



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY SECRETARY

December 21, 2011

The Honorable Neil Abercrombie
Office of the Governor
State Capitol, Executive Chambers
Honolulu, Hawaii 96813

Dear Governor Abercrombie:

I am writing with respect to Hawaii's performance against its approved Race to the Top grant project, and in response to Hawaii's request to amend its Race to the Top plan. After careful review of Hawaii's requests for amendments, we are only approving certain amendments at this time. We are not approving other proposed amendments at this time because they potentially represent significant changes in the State's approved plan. In addition, because of Hawaii's unsatisfactory performance during the first fourteen months of the grant, we are placing Hawaii's Race to the Top grant on high-risk status.

As you are aware, the U.S. Department of Education (Department) has the authority to approve amendments to a State's plan and budget, provided that such changes do not alter the scope or objectives of the approved proposal. On October 4, 2011, the Department sent a letter and revised "Grant Amendment Submission Process" document to Governors of grantee States indicating the process by which amendments would be reviewed and approved or denied. To determine whether amendments can be approved, the Department applies the conditions noted in the document, and compares each amendment request with the Race to the Top program *Principles*, which are also included in that document.

Approved Amendments and Conditions

Between July 22, 2011 and December 16, 2011, Hawaii submitted amendment requests to the Department for all projects in their Race to the Top plan. At this time, the amendments described below and in the attached table are approved based on the State's compliance with the conditions outlined in this letter.

- For the Alternative Certification of Teachers project, shift the timeline by one year from June 2011 to June 2012. By State law, the Hawaii Teacher Standards Board (HTSB) is responsible for the approval of teacher education programs. The HTSB recently changed the definition of "alternative routes," which impacted the State's ability to implement their plan. HIDOE recently became aware that at least one provider will be approved by

the end of January 2012 to provide alternative route programs that align with HTSB's new definition. In January 2012, the State will begin crafting eligibility criteria for a Request for Proposals (RFP) to fund one program that will meet HTSB's definition of an alternative route provider by spring 2012 for program implementation in June 2012. Given the delays to date, the State will ask the provider to serve at least 66 candidates per year over two years, rather than 44 candidates per year over three years, to meet the original target of 132 teachers. Year 2 funds are reallocated evenly to years 3 and 4.

- For the Alternative Certification of Principals project, shift the timeline for implementation of the residency-based program to attract non-traditional school administrators to the profession from April 2011 to September 2012. In June 2011, the Hawaii legislature passed Act 75, which provided additional flexibility to the Hawaii Department of Education (HIDOE) to implement an alternative certification of principals program. Development of the Hawaii Administrative Rules associated with Act 75 to enable alternative certification is shifted from August 2011 to March 2012. The development of an RFP to fund a provider to implement an alternative certification program for principals and vice principals is shifted from January 2011 to April 2012. The State has committed to preparing 24 candidates through this program, rather than 36 candidates as originally proposed. The State has reduced the budget in half, to a total of \$720,000, due to updated cost estimates and fewer candidates. The budget is reallocated evenly to years 3 and 4, rather than years 2-4.
- For the Knowledge Transfer System/Professional Development Framework project:
 - 1) Shift the end date for developing the professional development plan from May 2011 to June 2012 and the directive on required use of the Knowledge Transfer System from July 2011 to July 2012. All related activities are also shifted in accordance with this timeline.
 - 2) Shift end dates for contracts related to developing PDE3 system features to track professional development and developing online professional development resources and learning communities from October and July 2011, and to October and November 2012, respectively.
 - 3) Shift \$750,000 in year 1 contractual funds to years 2 -4. The revised budget includes \$700,000 in year 2 (from \$500,000), \$700,000 in year 3 (from \$450,000), and \$600,000 in year 4 (from \$300,000). The overall project budget remains the same.

The approval of the amendments described above is conditioned on the following actions:

- 1) By January 30, 2012, the State must submit an updated scope of work with significant monthly milestones over the next 12 months that establishes a timeframe to ensure the State is able to fully implement the projects listed above within the grant period. In addition, the State must submit a complete, revised budget that reflects changes resulting from all approved amendments.
- 2) The State must provide monthly updates in accordance with the identified milestones so that the Department can determine if the State is making adequate progress. In addition to the projects listed above, the State must submit monthly updates on implementation progress for all projects that are over one-year delayed. These projects are: Interim Assessments (approved on November 8, 2011), End-of-Course Assessments (approved on November 8, 2011), Aligned Planning (Balanced Scorecard), Video-conferencing and

E-Course Technology deliverables (in the Equity Plan/Recruitment and Placement project), and HIDOE Assistance and Oversight (approved in this letter).

Amendments Not Approved

At this time, the Department is not approving the amendment requests for the projects listed below. According to the State's Race to the Top team, the reasons for these amendment requests vary. The State reported that it struggled to fill vacancies on the HIDOE leadership team, which resulted in slow progress and many missed milestones in year 1. Other delays have resulted from the State not having proper authority to carry out its plan, which required new legislation or regulations. These amendment requests potentially represent significant changes in strategy, timelines, and budgets to the State's approved plans:

- Induction and Mentoring
- Pre-kindergarten Initiatives (new activities)
- Turnaround Leadership Program (new project)
- Aligned Planning (removal of Project Management Oversight Committees at the Complex Area and school-level)

In addition to reasons outlined above, ongoing delays in finalizing master and supplemental contracts between the Hawaii State Teachers Association (HSTA) and the State have impacted the State's ability to make progress against its scope of work. Specifically, these delays have affected most projects in the Great Teachers and Great Leaders reform area and in the Zones of School Innovation (ZSI), where the State committed to implement and pilot many Race to the Top initiatives. It is our understanding that without a revised contract, the State cannot fully implement many initiatives in its approved Race to the Top plans, including:

- Performance-based Compensation System
- Evaluation Systems
- Equity Plan/Recruitment and Placement

High-risk Status

The Department is placing Hawaii's Race to the Top grant on high-risk status under 34 CFR 80.12. The State has not demonstrated adequate progress implementing its approved plans in the first year of the grant as evidenced by the Department's on-site program review in June 2011, monthly reports, and the proposed revised Scope of Work the State submitted in conjunction with their proposed amendments. The Department is concerned about the State's ability to fulfill its commitments within the grant period. In addition, the Department has determined that the scope and breadth of the amendments submitted by the State may constitute a significant change in the State's approved plans.

As a condition of being designated a high-risk grantee, the State will be placed on cost reimbursement basis effective immediately. Under a cost reimbursement payment basis, the grantee is required to submit receipts for expenditures to the Department for approval prior to drawing down any grant funds. In addition, the State must notify the Department prior to obligating funds and must provide documentation to ensure alignment with its approved plan, as requested. Please note that failure to comply with the high-risk conditions may constitute a

material failure to comply with the requirements of the grant. If the grantee disagrees with the high-risk designation, it may request reconsideration by the Implementation and Support Unit.

Moreover, the Department will conduct an extensive on-site review of Hawaii's Race to the Top program. During the on-site review, the State must provide clear and compelling evidence that demonstrates that it has made substantial progress across its Race to the Top plan. In addition, during the on-site review, the State must provide additional context related to the outstanding amendments listed above. The Department may ask for additional documentation and evidence beyond what is required in a typical on-site review, given the high-risk status of the grant.

After the on-site review, the Department will reevaluate the outstanding amendments and high-risk designation.

Finally, the State recently submitted additional amendments for the following projects that are under Department consideration: Science, Technology, Engineering, and Math (STEM) Learning Strategy and Network; Community Access Portal; Hawaii Partnership for Educational Research Consortium (HPERC); Improving the Effectiveness of Teacher Preparation Programs; HIDEOE Assistance and Oversight (submitted December 14, 2011); and the Professional Development Design Framework deliverables in the Knowledge Transfer System/Professional Development Framework project.

The Department will continue to provide assistance to Hawaii as you work to meet the commitments in your Race to the Top grant. We appreciate the increased communication from the new HIDEOE leadership team. If you need any assistance or have any questions regarding Race to the Top, please do not hesitate to contact me. As is our practice with all Race to the Top amendments, this letter will be posted on the Department's website.

Sincerely,

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Ann Whalen
Director, Policy and Program Implementation
Implementation and Support Unit

cc: Superintendent Kathryn Matayoshi
Tammi Chun
Stephen Schatz

Attachment

Appendix 1: Timeline and budget adjustments

Reform Area	Project	Description of change
A. State Success Factors	Reorganization of Offices	Shift the end date by approximately one year to December 2011. The State reports that the timelines are being extended to include critical steps and actions not articulated in the approved scope of work that were identified during implementation.
A. State Success Factors	Accountability Framework	(1) Shorten the project to three years, rather than four years, and shift the start date for procuring and selecting an external vendor five months later than originally planned, to October 2011. (2) Change the name of this project to Race to the Top External Evaluation, for accuracy. (3) Shift the \$2 million budget to years 2 (\$1,353,686) and 3 (\$646,314), rather than split evenly across four years. (4) Allocate \$10,000 of Year 1 savings to certify HIDEOE personnel as project management professionals.
A. State Success Factors	Aligned Planning	Shift the end date for the completion of the Balanced Scorecard by ten months to November 2011.
A. State Success Factors	Federal Programs Alignment	Shift timelines for initial activities from January 2010 to January 2011. This results in delays of two–six for subsequent implementation activities. The State reports that they spent additional time collaborating between offices within HIDEOE. There are no Race to the Top funds associated with this project.
B. Standards and Assessments	Continuum of Proactive Student Supports for Early Intervention & Prevention	Shift end dates by approximately six months, from July 2011 to November-December 2011, to develop training materials and documentation and garner Complex Area Superintendent support. The State reports a delay because of a need for more time to develop training materials that are aligned with the Common Core State Standards elements.
C. Data Systems to Improve Instruction	Longitudinal Data System	Shift end date for training of new users by about one year, from June 2011 to May 2012. The State would like to combine the tasks related to training with those related to supporting new users. While some initial professional development has occurred, this timeline shift reflects continuous training and support for all users.

Reform Area	Project	Description of change
C. Data Systems to Improve Instruction	Infrastructure (Single Sign-On)	(1) Shift the selection of the vendor by eight months to October 2011, with a corresponding delay in contract finalization and implementation. (2) Shift all Year 1 funds (\$750,000) to Year 2. The overall project budget remains the same.
C. Data Systems to Improve Instruction	Network Work Plan	Shift the end date by one year for site survey and complete network system upgrade for Zones of School Innovation (ZSI) schools, from December 2010 to December 2011. Shift the end date by three years for site survey of all other schools, from June 2011 to June 2014. The State reports that it needed to restart the procurement process because of a concern about taking the project to scale.
D. Great Teachers and Great Leaders	Functional Data Analysis and Instructional Teams	Add additional travel funds for data coaches to provide professional development.
D. Great Teachers and Great Leaders	Measures of Student Learning	Use the Colorado residualized growth model, rather than the vertically-scaled Hawaii State Assessment, as stated in its application. The State reports that the vertically-scaled Hawaii State Assessments did not produce a reliable measure.
D. Great Teachers and Great Leaders	Observation Protocol	Allow the two ZSIs to select their own observation protocol. The State reports that other Complex Areas will not choose observation protocols as the pilot expands to include more Complex Areas and schools.
D. Great Teachers and Great Leaders	Video-conferencing and E-Course Technology deliverables (in the Equity Plan/Recruitment and Placement project)	(1) Shift the end date for completion of connectivity and technical capabilities and install pilot sites for interactive conferencing for teachers from November 2011 to June 2012. In addition, shift training and support on pedagogy of effective use from April 2011 to June 2012. (2) Shift \$2.95 million in equipment funds from year 1 to year 2. Reallocate \$500,000 in year 1 contractual funds to years 2, 3, and 4. The overall budget remains the same.
D. Great Teachers and Great Leaders	Budget items across Section D projects	(1) Remove one Personnel Specialist III position and add an additional Personnel Specialist II position. There will be four Personnel Specialist II positions, for a total of \$1,083,319. This is \$10,000 less than the original budget for Personnel Specialist II due to late hiring in year 1. (2) Add \$81,620 for travel from personnel savings in year 1 due to late hiring for travel by HIDOE staff to attend workshops related to Great Teachers and Leaders.

Reform Area	Project	Description of change
E. Turning Around Persistently Low-Achieving Schools	HIDOE Assistance and Oversight	(1) Shift the end date by two years for implementation of Hawaii Administrative Rules to enable school reconstitution. The legislation passed in June 2011. The State would like to convene a taskforce for public hearings and community approval. (2) Shift the end date for the development of a monitoring process as part of the Monitoring and Evaluation project by seven months, to January 2012, due to a delay in the Accountability Framework project. (3) Support personnel and fringe costs for 21 data coaches in the Zones of School Innovation (ZSI) in years 2 and 3 using \$3,282,225 in savings from pre-kindergarten subsidies that are now being supported with State funds. (4) Hire ZSI Student Success Coaches who will be responsible for assisting schools implement timely interventions for student's academic and on-academic needs. The State will use \$2,031,853 for personnel and fringe costs from savings from pre-kindergarten subsidies that are now being supported with State funds to support 18 Student Success Coaches in year 2 and 8 coaches in year 3. (5) Hire a ZSI Wraparound Services Coordinator who will be responsible for planning and coordinating services between HIDOE and other State agencies, non-profits, and foundations. The State will use \$335,424 for personnel and fringe costs from savings from late hiring in year 1. (6) Reallocate year 1 and reduce the year 2 "other" expenses for wraparound services. The year 2 budget is \$230,000 (from \$600,000) and the year 3 budget increases by \$141,104 to a total of \$1,341,104. The overall budget is reduced by \$328,896.