



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF THE DEPUTY SECRETARY

July 26, 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 May 14, 2013 and July 23, 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. At this time, 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 amendments described below and those described in the table *Appendix I: Approved amendments*.

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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.*

- In the Hawaii Department of Education (HIDOE) Assistance and Oversight project, revise the State's approach to providing Academic Achievement Awards to schools in order to align the rewards and criteria with Hawaii's approved Elementary and Secondary Education Act flexibility (ESEA flexibility) request.
  - Hawaii's Race to the Top application and approved Scope of Work described a commitment to provide Academic Achievement Awards to recognize and reward schools in restructuring who moved out of status with a one-time grant (\$50,000 for elementary schools and \$100,000 for secondary schools) that the school community can use to further their improvement efforts. HIDOE requested and on May 20, 2013 was approved for ESEA flexibility. Through its approved ESEA flexibility request, HIDOE outlined a revised accountability structure which distinguishes performance based on indicators of the Strive HI Index that measure achievement, growth, readiness, and achievement gaps. In this new structure, schools will be identified as a Recognition school based upon status as a high-performing school or high-progress school. Thus, the State will adjust its approach to its Academic Achievement Awards to support the top 5 percent of Recognition schools. Consistent with its approved ESEA flexibility request, the State will provide \$75,000-\$100,000 in Academic Achievement Awards to each high-performing Recognition school and \$10,000-\$25,000 in Academic Achievement Awards to each high-progress Recognition school. The award amounts for each category will depend on the breakdown between high-performing and high-progress schools; schools within each category will receive the same amount.
- In the Performance-Based Compensation System project, the State's Race to the Top application and approved Scope of Work indicated that the State would provide a \$3,000 bonus to teachers who choose to work in the ZSI beginning in SY 2010-2011. In SY 2011-2012 and SY 2012-2013, HIDOE provided teachers who transferred to hard-to-staff schools with a \$1,500 bonus each year. Per the ratified contract, the State will continue providing this \$1,500 bonus for SY 2013-2014 and SY 2014-2015, and increase the bonus to \$3,000 beginning in SY 2015-2016.
- In the HIDOE Assistance and Oversight project, the State will remove the 20 percent increase in salary for teachers in ZSI schools. The State's Race to the Top application and approved Scope of Work included a commitment to provide this salary increase for teachers in ZSI schools for becoming 12-month employees, beginning in school year (SY) 2011-2012. This commitment was described as a way for the State to incentivize educators to teach in the ZSI, as well as to account for the change of these employees from 10-month to 12-month employees. Based on the State's revised approach to extended learning opportunities in SY 2013-2014 (described below), data indicating the bonus did not incentivize additional educators to teach in the ZSI, and the fact that the ratified contract with HSTA for SYs 2013-2015 does not include salary increases for all educators in the ZSIs, the State proposes not providing increased salary for teachers in the ZSI starting in SY 2013-2014.

- In the STEM Learning Strategy and Network project, the State's Race to the Top application and approved Scope of Work included developing plans by December 2012 to offer additional compensation opportunities for effective teachers in mathematics and science to address demand in the labor market for those with a mathematics or science background. HIDOE analyzed recruitment and vacancy data and determined that there is an abundance of science and math applicants for each vacant position, allowing the State to be selective in offering positions to only the best candidates. For example, according to HIDOE, in SY 2012-2013 it received 287 applicants for 33 vacant mathematics positions, and 285 applicants for 21 science vacancies. In addition, the State has committed to tying compensation to effectiveness ratings as determined by the educator evaluation system, thereby incentivizing educators in all subjects to be effective. Thus, the State believes its current practices will be sufficient to incentivize effective STEM educators.
- In the Performance-Based Compensation System project, the State's Race to the Top application and approved Scope of Work included a \$10,000 incentive for highly effective principals who choose to work in the ZSI schools. The State will now reward the schools, rather than individual principals, using Academic Achievement Awards (described above). The State and HGEA, the principals' union, agree that this approach will be more effective in incentivizing effective leadership in schools and reward school leaders and teams that demonstrate large growth or high performance.

In addition, I approve the following amendments with the conditions described below:

- In the Evaluation Systems project, revise the State's approach to designing, piloting, and executing the educator effectiveness system (EES). The revisions and additional detail described below will not change the State's application commitment to have educators' EES ratings composed of two components: 50 percent based on student learning results and 50 percent based on teacher practice.
  - The State's Race to the Top application stated that the student learning results component for educators of mathematics, reading and science in grades 4 through 8 and 10 ("tested grades and subjects") would be composed only of Hawaii State Assessment (HSA) growth data. The State will now determine the student learning half of the evaluation for educators of tested grades and subjects using 50 percent Hawaii State Assessment (HSA) growth scores and 50 percent from the results of student learning objectives (SLO).
  - The State's Race to the Top application stated that the student learning results component for educators of non-tested grades and subjects would be composed of growth as measured by high school end-of-course exams for educators of Algebra II and biology and State-developed interim assessments for educators of all other grades and subjects. The State will now determine the student learning results component for educators of non-tested grades and subjects using 90 percent based on one SLO, and 10 percent based on the average school-wide HSA growth data for English language arts.

- With the ratified contract between HIDOE and the Hawaii State Teachers Association (HSTA), the State now has authority to fully implement a teacher evaluation system that includes all the elements included in the approved application. Thus, the Department updates its approval related to the State's use of funds for a contract to support the teacher evaluation system, described in the February 10, 2012 letter, to include use of these contracted funds to also support *implementation* of the teacher evaluation system.

Approval of these amendments is conditioned upon the State submitting updated school year 2013-2014 and 2014-2015 targets for its performance measures in sections (D)(2) and (D)(3). The State should submit these targets as soon as possible, but no later than October 4, 2013.

- In the HIDOE Assistance and Oversight project, revise the State's approach to providing extended learning time opportunities for students in the Zones of School Innovation (ZSI).
  - Hawaii's Race to the Top application and approved Scope of Work described an annual commitment to offer resources for ZSI schools to remediate students' learning gaps by providing extended learning time for students through before- and after-school, intersession, weekend, and summer remediation and enrichment programs. In SY 2012-2013, HIDOE entered into a one-year supplemental agreement with the HSTA to implement extended learning time programs for students to receive approximately 150 hours of instruction beyond the regular school day (one hour Monday through Thursday throughout the school year). The State conducted an analysis of SY 2012-2013 implementation and reported that extended learning opportunities were most effective when used as a targeted intervention for students who need additional quality time and focused remediation to bridge learning gaps. Based on these results and the fact that the SYs 2013-2015 contract with HSTA does not include extended learning time for all students, in SY 2013-2014 the State will target extended learning time opportunities only to those students that require additional time and supports that cannot be provided during the regular school day.

Approval of this amendment is conditioned upon the State conducting an analysis and submitting a report assessing the impact on students outcomes of school-wide extended learning time (conducted in SY 2012-2013) as compared to targeted extended learning time (to be conducted in SY 2013-2014). The State should submit this report no later than July 1, 2014.

In addition, Hawaii clarified its approach to and timeline for implementing aspects of its proposed compensation system. See *Appendix II: Clarifications* for more detail.

The Department remains concerned about the State's ability to fulfill several commitments in its Performance-Based Compensation System and Improving Effectiveness of Educator Preparation Programs projects within the grant period. The

Department expects to see evidence that these commitments have been met within the grant period or receive a no-cost extension request from the State for these activities.

It is our understanding that these amendments will not result in a change in your State's 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](mailto:rebecca.zazove@ed.gov).

Sincerely,

//s//

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

cc: Superintendent Kathryn Matayoshi  
Stephen Schatz

## Appendix I: Approved amendments

Grant area affected	Specific project	Description of change
Assurance area B	Common Core State Standards (CCSS) Implementation	The State planned to purchase common English language arts (ELA) and mathematics instructional materials by January 2013 for implementation in SY 2013-2014. In SY 2012-2013, HIDOE conducted two rounds of an instructional materials review for elementary, middle and secondary grade bands for ELA and mathematics curricula but was unable to recommend a CCSS-aligned mathematics curriculum for elementary, middle or secondary grade bands or an ELA curriculum for secondary grades. As a result, the State developed an alternate plan for ensuring educators have the resources they need to fully implement CCSS in SY 2013-2014. HIDOE will compile existing CCSS-aligned resources into grade-level folders for educators to access via the State's standards toolkit website and provide State resource teachers to help schools identify interim solutions for accessing high-quality CCSS-aligned materials. HIDOE will also host additional reviews of elementary, middle, and secondary mathematics curriculum resources throughout SY 2013-2014 in hopes of identifying and adopting common mathematics curricula for educators to implement SY 2014-2015.
Assurance area D	Improving Effectiveness of Educator Preparation Programs	The State's Race to the Top application included piloting a phased-in weight for the student learning results component of the EES, where measures of student learning would count for 35 percent of an educator's evaluation rating in SY 2011-2012, 40 percent in SY 2012-2013, and 50 percent in SY 2013-2014. Due to implementation delays, the State did not phase-in this component. In SY 2013-2014, 50 percent of an educators' evaluation rating will be based on student learning measures.
Assurance area D	Improving Effectiveness of Educator Preparation Programs	The State's Race to the Top application stated that the final evaluator rating would be based on a weight component model where each component makes up a given percentage of the final rating. The State will now use a three tiered process for determining a final rating.
Assurance area D	Improving Effectiveness of Educator Preparation Programs	The State's Race to the Top application did not specifically articulate the measures the State would use to determine the teacher practice component of educators' evaluation ratings. The State now requires the use of the Danielson observation framework and TRIPOD student survey data as measures to be included in the teacher practice component of educators' evaluation rating.
Competitive preference priority STEM	STEM Learning Strategy and Network	The State's approved Scope of Work included an activity to incorporate STEM materials into common instructional materials by January 2013. As described above, the State did not identify or adopt common instructional materials for elementary, middle, and secondary mathematics. The State will incorporate STEM materials into common instructional materials if and when the State adopts a common curriculum for elementary, middle, and high school mathematics.

<b>Grant area affected</b>	<b>Specific project</b>	<b>Description of change</b>
Competitive preference priority STEM	STEM Learning Strategy and Network	The State's Race to the Top application included completion of an HPERC study on the STEM portal by September 2014. Due to budget constraints, the State now will conduct this study using HIDOE's Data Analyst rather than contracting with a vendor to complete this work. The State reports that the scope and content of the evaluation itself will not change.

## Appendix II: Clarifications

<b>Grant area affected</b>	<b>Specific project</b>	<b>Clarification</b>
Assurance area D	Performance-Based Compensation System	Starting in July 2015, the State will provide a compensation adjustment for teachers rated as effective or higher.
Assurance area D	Performance-Based Compensation System	Starting in July 2013, the State will require that educators take courses aligned to the State's Strategic Plan in order to receive salary increases for reclassification.
Assurance area D	Performance-Based Compensation System	The State will provide a one-time bonus for teachers receiving tenure; due to the three year period required to be eligible for tenure, this bonus will be available starting July 2016.
Assurance area D	Performance-Based Compensation System	The State made performance-based compensation recommendations to the Board of Education to inform the policy passed in April 2012. HIDOE now plans to conduct a jointly scoped compensation study with HSTA, per the recently ratified contract, that further examines Hawaii's teacher salary structure, produces a report, and makes recommendations to the State legislature in SY 2014-2015.
Assurance area D	Performance-Based Compensation System	While the State included a recommendation in its Board policy to provide additional compensation for educators rated Highly Effective (the highest possible rating, previously called Exemplary), this commitment was not included in the contract with HSTA. The State is not committing to implementing this component at this time, but will continue to discuss this option in the future.