provided during FY 2016 include the following:

Federal Grant Applications Submissions

1. U.S. Department of Commerce National Marine Fisheries Service (NMFS): "Medicine at Your Feet"—Moloka'i Middle School to support acquiring Knowledge and Awareness of the 'Āina, through Lā'au Lapa'au (\$139,625.71 requested)
2. U.S. Department of Commerce (NOAA) Office for Coastal Management: "Promoting Cultural Based Knowledge and Practices through Environmental Stewardship and Preservation" (CFDA# 11.473)—Moloka'i Middle School (\$88,213 awarded)
3. Department of Human Services-Division of Vocational Rehabilitation (DHS DVR): "Ho'okipa Workforce Academy Project" (CFDA# 84.126A)—Kaimuki Complex (\$142,500 awarded)
4. U.S. Department of Defense Education Activity (DoDEA): "Readying Radford Complex Students for their Future" (CFDA# 12.556)—Radford Complex (\$1,798,910, awarded)
5. PL 107-279 II Educational Technical Assistance Act of 2002 (ACT): "Statewide Longitudinal Data Systems" (CFDA# 84.372A)—Office of Strategy, Innovation, and Performance (OSIP) (\$1,399,217 awarded)
6. A Safe & Drug-Free Schools & Communities Act: "Safe and Drug-Free Schools and Communities" (CFDA# 84.184A)—Office of Curriculum, Instruction, and Student Support (OCISS) (\$1,217,802 awarded)
7. U.S. Department of the Interior-Office of Insular Affairs: "2016 State of Hawai'i Compact of Free Association Grant" (CFDA# 15.875)—State Procurement Office (\$1,276,000 awarded)

8. Higher Education Act of 1965: "Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) (CFDA# 84.334A)—Nānākuli-Wai'anae Complex Area (\$205,788 awarded)
9. DoDEA Military-Connected Local Educational Agencies for Academic and Support Programs (MCASP): "Mālama Pono: Cultivating Reading Achievement for All Students"—Campbell Complex (\$749,745 requested)
10. DoDEA MCASP: "Moanalua Complex Project Lead the Way" (CFDA# 12.556)—Moanalua Complex (\$1,500,000 requested, \$1,500,000, awarded)
11. DoDEA MCASP: "Achieving Excellence Through STEM"—Leilehua Complex (\$1,384,886 requested)
12. Advanced Placement Program: AP Test Fee Program—OCISS/Student Support Branch/Extended Learning Opportunities and Student Support (\$117,904 requested)
13. U.S. Department of Health and Human Services, Centers for Disease Control and Prevention (CDC): "Promoting Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance, National Center for HIV/AIDS, Viral Hepatitis, STD, and TB Prevention, Division of Adolescent and School Health"—OCISS (\$65,000 requested)
14. U.S. Department of Health and Human Services: "Project HI AWARE" (CFDA# 93.243)—OCISS (\$9,741,450 awarded)
15. Hawai'i Department of Human Services, Division of Vocational Rehabilitation (SE-VR): "Special Education-Vocational Rehabilitation Work-Study Program for School Year 2016-2017" (CFDA# 84.126A)—OCISS (\$228,335 awarded)

Non-federal Grant Application Assistance

16. Kellogg Foundation Letter of Inquiry—Kaimukī-McKinley-Roosevelt Complex to develop a 3D animated math lessons to improve math outcomes for students identified as English Language Learners (ELL) (\$7,000,000 requested)
17. The Center for Innovation in Education and Next Generation Learning Challenges (NGLC): "HĀ Assessment for Learning Project"—Office of Hawaiian Education (OHE) to support educators to rethink the core role(s) that assessment can play to support student attainment of deeper learning (\$222,000 requested, \$199,800 awarded)
18. SAMHSA Continuation 2016: Project HI AWARE—OCISS (\$1,948,290 requested)
19. Hewlett Foundation: "Implementation of Formative Assessment Rubrics, Reflection Observation Protocol"—OCISS (\$192,120 requested)

(2) HIDOE Grants Management System (GMS):

- For the first half of FY 2016, the online GMS consisting of the public website and the internal project site provided a searchable database of vetted funding opportunities and grant writing resources, documentation, tutorials, and relevant links updated daily. The GMS also served as HIDOE's single point of contact for federal and nonfederal grant submissions. In February 2016, the resources from the online GMS migrated to a new intranet site on the OSIP page.
- The GMT acted as HIDOE's Authorized Organizational Representative (AOR) for the purpose of submitting federal grants through the Grants.gov portal. As HIDOE's AOR, the GMT reviewed grant applications for inclusion of allowable indirect costs and to ensure appropriate Department approvals.
- In addition, the GMT regularly communicated with the Communications and Community Affairs Office to alert HIDOE staff to contests, scholarships, professional development, and other grant opportunities through the searchable databases on HIDOE main Website and postings on social media.
- The GMT also provided support to HIDOE partnerships with institutions of higher education and nonprofits whose grant awards benefit HIDOE.

(3) Capacity Building Grant Program

The purpose of the Capacity Building Grant (CBG) Program is to support grant-writing efforts by HIDOE teachers and administrators. There are several categories of CBGs.

1. Grant awards up to \$1,000 are allocated at the school level for grant writing assistance by competitive application to defray grant writing costs, i.e., hiring substitute teachers, printing, postage, travel, hiring consultants, coordination of a writing team, or grant writer training, and must culminate in a written and submitted grant proposal that has been accepted by the funder.
2. The Complex Area Grant Writer Pilot project aims to increase funding opportunities at the local level. Grant awards were allocated to the Campbell-Kapolei Complex (\$65,000), the Pearl-City-Waipahu Complex (\$16,500), and the Leilehua-Mililani-Waialua Complex (\$58,703). These funds enabled each complex to contract with individuals to support grant writing to pursue targeted opportunities to meet identified complex level needs. The GMT provided ongoing technical assistance.

Complex Area grant writers submitted multiple grant applications to local foundations and businesses. They also provided research support for Complex Area Superintendents to meet with prospective donors.

(4) Outreach

The GMT worked to build collaborative relationships within HIDOE and with the nonprofit community and other state agencies to identify funding opportunities that are consistent with HIDOE's goals. Efforts were made to build awareness of the resources available to support grants and the technical assistance with grant applications. The GMT provided responses to requests from community organizations and HIDOE staff for information on partnerships, funding opportunities, general questions about grant reporting and management issues.

Future Capacity:

The Revolving Fund initiatives effectively increased grant search and development efforts during FY 2016. However, during FY 2017, efforts decreased due to diminishing funds and lack of sustainability of the Revolving Fund. At present, there is no GMT, and the capacity to support school, complex, and state level grants submission is limited to a single person who, on an ad hoc basis, submits federal grants and allocates available funds to provide grant writing assistance to Complex Areas, schools, and HIDOE state offices.

Funding has been requested through a legislative request starting in FY 2017 to sustainably fund the positions in DGA that were previously funded by this Revolving Fund that supported reporting on grant projects through data verification, validation, and analysis. An unbudgeted needs request has been made to fund positions in MAC that were previously funded by this Revolving Fund. These positions monitor grant execution, ensure compliance with grant requirements, and audit grant expenditures in support of the HIDOE Strategic Plan Goals and Objectives.

HIDOE has identified the need to strengthen communication, coordination, administration, allocation, reporting, and compliance monitoring of federal grant funds, but currently lacks the resources to do so.

HIDOE will explore opportunities for funding to build our capacity to:

- Provide technical assistance to increase HIDOE's capacity to seek, secure, monitor, and administer grant funds.
- Enhance the federal funds monitoring tools and fiscal reports.
- Develop tools and offer training opportunities for staff to enhance appropriate and timely expenditure of federal funds, maximize resources, minimize lapsed funds, and ensure programmatic and fiscal compliance.
- Increase awareness of external grant opportunities and GMT tools and resources.
- Increase outreach activities in order to build strategic relationships with the funding community, nonprofits, and other state agencies.

- Streamline access to HIDOE data, research, evaluation, and FERPA compliance information essential to proposal development and project implementation.

However, funding OSIP's PIPE and DGA branches is critical to maintaining and developing these capacities.