

PACIFIC RESOURCES FOR  
EDUCATION AND LEARNING

2003 Annual Report









Strengthening culture, increasing literacy,  
and improving quality of life  
locally, nationally, and globally.

PACIFIC RESOURCES FOR  
EDUCATION AND LEARNING

2003 Annual Report



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## Message From PREL's Board Chair



**Dear Colleagues,**

This has been an important year for PREL. For the first time since we opened our doors as the Pacific Regional Educational Laboratory in 1990, we welcomed a new Chief Executive Officer. At a ceremony at the Pacific Educational Conference on July 21, 2003, PREL's outgoing CEO, Dr. John Kofel, passed a canoe paddle to Dr. Tom Barlow. The ceremony symbolized the transfer of leadership from one officer to another, and the canoe paddle represents the CEO's role as PREL's master navigator.

In the Pacific, the voyaging canoe is an important symbol. It represents many things: the responsibility and skill needed to set the right course; the hard work it takes to meet a goal; and the readiness of each community member to work in harmony and stay on task. It is only through the coordinated efforts of all the paddlers that the canoe can safely reach its destination.

As we enter a new era, PREL's mission – to improve the quality of life through education – has never been more important. Whether our work takes us to the Pacific or to the continental U.S. or to Asia, and whether we are there to coordinate health services or to improve early reading literacy, we are working toward the same goal. I am excited about the new opportunities we have and the new approaches we are taking to fulfill our mission.

We are grateful to our leaders, past and present, for keeping that mission on course.

Sincerely,

A handwritten signature in black ink that reads "Rita Hocog Inos". The signature is written in a cursive, flowing style.

Rita Hocog Inos, EdD  
Chair  
Board of Directors



## Message From PREL's President and CEO



### Dear Friends,

The Board of Directors and staff proudly present PREL's 2003 Annual Report. The pages that follow provide a clear account of where we have been, where we are going, and how we plan to get there. This report focuses on PREL's strategic goals, which were developed by the Board of Directors and elaborated upon in our 2001-2006 Strategic Plan.

This was a year of change for PREL. With the retirement of PREL's founding CEO, Dr. John Kofel, I have begun my own turn at the helm. I am honored and excited by the trust placed in me by the Board. As many of you know, I worked closely with Dr. Kofel as Visiting Scholar, Interim Program Director, Chief Program Officer, and finally as Chief Operating Officer. During those years, I came to know and appreciate the depth of PREL's collective passion for educating the children of the Pacific.

Other changes included relocation of the Honolulu office and a Board commitment to pursue more opportunities internationally. Throughout these changes, PREL's mission and PREL's work remained steady and on course because of our long-term goals. The Strategic Plan guided us as we made important choices about our daily work based on these goals. We assure our friends that the directions of the past are being maintained and even gaining momentum.

For PREL, 2004 promises to be a year filled with motion. New energy, new partnerships, and new opportunities are emerging already, making us realize once again how dynamic any effective Strategic Plan must be.

As we enter this new era, we express our gratitude to our many friends and colleagues. Thank you for sharing our continuing commitment to children and education.

Sincerely,

A handwritten signature in black ink that reads "Tom Barlow". The signature is written in a cursive, flowing style.

Thomas W. Barlow, EdD  
President and CEO

## 2003 and Beyond

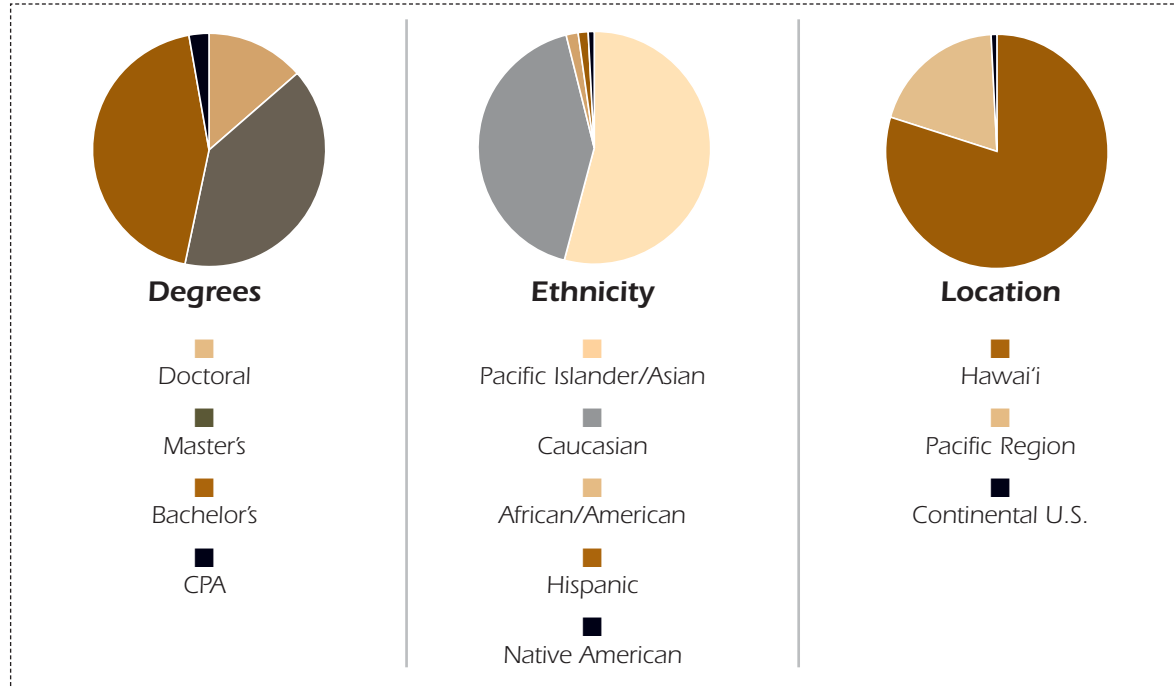
Perhaps more than at any other time in PREL's history, 2003 was a year of change, renewal, and innovation. There was a change in leadership, a move to new headquarters, and a commitment to seek new opportunities. Throughout these transitions, PREL's staff and Strategic Plan provided a strong foundation for PREL's work.

PREL's staff remains highly educated, ethnically diverse, and geographically dispersed, as shown in the accompanying charts. Demographics for our 133 employees are as follows:

- 14 have doctoral degrees, 41 have master's degrees, 45 have bachelor's degrees, and 3 are certified public accountants;
- 72 are Pacific Islander/Asian, 56 are Caucasian, 2 are African-American, 2 are Hispanic, and 1 is Native American; and
- 106 are based in Hawai'i, 26 in the Pacific region, and 1 in the continental U.S.

Most staff members have over 10 years of experience in their fields, and many have more than 20 years of experience. PREL's senior affiliates, experienced professionals who work for PREL on an as-needed basis, extend the depth and capacity of PREL's services enormously.

PREL's Strategic Plan envisions continued commitment to its traditional K-12 focus in the Pacific, with expanded application of its knowledge and expertise to new disciplines like health and new geographical markets in the Pacific



Rim and beyond. Key to this expansion is the development of new partnerships with regional and international organizations with complementary missions and assets.

PREL began to translate this vision into reality by participating in a variety of exciting new projects:

- completing the first phase of instructional design work for the Republic of the Marshall Islands' Skills Training and Vocational Education (STAVE) Project, funded under a loan from the Asian Development Bank;

- developing distance learning modules to meet the training needs of Pacific health-care workers under a contract with the World Health Organization (WHO);
- conducting research for the United Nations Educational, Scientific and Cultural Organization (UNESCO) on the availability and use of information and communications technologies in the educational systems of seven Asia-Pacific nations;

- establishing a strategic partnership with Mabuhay Philippines Satellite Corporation and Hawaii-Pacific Teleport that allows PREL to broadcast educational programming to Asia via satellite.

These accomplishments foreshadow even more exciting developments to come.

This was PREL's second full year of implementing its five-year Strategic Plan, approved by the Board of Directors in November 2001. Early in 2003, as in the year before, PREL staff members came together in working committees to identify the concrete tasks, responsibilities, and time frames needed to implement the Strategic Plan during the next 12 months. The 2003 Annual Plan, which was approved by the PREL Board of Directors at its May 2003 meeting, is organized by the four goals that represent the priorities and emphases for PREL's work during 2001-2006. These goals are:

#### Goal 1. High-Performing Learning

Communities: Provide high quality, sustainable services built upon school and community partnerships.

Goal 2. Professional Development: Increase the extent and quality of professional development for Pacific Islanders in education, health, and other priority areas.

#### Goal 3. Technology and Distance Learning:

Develop and extend PREL's technology capacity to serve the Pacific region and beyond.

#### Goal 4. Organizational Development for PREL:

Develop PREL's organizational quality and capacity.

In the following pages, PREL highlights some of its many 2003 accomplishments towards achieving these goals. As just one measure of its success in implementing the Strategic Plan in the past year, PREL's Information Management System shows that staff carried out more than 2,000 separate activities in support of these goals. However, recognizing that quality is as important as quantity, PREL is particularly proud to share what lies behind these numbers in terms of their impact on and benefits to Pacific educators and children.



## High-Performing Learning Communities

PREL's business is education. PREL works with K-12 schools, colleges, universities, and community organizations to create learning environments that teach the knowledge and skills that young people, teachers and principals, health-care professionals, and other adults need to lead productive lives.

PREL supports these learning environments, or high-performing learning communities (HPLCs), in a variety of ways:

- by providing technical assistance and professional development for educational leaders, teachers, and parents;
- by carrying out research to better understand learning in the Pacific context and to identify and promote research-based practices;
- by recognizing that education is a dynamic partnership and fostering the development of collaborative relationships that support sustained improvement.

These efforts begin within PREL, where staff from different programs work together in HPLCs. Sharing beliefs and strategies not only promotes individual growth, but fosters cross-program coordination and collaboration. PREL's Reading Hui, for example, facilitates information exchange across programs for the development of reading products and services. Through the Reading Hui,

PRELSTAR, the Pacific Center, and the Pacific REL worked together to develop an online reading course. Partners for this project, which was piloted at the Pacific Educational Conference in July 2003, include institutes of higher education (IHEs) and Pacific ministries and departments of education. Through this larger HPLC, Pacific educators work with members of the Reading Hui to design and deliver professional development in early reading instruction.

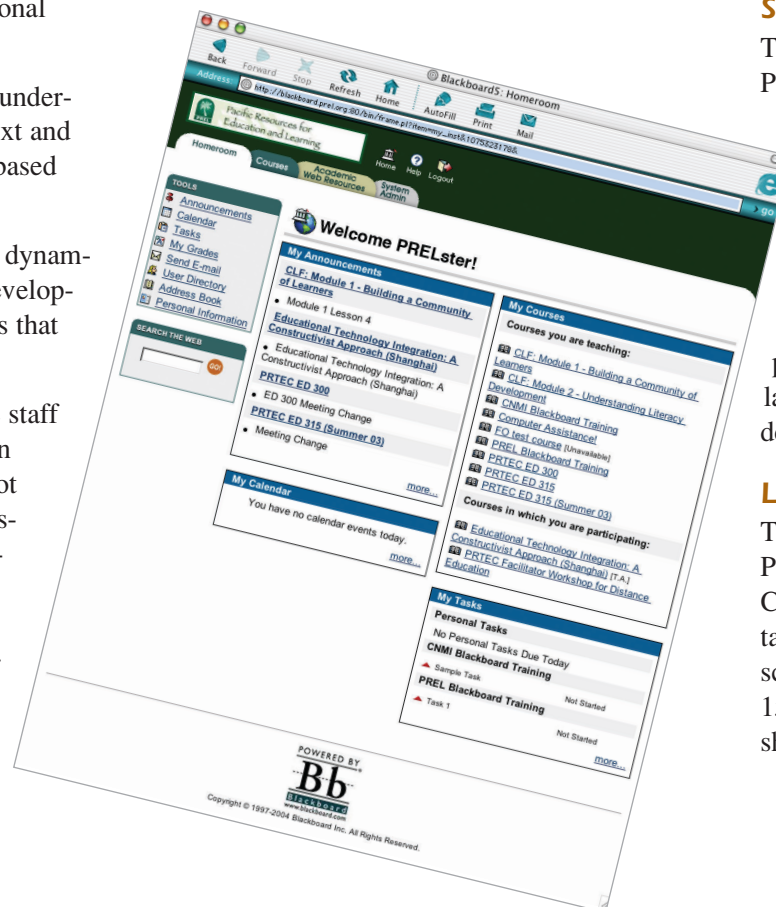
Recognizing that educational change requires intensive support over time, a variety of PREL programs, including the Pacific REL, the Pacific Mathematics and Science Regional Consortium, PR\*TEC, NEARStar, and Nā Hoa Ho'ala (the Native Hawaiian Safe and Drug-Free Program) are actively involved in long-term school improvement projects across the Pacific. Although approaches vary, these projects share as common goals building HPLCs and increasing local capacity.

### Site-Based Solutions

The Pacific REL has 13 Co-Development Partner Schools, at least one elementary school in most entities of the region. These schools serve as research and development sites in early reading literacy. PREL is working with them to address specific needs and generate site-based solutions. In addition to increased student achievement, these REL HPLCs lead to the development of education products and procedures related to reading and language mastery, assessment, professional development, and school renewal.

### Leadership Teams

Through the Pacific Schools Partnership, the Pacific Mathematics and Science Regional Consortium provides sustained technical assistance to schools developing mathematics or science school improvement plans. Each of the 15 schools currently participating in the partnership has a leadership team. These leadership





teams are HPLCs engaged in a focused three-year effort to improve the teaching and learning of mathematics or science. Their efforts include building local partnerships and supporting sustained professional development. School/community partnerships include parents, local organizations, business representatives, and IHEs.

### Online HPLCs

PREL's NEARStar project has formed virtual HPLCs through the use of the Internet. The program is in use in more than 60 schools in the Pacific region and the continental U.S. Teachers in these schools have access to professional development resources about teaching reading and English language learners. They can monitor students' progress through NEARStar's embedded assessments, and access over 1,000 resources that support and supplement the NEARStar curriculum. This Star Schools project is the site for an online community that shares resources, assessments, and creative teaching materials.

### Community Partners

PREL's newest program, Nā Hoa Ho'ala or "The Partners Who Work to Bring Health," is partnering with Nā Lei Na'auao, the Native Hawaiian Charter School Alliance, to conduct needs assessments that will drive the development and implementation of culturally appropriate, standards-based prevention lessons and activities in those schools. Using these materials as a starting point, project partners will develop a series of interactive supplements for Web delivery. Program staff, school faculty, and other stakeholders are forming this HPLC to ensure that the curriculum materials and related professional development meet the needs of the Native Hawaiian community.





## Professional Development

It is through effective teaching and administration that low-performing schools become high-performing learning communities. PREL works with Pacific departments and ministries of education (DOEs/MOEs) to build staff teaching and administrative skills through workshops and training programs. In collaboration with institutes of higher education (IHEs), PREL develops and delivers postsecondary courses and teacher training through a variety of distance learning formats. With its partners, PREL

supports efforts to enhance teachers' skills and qualifications through the following:

- teacher certification;
- participation in professional development (PD); and
- degree programs.

PREL's contributions to regional initiatives designed to improve the quality of Pacific education through high quality PD are highlighted below.

### IHEs

Recognizing the crucial role regional colleges and universities play in teacher development, PREL has sought to engage IHEs in a partnership designed to provide better educational opportunities for Pacific island teachers and administrators. A meeting with IHE presidents in October led to the formation of the IHE Advisory

Council. In semi-annual meetings, the Council will address course availability and development, cross-credit offerings, and articulation agreements.

### PD

To provide more and varied quality PD for educators in the region, PREL introduced longer, capacity-building sessions at the 2003 Pacific Educational Conference (PEC). A needs assessment explored participants' interest in receiving credits for successful completion of three-day workshops and trainings. In a separate initiative, PREL worked with educators interested in expanding their professional development opportunities to establish a Pacific Chapter of the National Association for Multicultural Education (NAME). The chapter was formally recognized by the parent organization in October.

During 2003, PREL presented or took part in presenting over 700 professional development activities, reaching more than 5,000 teachers, 900 administrators, and 500 specialists. Many of these PD events were developed through collaborations between and among PREL programs, IHEs, and community organizations.

Highlights of the year's PD activities included the Pacific REL's second annual Principals Institute and the MENTOR Project regional institutes. The Principals Institute, which provided leadership training, brought together the REL staff and the principals and teacher leaders of the Pacific REL Co-Development Partner Schools. Through the Pacific Communities with High-performance in Literacy Development (Pacific CHILD) project, the REL works with



Pacific education systems to improve early reading literacy.

PREL's MENTOR Project held two regional institutes in 2003, one in Honolulu and one in the Republic of Palau. The MENTOR Project seeks to decrease attrition rates for novice mathematics teachers by providing peer support through teams composed of college-level mathematics educators, DOE mathematics specialists, and site-based senior teachers. The regional institutes focus on both mathematical content and pedagogical knowledge, and challenge all the participants to extend their grasp of new visions of mathematics and effective ways of teaching it to young learners.

### Credentialing

Providing teachers and administrators with the courses and programs they need to achieve certification and earn relevant degrees is especially challenging in the Pacific region, where island communities may be separated by hundreds of miles of ocean. Disseminating information across vast distances and to remote areas can be cost prohibitive. PREL partners with Pacific IHEs to develop cost-effective distance learning that not only meets the needs for teacher certification requirements and training in targeted areas such as reading, but that can be delivered in the most effective format.

### PD Research

PREL programs actively compile and evaluate information on research and best PD practices. For example, staff members continually review current research on adult learning and effective PD. As part of its Pacific CHILD project, Pacific REL staff developed the Professional Development in Reading Observation (PDRO) evaluation instrument, which measures the quality of PD delivery. Use of numerical rankings



allows for a cumulative score, making it possible to compare delivery of different PD events.

### Teaching Educators About Micronesian Students (TEAMS)

To help ease the transition for the growing number of Micronesian students enrolling in Hawai'i's schools, Pacific Center staff created teacher resource materials. The Teaching Educators About Micronesian Students (TEAMS) website and accompanying materials, such as the Micronesian Toolkits and the Teacher Resource on Selected Pacific Cultural Topics (Teach ReSPCT), support Hawai'i educators in their efforts to better serve these immigrating groups by providing cultural profiles and other information about the Freely-

Associated States (the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau).



## Technology and Distance Learning

PREL recognizes that technology is an increasingly important resource for education and learning. In the past three decades, technology has transformed education, particularly through the growing use of distance learning. PREL has substantial expertise in the development and application of cutting-edge technologies for teaching and learning, and with the establishment of the Pacific Technology Learning Center (PTLC), makes this expertise available not only to the Pacific region but to the world.

The PTLC seeks to enhance teaching and learning through three complementary objectives:

- to help educators understand the role of technology and distance learning as educational tools;
- to increase utilization of existing resources by providing professional development and technical assistance; and
- to decrease the “digital divide” by increasing access to technology-based communication.

The PTLC coordinates the services provided through PREL’s existing programs and departments, including PRELSTAR, NEARStar, PR\*TEC, and iTech.

### Satellite Services

Through a long-standing partnership with the University of Hawai‘i PEACESAT program, PREL provides satellite-based communications in Micronesia. Services consist of voice, video, and data, including health and emergency management communication for remote islands through solar-powered satellite receivers.

In 2003, PREL extended the reach of its satellite services across most of Asia through PRELSat, a partnership between PREL, Mabuhay Philippines Satellite Corporation, and Hawaii-Pacific Teleport. PRELSat provides distance learning opportunities to underdeveloped areas that normally have little access to services.

### Information and Communication Technologies (ICT) Services

PREL continues to provide ICT consulting services ranging from the development of comprehensive technology plans to the design of local and wide area networks. PREL staff work closely with the Schools and

Libraries Division of the Universal Services Administrative Corporation to ensure that eligible schools throughout the region receive E-rate discounts for telecommunications services.

### Videoconferencing

Through the PREL and PEACESAT partnership, over 1,500 hours of videoconferences for education and health purposes were held in the U.S.-affiliated Pacific in 2003. Highlights included a keynote address to the Guam Reading Summit originating in California and a birthday celebration connecting Hawai‘i Governor Linda Lingle with astronauts in the International Space Station. More “earthly” applications included mentoring for reading specialists, consultations on grant acquisition,



conference planning, workshops for teachers, and job interviews. Elementary schools in different island nations met by videoconference to share cultural activities through the Pacific Voices project.

### Online Resources

In 2003, PREL made significant additions to its Web services. The new Pacific Resources Online (PRO) website provides a searchable database of educational material from PREL and other quality websites. It also offers access to the EBSCO databases, which provide full-text articles from about 7,500 U.S. and international journals in education, health, business, and social issues. Pacific island residents carried out nearly 20,000 EBSCO searches from August to December 2003.

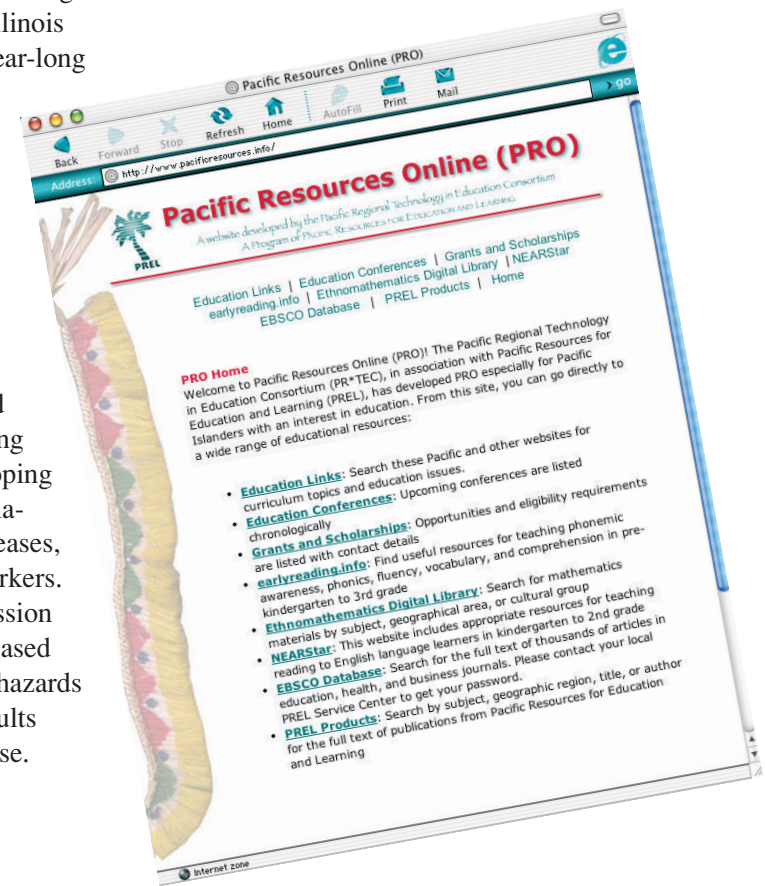
### Online Learning

PREL is a leader in Pacific distance education, supplying instruction through a range of formats, including radio, Internet, DVD, and satellite delivery. PREL's NEARStar website won a prestigious EDDIE (Education Software Review) Award and has been named a finalist for a Codie (Software & Information Industry Association) Award. NEARStar is an interactive distance-learning early reading curriculum for young English language learners.

Through a partnership consisting of PREL, the University of Guam, Northern Marianas College, College of the Marshall Islands, College of Micronesia-FSM, Palau Community College, Guam Community College, and American Samoa Community College, a series of six facilitated online courses are being offered to teachers seeking to earn a basic teaching certificate. An online master's degree in instructional technology was offered through a partnership with PREL and Western Illinois University. PREL has also developed year-long programs in educational technology integration and reading comprehension.

### Health Education

PREL was involved in several health education projects, including the establishment of the Pacific Education and Health Consortium (PEHC). The PEHC provides a forum for coordination of Telehealth services in the U.S.-affiliated Pacific. The WHO Pacific Open Learning Health Network project involves developing online and CD-based resources about diabetes/hypertension, mosquito-borne diseases, and infection control for health care workers. The "Help With Ice" website and discussion guide provide teachers with standards-based materials to educate students about the hazards of methamphetamines and to inform adults about resources to help combat this abuse.



## Organizational Development

Over the past 13 years, PREL has grown into a prominent enterprise by creating quality products and services with a strong business and research focus. In 2003, PREL won the Healthy Workplace Award from the Hawai'i Psychological Association, and for the first time was named by *Hawai'i Business* magazine as one of the top 250 companies in Hawai'i.

Nonetheless, PREL faces the continuing challenge of developing its leadership, resources, and organizational infrastructure to better serve our clients. PREL is focusing on three key areas of organizational development:

- to prepare for systematic and controlled expansion into new areas. PREL is organizing for geographic and program growth through adoption of best practices, continued Board development, quick reaction to clients' changing needs, and maintenance of an exemplary record of fiscal management.
- to embark on a focused path for leadership and staff development. With a dedicated workforce and a philosophy of continuous learning, PREL is able to maintain and enhance expertise that serves the organization and clients alike.
- to communicate actively with staff and clients. This is critical to ensure that PREL's research, teaching materials, and other resources are readily available to educators who can leverage our work.

Tools, systems, and technology are constantly being upgraded and developed to make this information accessible.

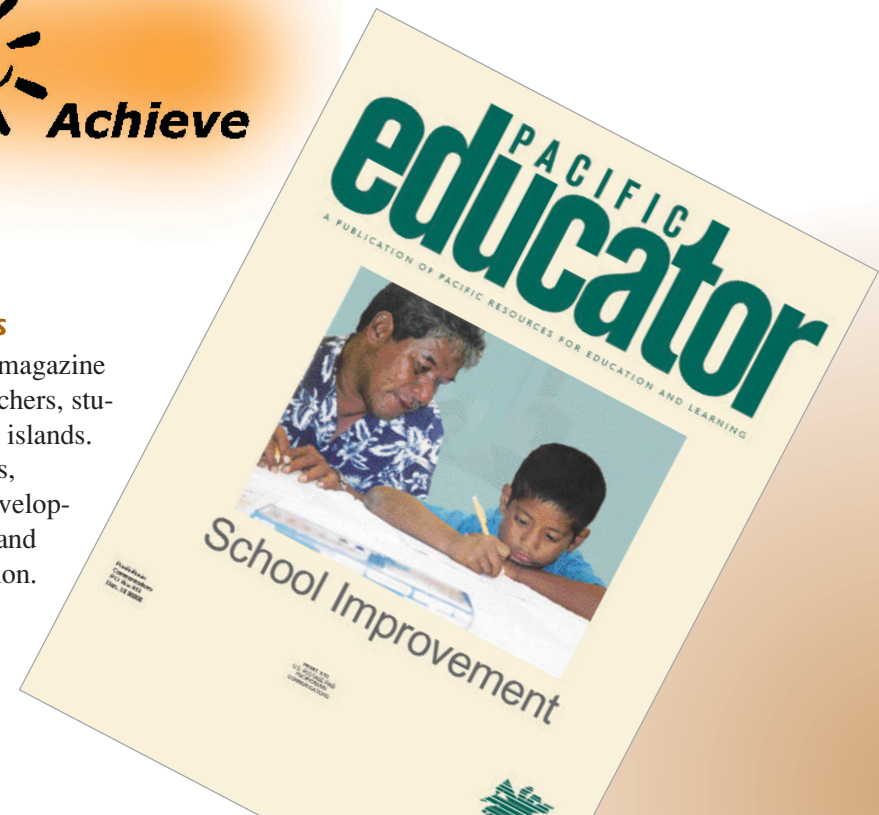
### Achieve Program

PREL has recently redefined performance management using a new approach called Achieve, which incorporates PREL cultural values and commits the organization to a continuous learning environment. PREL employees guide their own self-development through experiential and classroom activities that they design with their supervisors. Each person tailors their Achieve plan to their learning needs and the potential areas for growth in PREL. The Achieve program underscores the vital role of development in our lives and integrates innovation into daily work.



### Communication That Matters

Three times a year PREL publishes a magazine geared specifically to the needs of teachers, students, and their families in the Pacific islands. *Pacific Educator* provides case studies, methodology updates, professional development opportunities, resource listings, and information about schools and education.





## PREL Programs

PREL is a not-for-profit 501(c)(3) corporation that provides educational opportunities for communities in the Pacific, Asia, the continental U.S., and beyond. The range of PREL's programs and services are summarized below. More information can be found on PREL's website ([www.prel.org](http://www.prel.org)) or by contacting the individuals listed.

Several PREL programs are designed to serve educational systems in American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia (Chuuk, Kosrae, Pohnpei, and Yap), Guam, Hawai'i, the Republic of the Marshall Islands, or the Republic of Palau. They are as follows:

### **The Territories and Freely-Associated States Educational Grant (T&FASEG) Program**

The T&FASEG program assists with grant competitions and provides training and technical assistance to local education agencies in the Freely Associated States (the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau) and the U.S. Pacific Territories (American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam). The goal of this program is to support higher achievement among elementary and secondary students. This program is funded by a grant from the U.S. Department of Education, award number S256A030011.

Contact Canisius Tkel Filibert,  
[filiberc@prel.org](mailto:filiberc@prel.org).

### **Mathematics Education for Novice Teachers: Opportunities for Reflection (MENTOR)**

MENTOR aims to nurture effective mathematics instruction in the Pacific region by creating teams of experienced professionals to provide support and training for novice teachers. MENTOR teams typically consist of a mathematics curriculum specialist, a resource person, a mathematician, and a mathematics educator. This program is funded through a grant from the National Science Foundation, award number ESI0138916. Contact Sandy Dawson, [dawsons@prel.org](mailto:dawsons@prel.org).

### **Native Hawaiian Safe and Drug-Free**

Nā Hoa Ho'ala (NHH), or "The Partners Who Work to Bring Health," works with selected schools and communities to prevent violence and substance abuse. In addition to providing training and technical assistance, NHH works with local partners to develop and implement culturally appropriate standards-based prevention lessons and interactive Web-based instruction. The program is funded by the U.S. Department of Education under the Office of Safe and Drug-Free Schools Programs for Native Hawaiians, award number Q186C030002. Contact Gabe Nae'ole, [naeoleg@prel.org](mailto:naeoleg@prel.org).

### **The Pacific Comprehensive Regional Assistance Center (Pacific Center)**

The Pacific Center provides comprehensive training and technical assistance to funding recipients of the U.S. Department of Education Elementary and Secondary Education Act (ESEA), as amended by the No Child Left Behind (NCLB) Act. Services include coordinating and implementing school reform programs; adapting and implementing research-based promising practices for improving teaching and learning; and administering NCLB programs. The Pacific Center is funded under award number S283A950001. Contact Paul Dumas, [dumasp@prel.org](mailto:dumasp@prel.org).

### **The Pacific Mathematics and Science Regional Consortium**

The Consortium supports improved student achievement in mathematics and science. In addition to providing research-based technical assistance in strategic planning and professional development, the Consortium works with teachers and administrators to identify and implement challenging, standards-based curricula. Sustainable programs are developed by applying current research to service delivery in local contexts. Continued progress is supported through ongoing assessment and data analysis. The Consortium is funded by a grant from the U.S. Department of Education, award number R319A000001. Contact Paul Dumas, [dumasp@prel.org](mailto:dumasp@prel.org).

### **The Pacific Regional Technology in Education Consortium (PR\*TEC)**

PR\*TEC enhances and builds local school and community capacity to acquire and effectively utilize technologies to improve teaching and learning. The program promotes these objectives through four activity areas: professional development, technical assistance, adult education, and information dissemination. PR\*TEC is funded by a grant from the U.S. Department of Education, award number R302A000001. Contact Masa-Aki Emesiochl, emesiochl@prel.org.

### **The Pacific Workforce Development Program (PWDP)**

The PWDP supports Pacific jurisdictions that are planning or implementing educational reforms to improve the work readiness and economic productivity of their citizens. The PWDP currently manages the Pacific Vocational Education Improvement Program (PVEIP), which provides grants to nine Pacific jurisdictions to strengthen their secondary-level vocational technical education programs.



In addition, the PWDP assists the U.S. Department of Labor in implementing the Workforce Investment Act in the Pacific region. PVEIP is funded by a grant from the U.S. Department of Education, award number V048B020001. Contact Tim Donahue, donahuet@prel.org.

### **The Parental Information and Resource Centers (PIRC)**

PIRC supports community-based parent centers that assist school systems to forge closer ties to parents and families. The PIRC centers are located in Majuro and Ebeye in the Republic of the Marshall Islands, and in Pohnpei and Chuuk in the Federated States of Micronesia (FSM). The Pohnpei and Chuuk centers also provide services to Yap and Kosrae. Two separately funded PIRC projects assist parents by disseminating information on early childhood education and promoting community involvement in school governance. The RMI PIRC is funded by a grant from the U.S. Department of Education, award number S310A020032. Contact Evelyn Joseph, josephe@prel.org. The FSM PIRC is also funded through a grant from the U.S. Department of Education, award number S310A020033. Contact Ismael Dobich, dobichi@prel.org.

### **PRELSTAR: A Pacific Islands Distance Learning Program**

PRELSTAR provides Pacific Islanders with award-winning distance learning programming for students, teachers, and adults. PRELSTAR delivers direct interactive educational programming; develops

instructional materials and capabilities for the effective use of distance education technology; provides professional development in reading, science, and technology; and assists in the development of a solid telecommunications network in the Pacific. PRELSTAR is funded by a grant from the U.S. Department of Education, award number R203A970016. Contact Steve Baxendale, baxendas@prel.org.

Other PREL programs serve a wider audience:

### **The Ethnomathematics Digital Library (EDL)**

The EDL ([www.ethnomath.org](http://www.ethnomath.org)) is a component of the National Science Digital Library that provides high quality resources about ethnomathematics, with emphasis on the Pacific. It can be searched by subject, geographical area, and cultural group. Partners include the Australian Academy of Science, the Australian Institute for Aboriginal and Torres Strait Islander Studies, the Eisenhower National Clearinghouse for Mathematics and Science Education, the University of Goroka, the University of Guam, the University of Hawai'i at Mānoa, and the University of the South Pacific. The EDL is funded by a grant from the National Science Foundation, award number DUE-0121749. Contact Nancy Lane, lanen@prel.org.

### **NEARStar: Network for English Acquisition and Reading Star Schools Program**

NEARStar ([www.nearstar.org](http://www.nearstar.org)) is an interactive, Web-based supplemental early reading program. NEARStar merges instruction in reading skills



with early English language development. Engaging activities, animated chants and songs, and interactive online books provide repeated exposure to and focused practice on featured vocabulary words and phonics skills. NEARStar is funded by a grant from the U.S. Department of Education, award number R203F990026. Contact Tony Tung, [tungt@prel.org](mailto:tungt@prel.org).

### **Pacific Regional Educational Laboratory (Pacific REL)**

The Pacific REL works with 13 Co-Development Partner Schools to address two key educational issues: that significant numbers of students are not reading independently in either English or their home language by the end of the third grade; and that low-performing schools have difficulty improving student

learning, partly because they lack adequate assessment and accountability systems. To address these issues, the Pacific REL develops, tests, and disseminates processes, Pacific language and English classroom materials, and professional development. One of 10 educational laboratories contracted by the U.S. Department of Education to conduct research and development focusing on school improvement, the Pacific REL is funded through award number ED01CO0014. Contact Ludwig David van Broekhuizen, [vbroekhd@prel.org](mailto:vbroekhd@prel.org).

### **Pacific Assessment Systems and Services (PASS)**

PASS provides educational assessment and accountability services on a contract basis. Assessment and accountability are cornerstones for school improvement and standards-based educational systems. PASS services include consultation; professional development in assessment for teachers, principals, and policy makers; alignment of assessments with content standards; development of integrated assessment and accountability systems; creation of data management systems; calibration of classroom and large-scale assessments; policy development; assessments for special needs students; assessment scoring services; data analysis services; and report development services. Contact Don Burger, [burgerd@prel.org](mailto:burgerd@prel.org).

### **The Pacific Center for the Arts and Humanities in Education (PCAHE)**

PCAHE provides, on a contract basis, services that are designed to improve learning in and through the arts and humanities. Students explore standards-based curricula in a variety of core content areas by responding to and making judgments about works of art; by exploring aesthetic and philosophical implications; and by acquiring knowledge about artists and their works. PCAHE's primary focus is to use the arts and humanities as a vehicle for improving literacy. Contact Lori Phillips, [phillipl@prel.org](mailto:phillipl@prel.org).

### **Planning and Evaluation (P&E) Services**

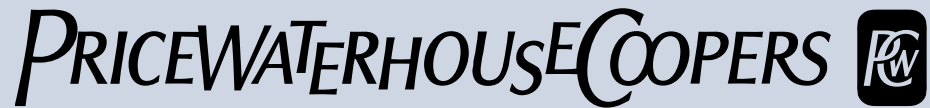
P&E provides evaluation and planning assistance to PREL and external programs, agencies, and institutions on a contract basis. Planning services include needs assessment, strategic planning, and new program design. Evaluation services include formative evaluation, which determines whether a program has achieved its objectives; summative evaluation, which determines whether it has achieved its desired outcomes and impact; and technical assistance in evaluation methods and tools. By providing timely and meaningful data, P&E staff at PREL assist sponsors and providers in improving their programs through effective planning and assessment. Contact Tom Barlow, [barlowt@prel.org](mailto:barlowt@prel.org).



## 2003 Funding

Funding Source	Description	Amount	Funding Source	Description	Amount
U.S. Department of Education	Regional Educational Laboratory program	\$4,168,682	Hawai'i Department of Education	21st Century Community of Learning Centers evaluation	24,252
U.S. Department of Education	NEARStar, Star Schools Program grant	1,998,286	Hawai'i Department of Education	Supplemental Education Services evaluation	22,968
U.S. Department of Education	Pacific Eisenhower Mathematics and Science Regional Consortium grant	1,490,250	National Library of Medicine	Community Outreach Partnership Planning project	20,000
U.S. Department of Education	Pacific Vocational Education Improvement Program grant	1,480,000	Hawai'i Department of Education	Data Slicer/Dicer project	19,750
U.S. Department of Education	PRELSTAR, Star Schools Program grant	1,078,747	Hawai'i Department of Education	Even Start Program technical assistance	17,600
U.S. Department of Education	Pacific Regional Technology in Education Consortium grant	988,533	U.S. Department of Education	Special Education Program for Pacific Island Entities competition	15,400
U.S. Department of Education	Comprehensive Regional Assistance Center grant	802,588	First Daughter Mediaworks	Get Healthy Now Campaign for HMSA	12,000
U.S. Department of Education	Nā Hoa Ho'ala, The Partners Who Work to Bring Health grant	637,393	National Endowment for the Humanities	Library Services and Technology Act grant competition	10,820
U.S. Department of Education	Parental Information and Resource Center grant, FSM	335,000	University of Hawai'i at Mānoa	Department of Health data management training	9,000
U.S. Department of Education	Parental Information and Resource Center grant, RMI	330,000	Palama Settlement	Pacific Center for Arts and Humanities in Education	7,000
U.S. Department of Education	Territories and Freely-Associated States Educational grant	227,970	Hawai'i Department of Education	Wai'ālae Elementary School Student Interview evaluation	5,900
Education Resource Institute	Pathways to College Network	211,175	U.S. Department of Education	Adult Education and Family Literacy Act administrative grant	5,159
National Science Foundation	Mathematics Education for Novice Teachers: Opportunities for Reflection grant	197,803	Palau Ministry of Education	Data-Based Enhancement technical assistance	4,832
Commonwealth of the Northern Mariana Islands Public School System	Comprehensive Accountability Plan	189,931	Hawai'i Department of Education	West Hawai'i District South Kona Complex ESLL iBook training	4,000
Northwest Regional Educational Laboratory	Pacific Equity Assistance Center	113,764	United Nations Educational, Scientific and Cultural Organization	Report on status of Information and Communication Technologies (ICT) in selected Asia Pacific countries	3,850
National Endowment for the Arts	Pacific Arts Councils Organizational Capacity grant	76,000	Victoria University of Wellington, NZ	Study on Educational Aid in the Marshall Islands	3,172
U.S. Department of Labor	Workforce Investment Act technical assistance and training	65,000	University of California, Davis	Pacific Center for Arts and Humanities in Education	3,000
U.S. Department of Education	Robert C. Byrd Honors Scholarship Program grant	60,000	ALU LIKE, Inc.	Native Hawaiian Vocational Education Program evaluation	2,800
University of Hawai'i at Mānoa	Pihana Nā Mamo Project evaluation	59,606	Hawai'i Department of Education	Kanoelani School Improvement technical assistance	1,500
World Health Organization	Development of materials for health professionals in Pacific island countries	50,000		Total	\$14,753,731

**Financial Statements ■ November 30, 2003 and 2002**  
**Report of Independent Auditors**



To the Board of Directors

Pacific Resources for Education and Learning

In our opinion, the accompanying statements of financial position and the related statements of activities and cash flows present fairly, in all material respects, the financial position of Pacific Resources for Education and Learning (PREL) at November 30, 2003 and 2002, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of PREL's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

*PricewaterhouseCoopers LLP*

Honolulu, Hawai'i  
January 23, 2004



Pacific Resources for Education and Learning  
**Statements of Financial Position**

November 30, 2003 and 2002

	2003	2002
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 928,814	\$ 154,996
Investments (Note 3)	627,359	1,005,837
Grant receivables	436,893	801,300
Contract receivables (Note 4)	640,653	523,399
Other receivables	20,410	18,574
Prepaid expenses	118,960	147,288
Total current assets	<u>2,773,089</u>	<u>2,651,394</u>
<b>Furniture, Fixtures and Equipment</b>	1,083,451	831,776
Less accumulated depreciation and amortization	<u>699,354</u>	<u>551,115</u>
	<u>384,097</u>	<u>280,661</u>
<b>Deposits and Other Assets</b>	<u>66,175</u>	<u>94,069</u>
Total assets	<u>\$ 3,223,361</u>	<u>\$ 3,026,124</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 494,437	\$ 436,925
Accrued payroll and vacation liabilities	820,866	809,948
Advance funding on contracts	180,483	126,420
Other accrued expenses	<u>98,712</u>	<u>75,604</u>
Total current liabilities	<u>1,594,498</u>	<u>1,448,897</u>
<b>Deferred Rent (Note 5)</b>	120,041	-
<b>Commitments and Contingency</b> (Notes 2, 5 and 6)		
<b>Net Assets:</b>		
Unrestricted	<u>1,508,822</u>	<u>1,577,227</u>
Total liabilities and net assets	<u>\$ 3,223,361</u>	<u>\$ 3,026,124</u>

**Statements of Activities**

Years Ended November 30, 2003 and 2002

	2003	2002
<b>Support and Revenue:</b>		
Grant and contract revenues –		
Federal	\$ 15,955,891	\$ 15,340,964
Nonfederal	<u>931,076</u>	<u>995,126</u>
	16,886,967	16,336,090
Interest and other income	<u>26,081</u>	<u>29,566</u>
Total support and revenue	<u>16,913,048</u>	<u>16,365,656</u>
<b>Expenses:</b>		
Grant and contract costs –		
Research and development	10,784,738	10,224,723
Technical assistance and other	<u>3,907,344</u>	<u>4,236,306</u>
	14,692,082	14,461,029
Indirect costs	<u>2,135,686</u>	<u>1,826,562</u>
Total grant and contract costs	16,827,768	16,287,591
Other expenses	<u>153,685</u>	<u>21,113</u>
Total expenses	<u>16,981,453</u>	<u>16,308,704</u>
Change in net assets	(68,405)	56,952
<b>Net Assets:</b>		
Beginning of year	<u>1,577,227</u>	<u>1,520,275</u>
End of year	<u>\$ 1,508,822</u>	<u>\$ 1,577,227</u>

The accompanying notes are an integral part of the financial statements.

**Pacific Resources for Education and Learning**  
**Statements of Cash Flows**  
**Years Ended November 30, 2003 and 2002**

	2003	2002
<b>Cash Flows from Operating Activities:</b>		
Cash received from contracting agencies and grantors	\$ 17,186,347	\$ 16,006,981
Cash paid to suppliers and employees	(16,565,413)	(15,998,766)
Interest and other income received	13,129	29,566
Net cash provided by operating activities	<u>634,063</u>	<u>37,781</u>
<b>Cash Flows from Investing Activities:</b>		
Sale of investments	400,000	200,000
Purchase of investments	(8,570)	(219,088)
Capital expenditures	(251,675)	(168,959)
Net cash provided by (used in) investing activities	<u>139,755</u>	<u>(188,047)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	773,818	(150,266)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>154,996</u>	<u>305,262</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 928,814</u>	<u>\$ 154,996</u>
<b>Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities:</b>		
Change in net assets	\$ (68,405)	\$ 56,952
Adjustments to reconcile change in net assets to net cash provided by operating activities –		
Depreciation	148,239	157,075
Stock received in connection with demutualization of insurance carrier	(12,952)	-
Changes in:		
Receivables	245,317	(133,773)
Prepaid expenses	28,328	(13,173)
Deposits	27,894	(60,385)
Accounts payable	57,512	(200,968)
Accrued expenses	154,067	427,389
Advance funding on contracts	54,063	(195,336)
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 634,063</u>	<u>\$ 37,781</u>
<b>Supplemental Disclosure of Non-Cash Investing Activities:</b>		
Stock received in connection with demutualization of insurance carrier	<u>\$ 12,952</u>	<u>\$ -</u>



The accompanying notes are an integral part of the financial statements.

## Pacific Resources for Education and Learning Notes to Financial Statements

November 30, 2003 and 2002

### 1. Organization and Operations

Pacific Resources for Education and Learning (PREL) is a not-for-profit corporation established in January 1990. PREL's mission is to strengthen culture, increase literacy, and improve quality of life locally, nationally, and globally. PREL's primary operating area includes the State of Hawai'i; a U.S. commonwealth, the Commonwealth of the Northern Mariana Islands; two U.S. territories, American Samoa and Guam; and three freely-associated states, the Republic of the Marshall Islands, the Republic of Palau, and the Federated States of Micronesia (Chuuk, Kosrae, Pohnpei, and Yap). PREL's main office is located in Honolulu, Hawai'i.

PREL is a tax-exempt organization for Federal and State income tax purposes, under Internal Revenue Code Section 501(c)(3).

### 2. Summary of Significant Accounting Policies

#### Financial Statement Presentation

The financial statements of PREL are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America established for not-for-profit organizations.

PREL classifies net assets, revenues, gains and other support and expenses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of PREL and changes therein are classified and reported as follows:

**Unrestricted net assets** – Net assets not subject to donor-imposed stipulations or received with restrictions that were satisfied in the same period.

**Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met either by actions of PREL and/or the passage of time. There were no temporarily restricted net assets at November 30, 2003 and 2002.

**Permanently restricted net assets** – Net assets subject to donor-imposed stipulations that must be maintained permanently by PREL. There were no permanently restricted net assets at November 30, 2003 and 2002.

#### Use of Estimates in Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash and Cash Equivalents

Cash and cash equivalents include currency on hand and demand deposits. Cash, money funds, and short-term bonds in brokerage accounts are classified as investments.

#### Investments

Investments in money funds and municipal bonds are stated at cost, which approximates fair value. Investments in common stock are carried at fair value, as determined by market quotations at year-end.

#### Furniture, Fixtures and Equipment

Furniture, fixtures and equipment are stated at cost or fair market value on date of receipt for donated assets, and depreciated or amortized using the straight-line method over the estimated useful lives of the assets. Donated furniture and fixtures located on leased property are depreciated over the lease term. Gains or losses on asset retirement or disposition are reflected in income.

Capital equipment purchased with Federal grant or contract proceeds are expensed as the Federal government retains an interest in and control over the equipment. At conclusion of the grant period, the equipment may be utilized by other Federal programs or may be purchased from the Federal government.

## Pacific Resources for Education and Learning Notes to Financial Statements

November 30, 2003 and 2002

### Revenue Recognition

A substantial percentage of PREL's revenue is derived from Federal cost reimbursable grants and contracts, and fixed price contracts. Revenue is deemed earned and recorded when expenditures are incurred in compliance with specific contract or grant restrictions. This method approximates the percentage-of-completion method of accounting for fixed price contracts. Losses on fixed priced contracts, if any, are recognized at the time a loss on a contract becomes known. Amounts received but not yet earned from contracts are recorded as advance funding on contracts in the statements of financial position.

Federal grant and contract amounts presented in the statements of activities consist of grants and contracts awarded to PREL from the Federal government or other organizations that require compliance with Federal grant and contract restrictions.

### Concentrations of Risk

Substantially all of PREL's Federal support is received from the U.S. Department of Education. This support is subject to annual appropriation.

Expenditures under PREL's Federal programs are subject to final audits that could result in adjustments. Management believes that liabilities, if any, resulting from such audits will not have a material effect on the financial statements.

Credit is granted to customers, substantially all of whom are governmental agencies in the region served by PREL.

PREL conducts its banking transactions through two financial institutions in the State of Hawai'i. Cash balances maintained with one of the institutions are generally in excess of insured depository limits.

Investments in bonds are subject to credit and market risk. PREL attempts to mitigate its credit risk by limiting its investments in bonds to high quality investment grade municipal bonds.

### 3. Investments

Investments are composed of the following:

	2003	2002
Cash	\$ -	\$ 448
Common stock	12,945	-
Money funds	64,414	55,389
Municipal bonds	<u>550,000</u>	<u>950,000</u>
	<u>\$ 627,359</u>	<u>\$ 1,005,837</u>

### 4. Unbilled Contract Receivables

Unbilled contract receivables were \$515,640 and \$433,370 at November 30, 2003 and 2002, respectively.

## Pacific Resources for Education and Learning Notes to Financial Statements

November 30, 2003 and 2002

### 5. Lease Commitments

In 2002, PREL entered into a noncancelable operating lease expiring on December 28, 2007, for office space in Honolulu. The lease provides for minimum rent payments and PREL's share of building operating expenses.

The noncancelable operating lease has scheduled rental payments that vary during the term of the lease. Deferred rent, presented on the statement of financial position, represents the cumulative excess of the amounts of rental costs recognized using the straight-line method over the life of the lease.

The future minimum annual rental commitments are as follows:

2004	\$	555,000
2005		733,000
2006		738,000
2007		738,000
2008		<u>62,000</u>
	\$	<u>2,826,000</u>

PREL also leases office space in Chuuk and Pohnpei under cancelable leases. Total lease rent expense amounted to \$700,000 in 2003 and \$484,000 in 2002.

### 6. Retirement Plan

PREL has a defined contribution retirement plan covering substantially all regular full-time employees. PREL contributions of 12.5% of eligible employee compensation begin after an employee has completed six months of service. Contributions are paid to a third party fund sponsor and are fully vested when paid. PREL's contributions to the plan amounted to approximately \$729,000 and \$667,000 in 2003 and 2002, respectively.

### 7. Related Parties

PREL is governed by a board of directors consisting of individuals representing the constituency in the region that PREL serves. Much of PREL's grant and contract activity is incurred in support of programs that benefit local government, educational agencies, and local communities where the directors have assumed positions of leadership.



# Our Core Beliefs

We believe . . .

- all children can learn
- it is essential to educate the whole child
- education is a dynamic partnership
- cultural diversity is to be valued and promoted.



VISIT PREL'S WEBSITE AT  
[www.prel.org](http://www.prel.org)



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**Promoting Educational Excellence**



