

HAWAII STATE

Department of Education

Fiscal Biennium 2025-27 Budget Briefing Testimony

House Committee on Finance

January 10, 2025 | 9:00 a.m.

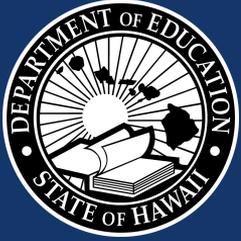
Hawaii State Capitol, CR 308

Keith Hayashi

Superintendent

Brian Hallett

Assistant Superintendent, Office of Fiscal Services



HAWAII STATE

Department of Education

Fiscal Biennium 2025-27 Budget Briefing Testimony

Senate Committee on Ways and Means

Senate Committee on Education

January 14, 2025 | 1:00 p.m.

Hawai'i State Capitol, CR 211

Keith Hayashi

Superintendent

Brian Hallett

Assistant Superintendent, Office of Fiscal Services



SECTION

01

Overview



Mission

We serve our community by developing the academic achievement, character, and social-emotional well-being of our students to the fullest potential. We work with partners, families, and communities to ensure that all students reach their aspirations from early learning through college, career and citizenship.





Hawai'i State Department of Education Schools

Serving students statewide

258 public schools	Elementary	168
	Middle	39
	High	34
	Multi-level (e.g., K-12)	17

152,270 students	At least one high need (*)	54%
	Eligible for free/reduced price lunch*	48%
	Special education services*	11%
	English Learner*	11%

42,519 employees	Salaried staff	22,291
	Teachers	12,724
	Part-time/casual	20,228



2023-2029 Strategic Plan

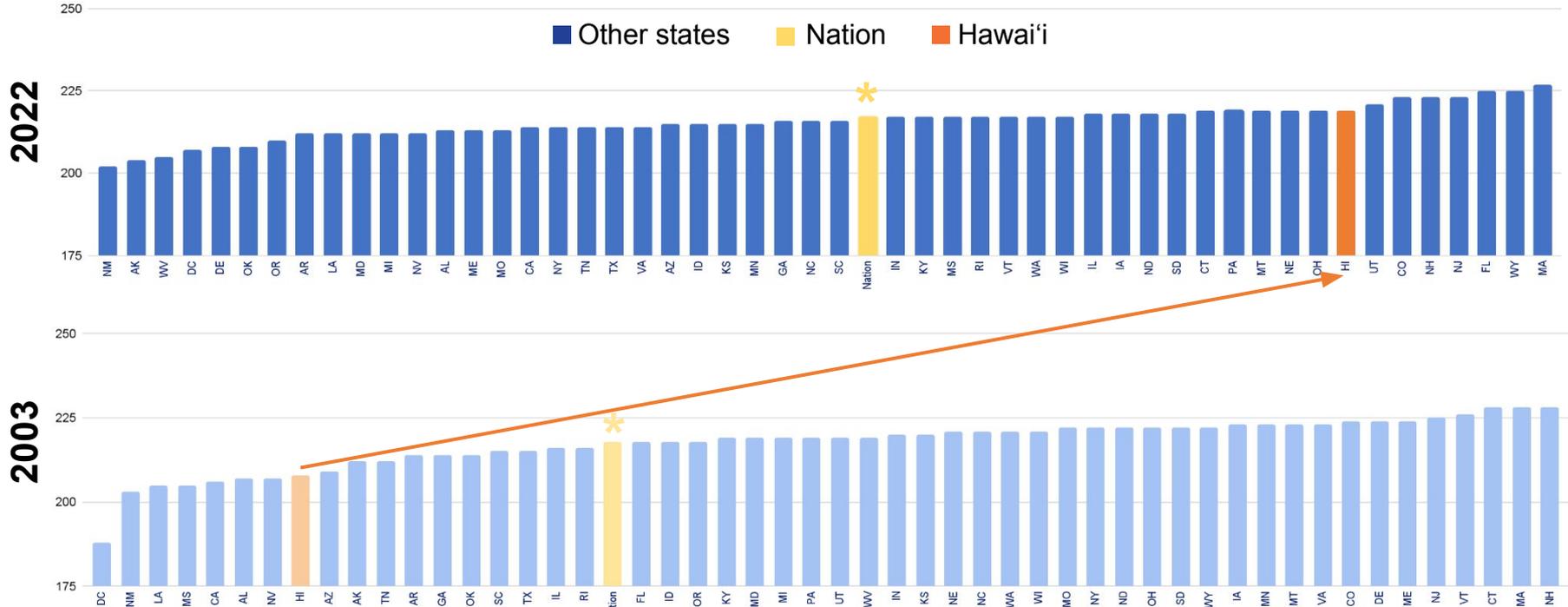
Globally Competitive, Locally Committed





Hawaii's growth and national rank over 20 years

Grade 4 Reading, National Assessment of Educational Progress



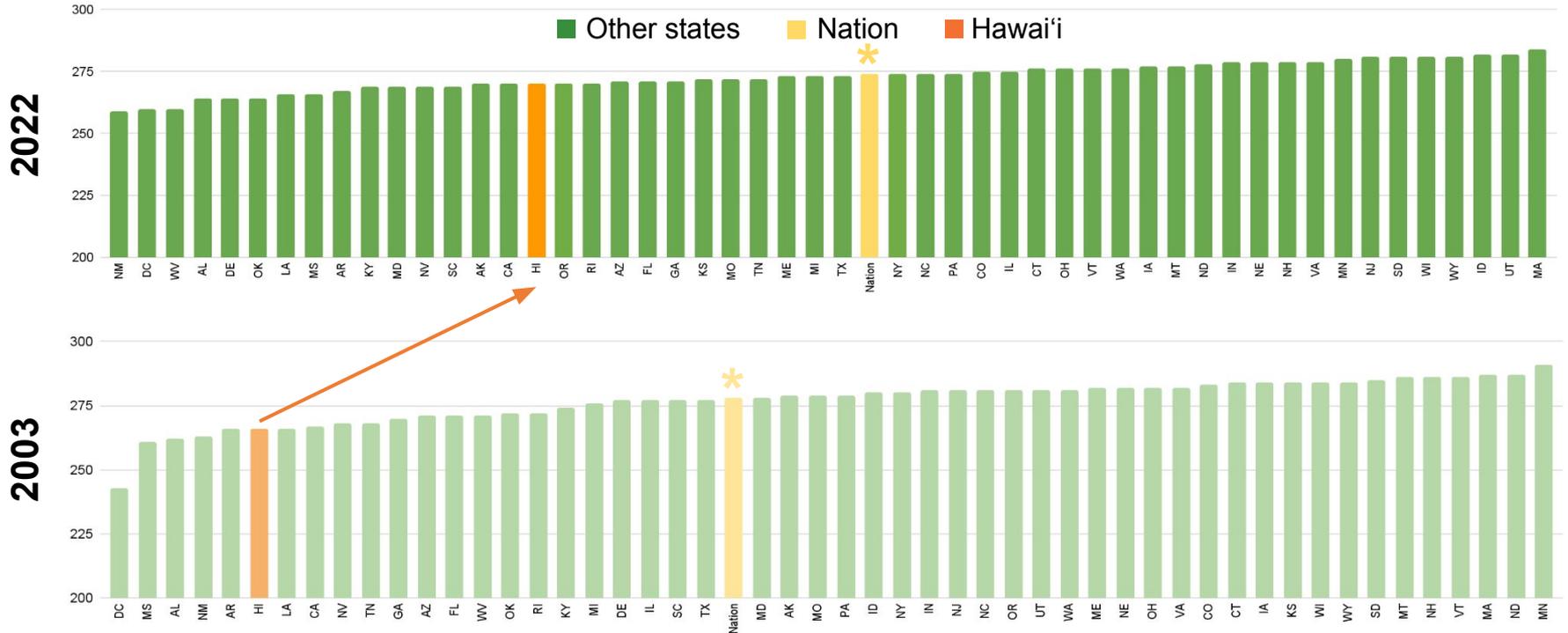
Hawaii's average scale score (in orange) compared to the national public average scale score (in yellow)

<https://www.hawaiipublicschools.org/ConnectWithUs/MediaRoom/PressReleases/Pages/2022-Nation's-Report-Card.aspx>



Hawaii's growth and national rank over 20 years

Grade 8 Mathematics, National Assessment of Educational Progress



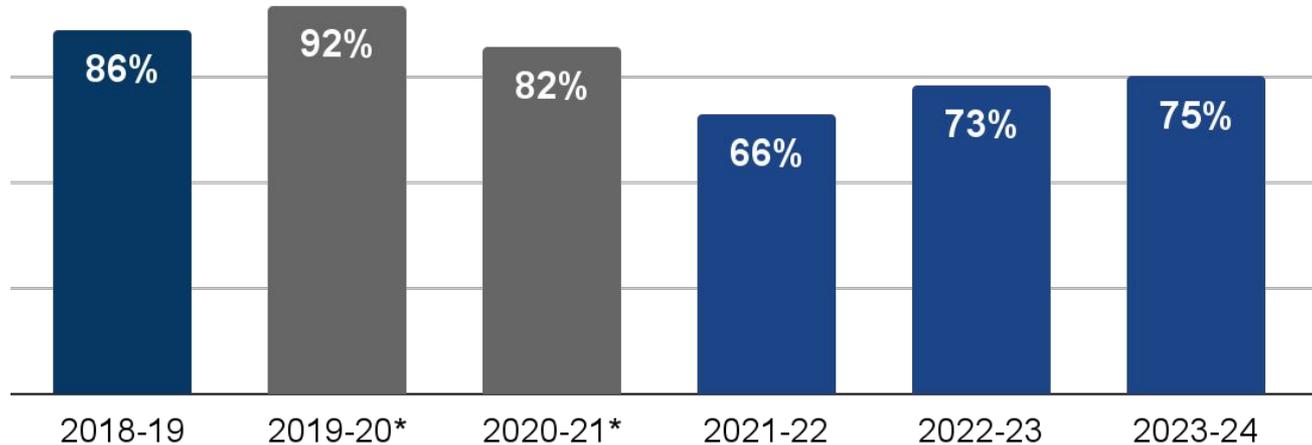
Hawai'i's average scale score (in orange) compared to the national public average scale score (in yellow)

<https://www.hawaiipublicschools.org/ConnectWithUs/MediaRoom/PressReleases/Pages/2022-Nation's-Report-Card.aspx>



Ongoing Pandemic Impacts on Educational Attendance

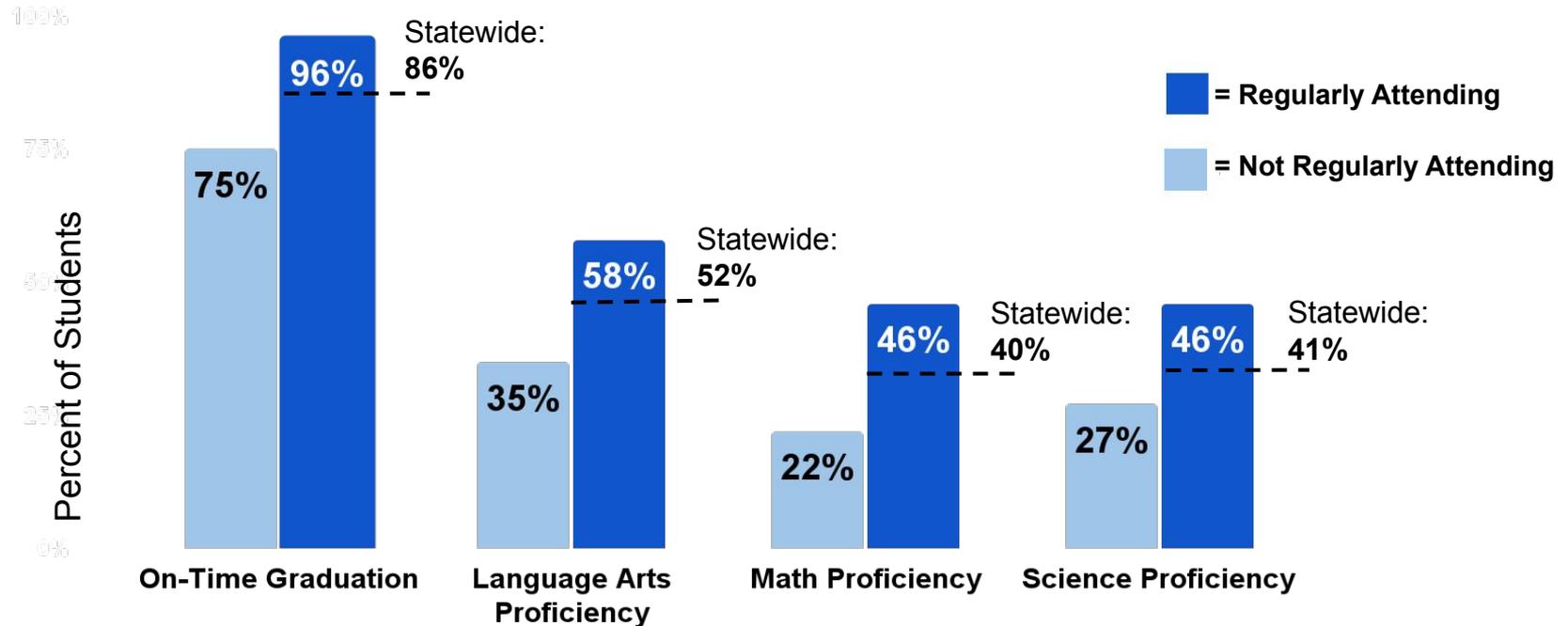
Percent of students attending 90% of instructional days



**2019-20 based on first three quarters only due to COVID-19 pandemic. 2020-21 was mostly online due to pandemic.



Attendance Impacts Student Outcomes



Source: LEI Kulia, HIDEO



SECTION

02

Federal Funds



Federal Funds - Major Recurring Grants, in millions (\$)

Legal Authority	Grant Title	CFDA	FFY24 Appropriation	FFY25 House Draft as of 9/27/24	FFY25 Senate Draft as of 9/27/24
ESSA Title I	Education for the Disadvantaged	84.010	18,407	14,626	18,687
ESSA Title II	Supporting Effective Instruction	84.367	2,190	0	2,190
ESSA Title III	English Language Acquisition	84.365	890	0	895
ESSA Title IV - Part A	Student Support & Academic Enrichment Grants	84.424	1,380	1,390	1,390
ESSA Title IV - Part B	21st Century Community Learning Centers	84.287	1,330	1,330	1,330
ESSA Title VIII	Impact Aid (Basic Support & Children with Disabilities)	84.041	1,625	1,630	1,645
Individuals with Disabilities Education Act	Special Education State Grants (Part B-611)	84.027	14,214	14,239	14,509
Perkins Career & Technical Education Improvement Act	State Grants	84.048	1,440	1,450	1,475
Workforce Innovation & Opportunity Act Title II	Adult Education State Grants	84.002	715	715	715

National level appropriation from Federal Funds Information for States (FFIS): Appropriations update dated 9/27/24.

Federal Fiscal Year (FFY) 2025 final funding levels pending passage by Congress. To date, FFY25 funding set by Continuing Resolution (CR) at FFY24 levels through 3/14/2025.



SECTION

03

Non-General Funds



Non-General Fund Annual Reports

Link to Reports

<https://www.hawaiipublicschools.org/VisionForSuccess/SchoolDataAndReports/StateReports/Pages/Legislative-reports.aspx>

Fund information

Non-General Fund Information, pursuant to Section 37-47, Hawaii Revised Statutes (HRS)

Program Measures

Non-General Fund Program Measures, pursuant to Section 37-48, HRS

Cost Elements

Non-General Fund Cost Elements, pursuant to Section 37-49, HRS



SECTION

04

Budget Requests



Fiscal Biennium 25-27 Budget Development

This budget proposal:

- Is aligned with the department Strategic Plan goals,
- Is balanced, given the fiscal constraints communicated by lawmakers and Department of Budget and Finance instructions, and
- Provides schools with recurring, predictable, reliable resources and support.

To improve student outcomes so that all students graduate globally competitive, locally committed.



Challenges for FY25 and Beyond

1. **Non-recurring funding for recurring needs** due to substantial levels of funding for recurring expenses appropriated for FY25 only
2. **Inflation** for non-payroll costs including food and utilities
3. **Continuing pandemic-related impacts on student learning.** Higher demands for student supports to address attendance, offset learning loss and support social-emotional needs
4. **Workforce.** Recruitment and retention of qualified staff to support student learning
5. **Federal funding uncertainty** due to change in federal administration



FY25 Budget Appropriation with FB25-27 Requests

Governor's requests, General funds, in millions (\$)





Governor's Budget Request Summary

General funds, FY26, by EDN, in millions (\$)

EDN	FY25 Appropriation	Collective Bargaining	Non-Recurring Funds	FY26 Governor's Requests	FY26 Governor's Total Budget
100 School-Based Budgeting	1,231.2	55.7	-28.2	40.9	1,299.6
150 Special Education & Student Support Services	469.5	56.4	-13.7	8.6	520.8
200 Instructional Support	105.9	7.3	-23.1	4.1	94.2
300 State Administration	63.3	1.5	-0.1	-15.3	49.4
400 School Support	307.8	1.6	-35.5	51.0	324.9
500 School Community Services	5.1	0.5	0.0	0.0	5.6
TOTAL	2,182.8	123.0	-100.6	89.3	2,294.5

Note: See Testimony Tables 4, 5, and 6 for details about these proposed requests.



Governor's Budget Request Summary

General funds, FY27, by EDN, in millions (\$)

EDN	FY25 Appropriation	Collective Bargaining	Non-Recurring Funds	FY27 Governor's Requests	FY27 Governor's Total Budget
100 School-Based Budgeting	1,231.2	74.1	-28.2	39.8	1,316.9
150 Special Education & Student Support Services	469.5	61.6	-13.7	7.9	525.3
200 Instructional Support	105.9	7.6	-23.1	4.1	94.5
300 State Administration	63.3	1.6	-0.1	-15.1	49.7
400 School Support	307.8	1.7	-35.5	51.0	325.0
500 School Community Services	5.1	0.5	0.0	0.0	5.6
TOTAL	2,182.8	147.1	-100.6	87.7	2,317.0

Note: See Testimony Tables 4, 5, and 6 for details about these proposed requests.



Governor's Budget Request

General funds, FY 26 and FY27, by request category, in millions (\$)

REQUEST CATEGORY (DOE's Categories)	CATEGORY DESCRIPTION	FY26 Governor's Requests	FY27 Governor's Requests
Non-recurring Appropriation Reappraisal	Recurring expenses appropriated in FY25 but not in FY26 & FY27.	65.5	65.1
High Impact Strategic Priorities	New requests for priorities related to the Department's Strategic Plan.	15.8	15.2
Inflation	Cost increases required to maintain current programs/services.	6.3	6.4
Other Operating Needs	Additional requests for various operating needs.	5.8	7.6
B&F Adjustment	Additional requests	1.8	1.8
Realignment (Reduction)	Reductions identified through review of operating expenses.	-5.9	-8.4
	TOTAL	89.3	87.7

Note: Excludes Trade-Off/Transfer



Prioritizing Statewide Facilities Needs

Categorizing CIP Priorities



Capacity



Deferred
Maintenance



Health and
Safety



Compliance



Instruction



Support
Facilities



Telecommunication
Infrastructure



Project
Completion



Federal
Grants



Temporary
Facilities



Planning, Design and
Land Acquisition

Benefits of changes:

- Prioritize needs across the state to address the needs of all schools
- Efficiency of scale – bundling projects and managing overhead for projects
- Funding aligned with project scope



Capital Improvements Program Request, in millions (\$)

Categories	MOF	FY 26 DOE REQUEST	FY27 DOE REQUEST	FY26 GOV REQUEST	FY27 GOV REQUEST
Lump Sum CIP - Health and Safety, Statewide	C	50.0	50.0	23.0	0.0
Lump Sum CIP - Deferred Maintenance Projects, Statewide	A	250.0	200.0	0.0	0.0
Lump Sum CIP - Deferred Maintenance Projects, Statewide	C	0.0	0.0	20.0	0.0
Lump Sum CIP - Compliance, Statewide	C	150.0	50.0	20.0	0.0
Lump Sum CIP - Project Completion, Statewide	C	45.0	45.0	20.0	0.0
Kamehameha III Elementary, Maui (Moved to Operating)	A	1.6	1.6	0.0	0.0
Kekaulike High School, Maui	A	1.6	0.3	0.0	0.0
Various Schools, Statewide	A	3.0	3.0	0.0	0.0
Lahaina Elementary School, Maui	C	145.0	0.0	131.0	0.0



Capital Improvements Program Request, in millions (\$)

Categories	MOF	FY 26 DOE REQUEST	FY27 DOE REQUEST	FY26 GOV REQUEST	FY27 GOV REQUEST
East Kapolei Elementary, Hoopili, Oahu	C	130.0	0.0	0.0	0.0
Lump Sum CIP - Temporary Facilities, Statewide	C	6.0	6.0	6.0	0.0
Lump Sum CIP - Planning, Design, and Land Acquisition, Statewide	C	6.0	3.0	1.0	0.0
Lump Sum CIP - Capacity, Statewide	C	25.0	50.0	3.0	0.0
Lump Sum CIP - Support Facilities, Statewide	C	150.0	50.0	2.0	0.0
Lump Sum CIP - Instructional, Statewide	C	10.0	10.0	2.0	0.0
Honouliuli Middle School, Oahu	C	3.0	0.0	3.0	0.0
Lump Sum CIP - Telecommunication Infrastructure, Statewide	C	5.0	5.0	3.0	0.0



Capital Improvements Program Request, in millions (\$)

Categories	MOF	FY 26 DOE REQUEST	FY27 DOE REQUEST	FY26 GOV REQUEST	FY27 GOV REQUEST
Lump Sum CIP - Federal Grants, Statewide	C	60.0	30.0	60.0	30.0
Lump Sum CIP - Federal Grants, Statewide	P	240.0	120.0	240.0	120.0
Various Schools, Statewide	A	0.5	0.5	0.0	0.0
Total		1,281.7	624.4	534.0	150.0



SECTION

05

Testimony Tables

<https://www.hawaiipublicschools.org/DOE%20Forms/budget/FB2025-27-BudgetUpdateFiscalBiennium.pdf>



SECTION

06

DOE Budget References



Budget References

- Budget Briefing Instructions
https://www.hawaiipublicschools.org/DOE%20Forms/budget/FB2025-27_WAM-FIN_Budget_Briefing_Instructions.pdf
- Budget Program ID and Descriptions
<https://www.hawaiipublicschools.org/DOE%20Forms/budget/DOE%20EDN%20Program%20Code%20and%20Description%20%28Level%20IV%29.pdf>
- Budget Presentations to the Board of Education:
 - 10/22/24 FB 25-27 Operating Budget (approved 10/31/24 with an amendment to restore funding for the Learning Centers program)
https://boe.hawaii.gov/wp-content/uploads/2024/10/2024-10-22_FIC_DOE-operating-budget-request-FB2025-2027.pdf
 - 12/12/24 Update on Operating Budget Requests for FB 25-27
https://boe.hawaii.gov/wp-content/uploads/2024/12/2024-12-12_FIC_gov-decision-for-DOE-operating-budget-req-FB2527.pdf
 - 10/22/24 FB 25-27 CIP Budget (approved 10/31/24)
https://boe.hawaii.gov/wp-content/uploads/2024/10/2024-10-22_FIC_DOE-CIP-budget-request-FB2025-2027.pdf
 - 12/12/24 Update on CIP Budget Requests for FB 25-27
https://boe.hawaii.gov/wp-content/uploads/2024/12/2024-12-12_FIC_update-on-DOE-CIP-and-CIP-budget-request-FB2527.pdf