

OVERVIEW

THE AUDITOR
STATE OF HAWAII

A Review of the Incentive and Innovation Grant Review Panel of the Department of Education

Summary

The Legislature established the Incentive and Innovation Grant Review Panel to encourage innovation in Hawaii public schools. The panel is to review proposals and recommend grants for experimental and innovative instructional programs, in-service training, and other activities that promote innovation. The panel is also directed to assist the superintendent of education with the ongoing evaluation of all programs receiving grant awards. This audit of the Incentive and Innovation Grant Review Panel assessed the panel's purpose, authority, responsibilities, duties, and the effectiveness of its operations.

We found the panel's role in the grant award process was limited because it did not review all projects receiving grants and did not have full access to available funds. A number of projects had been transferred into the grant program or guaranteed a grant award by legislative directive. The Department of Education also made available to the panel only 20 percent of the available funds for grant awards during FY1993-94 and 50 percent during FY1994-95. The department used the remaining funds to make up for the shortfalls for other projects that had been transferred into the program and for other departmental programs.

We found the panel's award process was flawed by unclear criteria that it applied inconsistently. Panelists sometimes relied on their own unwritten criteria. In addition, the maximum grant amount was unclear and may have resulted in schools unnecessarily restricting the scope of their projects because they did not interpret the guidelines correctly. We also found that the panel did not always enforce its guidelines on proposal format and content requirements. Furthermore, some schools received grants without having to compete for the awards and other schools affiliated with review panelists were given the unequal opportunity to clarify their proposals before the panel.

The department and panel also failed to adequately evaluate programs receiving grant awards. They relied upon self-evaluation by schools receiving grant awards. Panelists also did not visit all schools receiving grant awards. In addition, panelists did not always receive and read the written evaluations for the site visitations and the annual program reports. The panel relied upon the verbal reports of the panelists visiting the school when deciding whether to continue funding for multi-year projects.

Recommendations and Response

To improve the effectiveness of the panel's operations we recommended that the superintendent ensure that the panel reviews and makes recommendations for all programs receiving grants. We also recommended the Legislature appropriate funds for the program with a specific proviso requiring that the funds only be used for incentive and innovative grants. The Legislature should also require the department to submit annual reports detailing the expenditures of grant funds for specific projects and any evaluations that have been conducted.

To improve the grant award process, we recommended that the panel clearly define when and how a proposal is innovative, require panelists affiliated with specific projects to disclose this information, adopt a standardized proposal form and format, and require a detailed budget and a budget narrative of how the school plans to expend the requested funds.

The department disagreed with two of our five recommendations. The department believes a specific proviso is unnecessary since it is already required to expend appropriations for the purposes intended. The department also disagreed that grant projects should be evaluated independently. It believes an internal evaluation conducted by the school, supported by an on-site visitation by the department and panel, is sufficient for one-year projects.

The panel responded that it will be making a number of changes based on the audit report. It acknowledged the need for clearer selection criteria and guidelines.

Both the department and panel commented on the voluntary nature of the review panel and the time needed for panel members to carry out their responsibilities.