



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

OFFICE OF THE SUPERINTENDENT

September 30, 2010

Ms. Kate Stanley, Chair  
Legislative Federal Economic Stimulus  
Program Oversight Commission  
Hawaii State Capitol  
415 S. Beretania Street, Room 206  
Honolulu, HI 96813

Dear Ms. Stanley:

Re: Presentation to the Commission on October 12, 2010

This responds to your letter of September 14, 2010, requesting an update to the status and progress of the projects in the Department of Education tied to federal stimulus funds (ARRA). The specific project information is enclosed. Please note that third quarter figures should be available in time for the October 12 presentation.

Overall, significant progress has been made since we briefed the Commission on December 22, 2009. A noteworthy accomplishment in the ARRA arena was Hawaii's successful application for funds provided through the highly competitive Race to the Top program.

As has been widely publicized, Hawaii's application was scored third highest among the ten winners of Phase 2 of this competition, and positions us to receive up to \$75 million. As documented in our application, Hawaii's educational reform agenda is a culmination of innumerable hours of work by dozens of people from various stakeholder groups. We were fortunate to be able to garner a wide support base, and plan to draw on that support as we move forward in implementing our many exciting plans and programs.

In addition, we received word last Friday, September 24, that Hawaii is being awarded \$11 million under the School Improvement Grant program. Our application has been in process for many months; we are very pleased to receive it in a time and manner that will allow us to use the funds in concert with the Race to the Top efforts for our "Zones" concept for struggling schools.

Ms. Kate Stanley, Chair  
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Please let me know if any further information is needed before the October 12 appointment. I look forward to meeting with the Commission to elaborate on our submissions and engage in discussion on the scope and details of these grants.

Very truly yours,

A handwritten signature in black ink, appearing to read 'KSM' followed by a stylized flourish.

Kathryn S. Matayoshi  
Superintendent

KSM:itk

Enclosure

cc: Robert E. Campbell, Ph.D, Executive Assistant  
Constance Hassell, ARRA Director

DEPARTMENT OF EDUCATION  
PROJECT DESCRIPTIONS

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## DEPARTMENT OF EDUCATION

### PROJECT DESCRIPTIONS

Note: Items c (loss or failure to secure grants) and d (whether funds have been returned to the federal government) are not applicable to programs 1-10. Competitive grants in which the Department was not successful are described after programs 1-10, at page 11.

1. Program: **State Fiscal Stabilization Fund, Part A-Education Stabilization Fund**

Award: \$110,449,943 (Public Charter Schools are included)

Contact: Robert Campbell

a. brief project description

The State Fiscal Stabilization Fund (SFSF) Part A provides funds directly to governors to help save jobs and drive educational reform. The DOE plan is to apply the majority of its allocation (93.4%) of the SFSF Part A funds to teacher salaries.

b. amount of funds secured/encumbered/expended to date for DOE schools

SFSF, Part A funds are awarded in two phases by the US Department of Education. For Phase I, each state received two thirds of its total award. Phase II required a second application for the remaining third of the award.

- i. In FY2009-10, the DOE requested Budget and Finance to draw down \$44,180,359 of the \$52,458,180 authorized by the Governor for the previous fiscal year, planning to carry over the balance for use in FY2010-11. By memorandum dated May 28, 2010, the Governor authorized the carryover pursuant to the DOE plan.
- ii. In FY 2010-11, the DOE will request draw down of \$53,736,001 for teacher salary costs (\$52,458,180 authorized for this fiscal year, plus \$1,277,821 of the balance from FY2009-10).
- iii. The remainder of the balance from FY2009-10, \$7,000,000, will be used for educational data reporting projects pursuant to the SFSF Phase 2 application and for other related DOE reforms. For example, \$250,000 will be used in FY2010-11 to develop an infrastructure to implement training programs in the two Zones of Innovation (a Race to the Top grant initiative) to enable educators to analyze and interpret data to drive quality instruction.

2. Program: **State Fiscal Stabilization Fund, Part B-Government Services Fund**

Award: \$34,976,427, distributed as determined by the Governor of the State of Hawaii

Contact: Robert Campbell

a. brief project description

The SFSF Part B funds are awarded at the Governor's discretion. Funds can be used for all ARRA efforts in the state, not just those in the field of education.

In SY2009-10, the Governor authorized \$5,690,616 of these funds to be directed, via DOE, to the public charter schools.

For SY2010-11, the Governor has authorized \$6,257,309 to be directed, via DOE, to the public charter schools (of which \$1,635,000 has already been transferred).

b. amount of funds secured/encumbered/expended by DOE

These funds are coordinated through the Governor's Office on a reimbursement basis. To date, the Governor has authorized \$4,489,400 in Part B funds for the following projects to be shown as DOE expenditures (authorizing memoranda dates in parentheses):

- i. \$298,400 for the International Baccalaureate Program at Kaiser High School (March 23, 2010)
- ii. \$1,900,000 for the operations of the Creativity Academies, pursuant to an agreement between the Hawaii State Department of Business Economic Development and Tourism, the University of Hawaii, and the Department of Education (April 3, 2010; amended on April 13, 2010, and August 26, 2010)
- iii. \$750,000 for operations of the Hawaii State Science and Engineering Fair Operations (\$425,000), the Challenger Center Hawaii at Barbers Point Elementary School (\$250,000), and the Ellison Onizuka Space Center at the Kona Airport, Island of Hawaii (\$75,000) (May 4, 2010; amended May 17, 2010, and July 21, 2010)
- iv. \$250,000 as matching funds for use at Aiea Intermediate School to implement the STEM Signature School program (August 31, 2010)

- v. \$500,000 for the use of the Office of the Principal, Waipahu High School, for purchases of supplies, equipment, instructional materials, professional development services and other materials for the Waipahu HiEST Academy\* (September 210, 2010)
- vi. \$454,300 for the use of the Office of the Principal, Waialua High School, for purchases of supplies, equipment, instructional materials, professional development services and other materials for the Waialua HiEST Academy\* (September 20, 2010)
- vii. \$250,000 for the use of the Office of the Principal, James Campbell High School, for purchase of supplies, equipment, instructional materials, professional development services and other materials for the James Campbell High School HiEST Academy\* (September 22, 2010)
- viii. \$86,700 for the use of the Office of the Principal, Baldwin High School, for purchases of supplies, equipment, instructional materials, professional development services and other materials for the Baldwin HiEST Academy\* (September 28, 2010)

It is anticipated that a total of approximately \$3 million will be authorized for the Hi-EST Academies.\* Therefore, there will likely be updates in this area at the October 12, 2010 briefing.

\*The Hawai'i Excellence through Science and Technology (HiEST) Academy is part of a comprehensive state initiative to engage more students in school-based activities and programs that are designed to improve their mathematics and science skills. The purpose of the HiEST Academy is to increase the readiness and motivation of Hawai'i high school graduates to pursue postsecondary training and career options in STEM and STEM-related disciplines.

3. Program: **Title I Recovery Act-Education for the Disadvantaged**

Award: \$33,171,874

Contact: Robert Campbell

a. brief project description

ARRA provided additional Fiscal Year (FY) 2009 Title I, Part A funds to local education agencies (LEAs) for schools that have high concentrations of students from families that live in poverty in order to help improve teaching and learning for students most at risk of failing to meet state academic achievement standards. The use of these funds must meet established Title I, Part A regulations and allowable costs.

A significant amount of funds were immediately determined to be appropriate for Extended Learning Opportunities (ELO) to cover payroll expenses. These services are offered both after school and other non-school hour time periods such as “intersession.” The DOE has determined to spread the benefits of these funds over the entire grant period in order to ensure funding support to activities designed to improve achievement of economically disadvantaged students.

Other uses of the funds include Title I administration, Professional Development, Partnership with Parents, School Improvement, and private school partners.

- b. amount of funds secured/encumbered/expended to date
  - i. \$14,435,266 have been allocated for Extended Learning Opportunities (ELO). Of this amount, \$5,051,225 remain to be expended. These funds will support schools in providing ELO to economically disadvantaged students over fall, winter, and spring intersessions during SY2010-11. These funds will also support ELO for students during summer 2011.
  - ii. For Title I administration, \$100,000 have been allocated but not yet expended. These funds, as required in the regulations, will be used to support the aggregation of ARRA Title I data for required federal reports (Section 1512). The workload associated with the increase in other federal funds will require additional staffing. These funds have been held to cover this contingency.
  - iii. For Professional Development, \$3,317,447 have been allocated but not yet expended. These funds must be used to provide professional development to Title I eligible schools beyond that provided with general funds to all schools. These funds have been held in anticipation of professional development needs necessitated by the adoption of the Common Core State Standards, the roll-out of the Data for School Improvement, and School Dashboards. These funds will provide additional professional development to Title I schools beyond that provided with other federal or general funds.
  - iv. For Parent Participation, \$16,587 have been allocated but not yet expended. The DOE is currently conducting research into more effectively engaging parents and community partners. These funds will be used to fund the implementation of parent participation activities recommended by the research to augment school-specific plans funded with non-ARRA Title I funds.
  - v. For School Improvement, \$1,326,979 have been allocated but not yet expended. These funds have been held in abeyance until the final approval of the ARRA School Improvement Grant and Race to the Top grant application. The intention is to provide support to those Title I

schools in need of improvement that will not receive funds via ARRA School Improvement Grant or Race to the Top funding due to geographic or other limitations on the use of those funds.

- vi. Indirect costs have been allocated and expended in the amount of \$563,966.
- vii. For Private School Partners, \$158,341 have been allocated but not yet expended. These funds will be made available to private school partners wishing to access funds during the current school year and summer 2011.

The remaining approximately \$13 million in unallocated funds are being planned for allocation to various complex areas for use in their Title I schools, contingent upon specific plans submitted that detail the effect use of funds will have upon student achievement and growth in the appropriate subgroup.

4. Program: **Individuals with Disabilities Education Act (IDEA)**

Award: \$39,925,269

Contact: Robert Campbell

a. brief project description

This program is intended to provide contracted special education services to disabled students. Funds were appropriated as a formula/block grant. Half of the funds have been used to pay for autism spectrum disorder and school based behavioral health services for eligible students. These funds must be used in accordance with IDEA regulations and allowable costs.

b. amount of funds secured/encumbered/expended to date

\$5,010,102 remain to be allocated

- i. \$19,962,625 have been allocated and expended for services for eligible students as noted in (a) above during SY2009-10.
- ii. \$100,000 have been allocated but not yet expended for IDEA administration. These funds, as required in the regulations, will be used to support the aggregation of ARRA IDEA data for required federal reports (Section 1512). The workload associated with the increase in other federal funds will require additional staffing. These funds have been held to cover this contingency



- iii. For Private School Partners, \$191,464 have been allocated but not yet expended. These funds will be expended based on requests by private school partners to the Office of Curriculum, Instruction, and Student Support, Special Education Section. Requests to this office have not yet reached the total of funds of existing non-ARRA IDEA funds also set aside for this purpose. Starting in January, 2011, any private school partner request for services will be funded with the ARRA funds so that other IDEA set-aside funds can be rolled to the following year.
- iv. For Response to Intervention (RTI), \$5,500,000 have been allocated, of which \$5,374,073 have yet to be expended. This expenditure rate was anticipated as the initial activity in this project was to establish a stakeholder group that would direct future expenditures necessary to develop and implement a system-wide RTI. Funds have been allocated to establish a RTI resource teacher in each complex area, to pay for universal screening tools available to all public schools (DOE and charter), and to training school staff.
- v. For computers for special education students, \$4,200,200 have been allocated, of which \$1,932,564 have yet to be expended. The final invoices for this project have not yet been processed. Any remaining funds will be reallocated to complex areas to provide direct support to eligible students in schools.
- vi. \$3,900,000 have been allocated and expended for teacher supplies. In previous years, this was a general fund expenditure. Necessary budget cuts required the DOE to use these funds to meet this obligation, partially mitigating the need to make cuts in positions serving eligible students.

5. Program: **State Education Technology Grant**

Award: \$3,209,375

Contact: Robert Campbell

a. brief project description

These grants are provided to states following a formula. The primary goal of the Education Technology grants program is to improve student academic achievement through the use of technology in schools. It is also designed to help ensure that every student is technologically literate by the end of the eighth grade, and to encourage the effective integration of technology with teacher training and curriculum development.

These funds are being used to develop and deploy an instructional technology system that will allow students and teachers to use technology for standards-based instruction and assessment that will provide real-time feedback regarding student progress in achieving those standards. The Data for School Improvement system is now available in English language arts and mathematics in grades 3-8 and 10 in DOE schools and most charter schools, with the rest soon to follow.

b. amount of funds secured/encumbered/expended to date

- i. LEA activities have been allocated \$2,994,347, of which \$387,042 remain to be expended. The remaining funds will be used to provide follow-up on professional development.
- ii. \$215,028 have been allocated for SEA activities, of which \$115,789 remain to be expended. A portion of these funds is being made available to private school partners wishing to improve student achievement through technology.

6. Program: **Special Education Preschool**

Award: \$1,061,069

Contact: Robert Campbell

a. brief project description

Funds are distributed to eligible entities through a formula based on general population and poverty. This program provides grants to states, the District of Columbia, and Puerto Rico to make special education and related services available to children, ages 3 through 5, with disabilities.

Funds under this program are used to make special education and related services available to 3- through 5-year-old children with disabilities and, at a state's discretion, to 2-year-old children with disabilities who will reach age 3 during the school year. Permitted expenditures include the salaries of special education teachers and costs associated with related services, including, but not limited to, speech-language pathology services, physical and occupational therapy, psychological services, parent counseling and training, and social work services in schools.

b. amount of funds secured/encumbered/expended to date

Of the \$1,061,069 which have been allocated for IDEA preschool, \$149,295 have not yet been expended. These funds were made available during the current school year; the expenditure rate is as anticipated.

7. Program: **ARRA Education for the Homeless**

Award: \$175,966

Contact: Lisa DeLong

a. brief project description

These funds are being used to provide focused extended learning opportunities to struggling Free and Reduced Lunch eligible students within the DOE who attend selected Title I schools and who are living in homeless shelters. The primary intent of the program is to provide extended learning opportunities to students living in two Maili (a community on Leeward Oahu) homeless shelters and who are struggling to demonstrate grade level proficiency in English Language Arts and/or Mathematics as measured by the Hawaii State Assessment (HSA). The second objective of the program is to provide a stimulus to the local economy by increasing the number of persons employed during the summer that might well not be employed otherwise.

b. amount of funds secured/encumbered/expended to date

To date, \$113,163 have been expended.

8. Program: **Child Nutrition Program**

Award: \$348,600

Contact: Susan Uyehara

a. brief project description

Funds were awarded as a competitive grant, and were to be used to assist in the purchase of equipment for School Food Authorities (SFAs) participating in the National School Lunch Program. Priority was given to SGSs for equipment in schools in which at least 50 percent of the students were eligible for free or reduced-price meals. Other focus areas of the grant included: improving the quality of school food service meals to meet the dietary guidelines; improving the safety of food served in the school meal programs, improving the overall efficiency of the school food operations, and supporting the expansion of participation in the school meal program.

b. amount of funds secured/encumbered/expended to date

As of June 30, 2010, all grant funds had been committed, with \$274,427 expended.

9. Program: **School Improvement Grant**

Award: \$465,642

Contact: Geriann Hong

a. brief project description

School Improvement Grants (SIG grants) under section 1003(g) of the ESEA are used to improve student achievement in Title I schools identified for improvement, corrective action, or restructuring so as to enable those schools to make adequate yearly progress (AYP) and exit improvement status. The specific schools have been identified. The plans for these schools and other schools in their complexes have been designated as “priority schools” in Hawaii’s Race to the Top, Round 2 application. The final approval of the ARRA SIG grant application was just received in September, 2010. Expenditure of these funds was held until the final grant was approved pending changes to the planned use of the funds.

b. amount of funds secured/encumbered/expended to date

The approved plan allows the DOE to expend these funds over a two-year period ending September, 2012. Execution of this plan has begun with non-cost items. Expenditures will begin shortly now that the grant award has been received from the US Department of Education.

10. Program: **Race to the Top**

Award: \$75 million

Contact: Robert Campbell

a. brief project description

Race to the Top is a competitive grant program. The program is designed to encourage and reward states that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement; closing achievement gaps; improving high school graduation rates, and ensuring student preparation for success in college and careers; and implementing ambitious plans in four (4) core education reform areas:

- Adopting standards and assessments that prepare students to succeed in college and the workplace and to compete in the global economy;
- Building data systems that measure student growth and success, and inform teachers and principals about how they can improve instruction;
- Recruiting, developing, rewarding and retaining effective teachers and principals, especially where they are needed the most; and
- Turning around our lowest-achieving schools.

b. amount of funds secured/encumbered/expended to date

No funds have been expended. HIDOE leadership met with US Department of Education in Washington, DC on September 16, 2010 to finalize the budget and reporting requirements. More information will be available at the briefing on October 12, 2010.

## UNSUCCESSFUL GRANT APPLICATIONS

The DOE was unsuccessful in its application for two sources of ARRA funds. These are:

1. Statewide Longitudinal Data System Recovery Act Grant

In November, 2009, the DOE applied for an \$11,945,285 competitive ARRA grant to develop a statewide longitudinal data system linking the DOE's K-12 data systems with early learning, postsecondary education, workforce social services, and other critical state agency data systems. The purpose of this system was to inform a wide range of policy- and decision -making questions addressing the educational and workforce outcomes of Hawaii's citizens, and to meet cross agency reporting requirements.

Twenty states were awarded grants. Hawaii's application was ranked 29<sup>th</sup>.

2. Investing in Innovation (i-3) Grants

These grants support local efforts to start or expand research-based innovative programs that help close achievement gap and improve outcomes for high-need students. The competition was open to school districts as well as non-profit organizations and institutions of higher learning working in partnership with public schools. Applicants were required to demonstrate their previous success in closing achievement gaps, improving student progress towards proficiency, increasing graduation rates, or recruiting and retaining high-quality teachers and

principals. To receive a share of the \$650 million in i-3 grants, the winning applicants must secure a commitment for a 20% match by the private sector.

Forty nine winners were selected from the nearly 1700 applications Of the 11 applications from Hawaii, three were from the DOE. They were titled:

1) *Increasing Student Achievement Through Analyzing Student Data*; 2) *Hawaii -Department of Education Advanced Placement Initiative*; and 3) *21<sup>st</sup> Century Teaching and Learning: High Tech Math Project*.

According to the US Department of Education, the administration has requested an additional \$500 million in funding for this program in FY 2011.