



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY SECRETARY

May 23, 2013

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

Dear Governor Abercrombie:

I am writing in response to Hawaii's request to amend its approved Race to the Top grant project. Between March 15, 2013 and May 14, 2013, the State submitted an amendment request to the U.S. Department of Education (Department). As you are aware, the Department has the authority to approve amendments to your plan and budget, provided that such a change does 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 approval could be granted, the Department has applied the conditions noted in the document, and compared it with the Race to the Top program *Principles*, which are also included in that document.

On December 21, 2011, the Department placed Hawaii's Race to the Top grant on high-risk status due to unsatisfactory performance in the first fourteen months of the grant. On February 8, 2013, the Department removed high-risk status from Assurance Areas B and C. The State remains on high-risk status for Assurance Areas A, D, E and STEM. Please note that the Department considers Hawaii's high-risk status when reviewing amendments, in addition to the principles mentioned above.

I approve the following amendments:

- In the Common Core State Standards (CCSS) budget, redirect a total of \$1,104,057 unspent Year 2 contractual funds available due to savings realized by the vendor contracted to write items for the State's Data for School Improvement (DSI) formative assessment bank. Funds will be redirected as follows:

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The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

- Shift \$300,000 to the Year 3 contractual budget to support the expansion of the DSI formative assessment item bank, and \$130,866 across Years 3 and 4 personnel budgets to contract with HODOE teachers to develop additional DSI items during summer 2013 and summer 2014.
 - Shift \$310,600 across the Years 3 and 4 budgets to support CCSS implementation and Continuum of Proactive Student Supports implementation. Funds will support a contract for professional development on Response to Intervention, development of CCSS training materials, stipends for educators attending CCSS trainings, supplies and associated indirect costs.
 - Shift \$362,591 to support the Complex Area Support Teams (CASTs) positions, described below.
- In the Data Governance budget, shift \$231,064 unspent Year 2 contractual funds due to cost savings to the Years 3 and 4 contractual budgets to expand existing longitudinal data system reports to display new sources of assessment data.
 - In the School Reform Administration budget, redirect a total of \$4,132,386 across the Year 3 and 4 budgets. Of this total, \$2,998,000 is available due to anticipated cost savings in Years 3 and 4 based on reduced academic achievement awards. In Year 3, the State made \$1 million in awards to schools that exited restructuring status or demonstrated substantial student growth. The State determined that this amount was appropriate for the purpose of the award given the size of school budgets, and thus has reserved \$1 million for Year 4 academic achievement awards. Of the remaining amount, \$1,435,922 is previously unallocated funding, \$365,320 is unused Year 2 funding, \$416,899 is anticipated cost savings in Years 3 and 4 based on updated estimates. This funding will be redirected within the School Reform Administration budget as follows:
 - Shift \$2,666,649 across the Year 3 and 4 personnel budgets to fund 18 Student Success Coaches and 21 data coaches. These coaches will support all schools in the Zone of School Innovation (ZSI), the Hawaii School for the Deaf and Blind and two charter schools.
 - Shift \$748,250 to Years 3 and 4 contractual budgets to fund a contract with a turnaround partner in one ZSI for Years 3 and 4 and continue an existing contract in the other ZSI in Year 4. The increased funds will allow for the Complex Area Superintendents of each ZSI to support principals and school leadership teams to review effectiveness of existing programs, implement data-driven targeted strategies and supports, and monitor implementation.
 - Shift \$283,561 across the Year 3 and 4 other budgets to cover student transportation costs associated with summer learning programs.
 - Shift \$433,926 across the Year 3 and 4 indirect cost budgets to cover indirect costs associated with the contracts described above.

- In the School Reform Administration budget, shift \$767,999 Year 3 contractual funds for wraparound services to the Year 4 contractual budget to reflect the accurate timeline for payments to contractors supporting the State's community schools model. The overall budget for this task remains unchanged.
- In the Common Core State Standards and Great Teachers Great Leaders budgets, redirect \$3,433,348 of anticipated Year 3 personnel and contractual cost savings from the State's Assurance A, B, and D budgets to create Complex Area Support Teams (CASTs) of resource teachers for each Complex Area. In response to the field, the State developed the CAST structure to provide each of the State's 15 Complex Areas with four dedicated resource teachers to support the transition to and implementation of 1) the CCSS, 2) STEM curriculum, 3) Complex Area-level induction and mentoring program, and 4) data analysis. In addition, the State will assign one full-time resource teacher to develop Complex Area-specific delivery plans, work with school and Complex Area staff to build capacity, and meet as a professional learning community on a quarterly basis with the State. The State will also have one State-level STEM resource teacher, one State-level data analysis resource teacher, and four State-level educational officers to support LEAs in the transition to and implementation of the State educator effectiveness system.

In SY 2013-2014, some of the CAST positions for each Complex Area are already part of the State's Race to the Top budget and some will be funded through Title II. The remaining positions will be supported with Race to the Top funding in SY 2013-2014 and through State Impact Aid resources in SY 2014-2015. The State reports it will reassess the need for the CAST structure after SY 2014-2015.

Funding for these positions are available based on several anticipated cost savings in Years 3 and 4. The State identified \$814,380 in savings across the Year 3 and 4 personnel and fringe allocations after making adjustments based on actual expenditures from Year 2 and staffing needs at this point in the grant period. In addition, the State no longer needs \$1.2 million budgeted for distance learning software and maintenance as the Hawaii Virtual Learning Network has funded the software and an existing contract can cover the equipment maintenance. The State also realized \$1.3 million in savings by converting several positions from twelve to ten month positions. Finally, the State will use \$362,591 available due to savings realized by the vendor contracted to write items for the DSI, described above. The total \$3,433,348 will be redirected as follows:

- In the Common Core State Standards budget, shift \$949,722 to personnel and fringe in Years 3 and 4 to support hiring 15 CCSS resource teachers, and \$1,013,037 to personnel and fringe in Years 3 and 4 to support hiring 16 STEM resource teachers.
- In the Great Teachers Great Leaders budget, shift \$520,867 to personnel and fringe in Years 3 and 4 to support hiring 4 educator effectiveness system educational officers, and \$949,722 to personnel and fringe in Years 3 and 4 to support hiring 15 induction and mentoring resource teachers.

It is our understanding that these amendments will not result in a change in your State's performance measures and outcomes, nor will they substantially change the scope and objectives of the work. Please note that this letter will be posted on the Department's website as a record of the amendment.

If you need any assistance or have any questions regarding Race to the Top, please do not hesitate to contact Hawaii's Race to the Top Program Officer, Rebecca Zazove, at 202-260-1425 or rebecca.zazove@ed.gov.

Sincerely,

//s//

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

cc: Superintendent Kathryn Matayoshi
Tammi Chun
Stephen Schatz