

## LEGISLATIVE REPORT

SUBJECT:	Federal Grant Search, Development, and Application Revolving Fund
REFERENCE:	Section 302A-1405, HRS Federal grants search, development, and application revolving fund.
ACTION REQUESTED:	The department shall prepare and submit an annual report on the status of federal grant search, development and application revolving fund to the legislature. The annual report shall include but not be limited to a list of the grant applications to the federal agencies and the grant awards received.
DOE REPORT:	The source of revenues for this revolving fund are indirect costs recovered from federal discretionary grants received by the Department. In Fiscal Year 2005-06, funds were used for a temporary position to develop capacity in the Department to seek, secure, monitor and organize grant development activities to support the Department of Education's mission. The position also was used to coordinate and facilitate various organizational development and capacity-building initiatives such as reporting, grant administration and monitoring activities. Current resources have been focused on effective reporting, administration and monitoring of the grant funds that are currently in the Department.
ANALYSIS OF THE DATA:	<p>In order to intensify the focus on federal funds grant development, administration and reporting, the Department plans to hire 2 more staff positions, including a second grant administrator position, and an administrative assistant. These resources will continue to:</p> <ul style="list-style-type: none"><li>• seek and inform the school system of federal grant opportunities;</li><li>• develop materials and provide training on securing federal grants;</li><li>• develop materials and provide training on administration of federal funds;</li><li>• provide training on reporting requirements for federal grants; and</li><li>• provide training on the effective and timely expenditure of federal funds to maximize resources and minimize lapsed funds.</li></ul>
FINDINGS:	The Board of Education Committee on Budget and Fiscal Accountability has been closely monitoring federal funds on a monthly basis, beginning this current Fiscal Year 2006-07. Utilizing this revolving fund, the Department has identified immediate needs for strengthening the communication, coordination, administration and fiscal reporting of federal grants, including ensuring that allocations are timely, expenditure plans are completed, project activities are implemented, and project outcomes are reported timely. With additional resources hired, the Department will be better able to fully achieve the objectives of the fund, in the areas of searching for, and assisting schools and offices in securing additional federal grants.
RECOMMEND- ATIONS	The Department recommends that these funds continue to be used for the intended purpose, to seek, develop, monitor, and organize federal grants. Sufficient funds are available annually to support these initiatives.