

## LEGISLATIVE REPORT

**SUBJECT:** Federal grants search, development, and application revolving fund

**REFERENCE:** HRS §302A-1405

**ACTION REQUESTED:** The department shall prepare and submit an annual report on the status of the federal grants 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:  
INTRODUCTION:**

The revolving fund revenues are derived from indirect costs reimbursements from federal discretionary grants. In Fiscal Year 2006-2007, funds were used for a temporary position to build capacity in the Department to seek, secure, monitor and report on grant funds. The position coordinated the following grant search and development initiatives:

1-DOE Grants website: The purpose of the website is to increase the Department's capacity to seek and secure grant funds. To date, 132 grant solicitations have been screened and posted to the website (52 federal, 80 corporate or foundation).

2- Non-FIFO Federal Funds Report (NFFR): The purpose of the NFFR project is to increase programmatic and fiscal compliance and reduce lapsed funds. A monthly NFFR is sent to over 900 DOE employees. The report provides grant allocation and expenditure information for Non-FIFO federal grants. The report is a tool to enhance grant administration efforts and maximize grant resources.

3-Monthly Financial Report-Federal Funds: This report provides the Board of Education (BOE) with a macro view of all the federal funds in the DOE. The report is prepared monthly and is presented to the BOE quarterly.

4-Funds to hire grant writers: The Department is developing a process that will allow schools and offices to access funds to hire grant writers. The project will increase the capacity of

the Department to develop grant applications to secure additional revenues for the Department.

5-Hire staff: Three positions were created and are in the recruitment process; a *Grant Writer*, *Grant Resource Developer* and a *Clerk Typist*.

## **FINDINGS:**

The Board of Education Committee on Budget and Fiscal Accountability continues to closely monitor federal grant funds administered by the DOE.

The revolving fund initiatives have effectively increased grant search and development efforts.

The Department has identified the need to strengthen communication, coordination, administration, allocation and fiscal reporting of federal grant funds.

The Department plans to utilize the revolving fund positions and resources to:

- ❖ Enhance the federal funds monitoring tools and fiscal reports.
- ❖ Develop a system to track discretionary grant applications and the subsequent grant awards received.
- ❖ Develop tools and provide technical assistance to increase the Department's capacity to seek, secure, monitor and administer grant funds.
- ❖ Develop tools and provide training for staff to enhance appropriate and timely expenditure of federal funds, maximize resources, minimize lapsed funds, and ensure programmatic and fiscal compliance.

## **RECOMMENDATIONS:**

The Department recommends that these funds continue to be used for the intended purpose, to search for discretionary grants and develop program applications to secure additional revenues for the department. In addition, the Department shall continue efforts to build capacity to effectively administer and report on grant funds. The Department shall monitor the revolving fund deposits to ensure there are sufficient funds available to support these initiatives.