

**RACE TO THE TOP
FISCAL ACCOUNTABILITY AND OVERSIGHT REVIEW**

Hawaii

Date of Review: March 26-30, 2012

Race to the Top award: \$74,934,761

Acronyms:

ARRA – American Recovery and Reinvestment Act of 2009

EDGAR – *Education Department* General Administrative Regulations (codified in 34 Code of Federal Regulations, Parts 74 to 82)

GEPA – General Education Provisions Act

ISU – Implementation and Support Unit

LEA – Local Educational Agency

**Accountability and Oversight
Summary of Monitoring Indicators**

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Critical Element	Requirement	Citation	Results	Page #
Allocations to LEAs	The State allocated funds to participating LEAs based on their relative share of funding under Title I, Part A of the Elementary and Secondary Education Act of 1965.	ARRA Section 14003(a)	Not Applicable	
Fiscal Oversight of Race to the Top Funds	The State and sub-recipients used the funds only for allowable activities.	ARRA Sections 14002(b), 14003, 14004, 1604, 1605, and 1606	Met Requirement	
	The State and sub-recipients complied with the principles of cash management (i.e. funds advanced were actually expended).	EDGAR § 80.21	Met Requirement	
	The State and sub-recipients have systems to track and account for Race to the Top funds in place.	EDGAR § 80.20	Met Requirement	
	The State and sub-recipients complied with cross-cutting ARRA requirements (e.g., Section 1512 reporting, Buy American, infrastructure certification).	ARRA Sections 1511, 1512, 1604, 1605, 1606, and 1607	Met Requirement	
	The State and sub-recipients used the funds only during the period of availability (which may include pre-award costs).	ARRA Section 1603 and GEPA 421(b)	Met Requirement	
1511 Certifications (if applicable)	The State certifies that infrastructure investments have received the full review and vetting required by law and accepts responsibility that it is an appropriate use of taxpayer dollars.	ARRA Sections 1511	Not Applicable	
Quarterly ARRA Reporting	The State is ensuring compliance with ARRA Section 1512 quarterly reporting regulations.	ARRA Sections 1512	Met Requirement	
	The State established clear policies and procedures for compliance with applicable reporting requirements.	ARRA Sections 14008 and 1512	Met Requirement	
	The State provided guidance on reporting to LEAs.	ARRA Sections 14008 and 1512	Met Requirement	
	The State provided feedback to LEAs on the data reported.	ARRA Sections 14008 and 1512	Met Requirement	

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Sub-recipient Monitoring	The State has developed a monitoring plan with appropriate policies and procedures to assure compliance with applicable Federal requirements and that the grant performance goals are being achieved throughout the project period.	EDGAR §80.40; Race to the Top grant condition “O”	Recommendation	4
	The State has developed comprehensive monitoring protocols that include programmatic and fiscal monitoring.	EDGAR §80.40; Race to the Top grant condition “O”	Recommendation	4
	The State has established a reasonable monitoring schedule.	EDGAR §80.40; Race to the Top grant condition “O”	Recommendation	4
	The State has provided monitoring reports and corrective action follow-up (when available).	EDGAR §80.40; Race to the Top grant condition “O”	Recommendation	4

Monitoring Report Results

Recommendation

Critical Element: Sub-recipient Monitoring

As outlined in EDGAR §80.40, grantees are responsible for managing the day-to-day operations of grant supported activities. During the on-site review, the Department found that the State had not yet implemented components of its sub-recipient monitoring plan, specifically those related to Complex Areas and schools. In its sub-recipient monitoring plan, the State committed to implementing Complex Area and school-level Balanced Scorecards to monitor progress toward accomplishing the goals outlined in the State's Strategic Plan, and to align strategic planning throughout the organization. The State's sub-recipient monitoring plan also includes the formation of Complex Area and school Project Management Oversight Committees to monitor Race to the Top implementation. The Project Management Oversight Committees would also be responsible for developing leading and lagging indicators for their Balanced Scorecards. During the on-site review, the Department did not see evidence that these activities had occurred.

The Department recommends that the State formally implement systematic and recurring processes to ensure fidelity of implementation and to identify appropriate technical assistance needs at the Complex Area and school-levels. As projects are transitioning from the State to Complex Areas and schools, appropriate and recurring State oversight is increasingly important to ensure the State is providing sufficient implementation support and monitoring grant activities at all levels of its grant.