

## LEGISLATIVE REPORT

**SUBJECT:** Incentive and Innovation Grant Trust Fund

**REFERENCE:** Section 302A-301, Hawaii Revised Statutes

**ACTION REQUESTED:** Annual report on the operation of the Grant Award and Review Panel.

**DOE REPORT:** No revenues were generated in the above Trust Fund for fiscal year 2005-06. Accordingly, the Incentive and Innovation Grant (IIG) Award and Review Panel was inactive, and no grants were given to schools.

**ANALYSIS OF THE DATA:** It was anticipated by a previous Superintendent's administration that organizations would donate to this Trust Fund.

Historically, through fiscal year 2001-02, a categorical program for Incentive and Innovation Grants in the amount of \$1.7 million was in the Department of Education's general fund budget. Grant awards were given to schools from this general fund budget item. Due to budget reductions, the \$1.7 million was eliminated from the Department's general fund budget in fiscal year 2002-03. Due to the existence of the general fund appropriation for Incentive and Innovation Grants through fiscal year 2001-02, the Department had not established a Trust Fund during that time. However, since the elimination of the general fund appropriation, the Department has not yet established this Trust Fund.

**FINDINGS:** Due to the prior existence of a general fund appropriation for Incentive and Innovation Grants, no Trust Fund was established; consequently, no funds are available.

**RECOMMENDATIONS:** The Department of Education will establish this Trust Fund and will begin solicitation of contributions.