

HAWAII STATE

Department of Education

Fiscal Biennium 2023-25 Supplemental Budget Briefing Testimony

House Committee on Finance

January 10, 2024 | 1:30 p.m.

Hawaii State Capitol, Room 308

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.

Briefing Progress

Overview

Federal
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Hawai'i Public Schools

Serving ALL students statewide

295 PUBLIC SCHOOLS

- 258 HIDOE: 168 elementary, 39 middle, 34 high, 17 combos, 37 charters schools

42,370 EMPLOYEES

- 22,370 salaried, including 12,958 teachers
- 20,000 part-time/casual

167,649 STUDENTS

- 155,222 in HIDOE schools
 - 2,100 in HIDOE Kaiapuni immersion
- 12,427 in charter schools

STUDENT CHARACTERISTICS

***Economically Disadvantaged: 55%**

***Special Education: 10%**

***English Learners: 9%**

More than 1 high need (*): 13%

Military Impacted: 6%

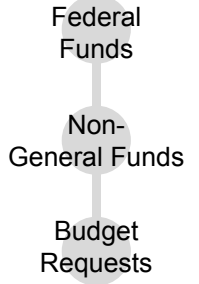
Experiencing Homelessness: 2%

Foster Youth: 1%

Migrant: 1%

Briefing Progress

Overview





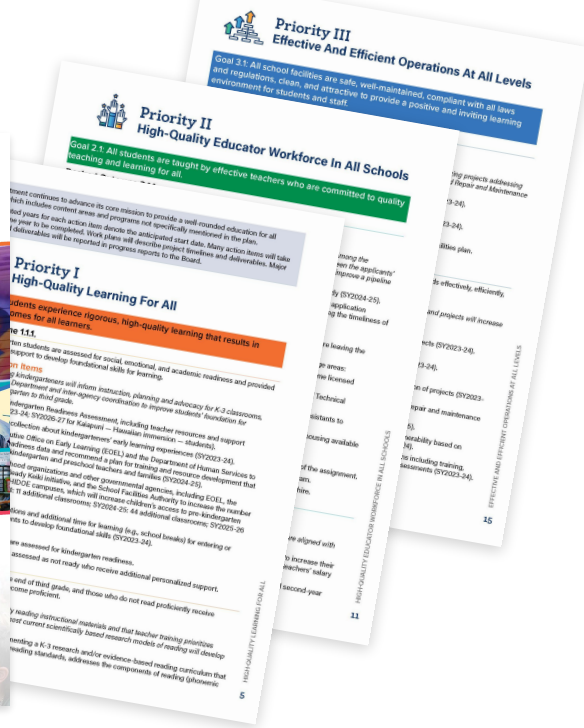
2023-2029 Strategic Plan

Globally Competitive, Locally Committed

2023-2029
STRATEGIC PLAN PHASE II
IMPLEMENTATION PLAN



Globally Competitive, Locally Committed



Visit
<https://go.hidoe.us/2023-29-Implementation-Plan>
For more details and to read the full Implementation Plan

Progress updates
<https://go.hidoe.us/2023-29-Implementation-Plan-Dash>

Briefing
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High Leverage Initiatives

To implement the Strategic Plan



**Workforce
Readiness**



Middle School



Math Innovation



**Vulnerable
Populations**



K-12 Alignment



**Teacher
Recruitment**



**Leadership
Development**



Facilities



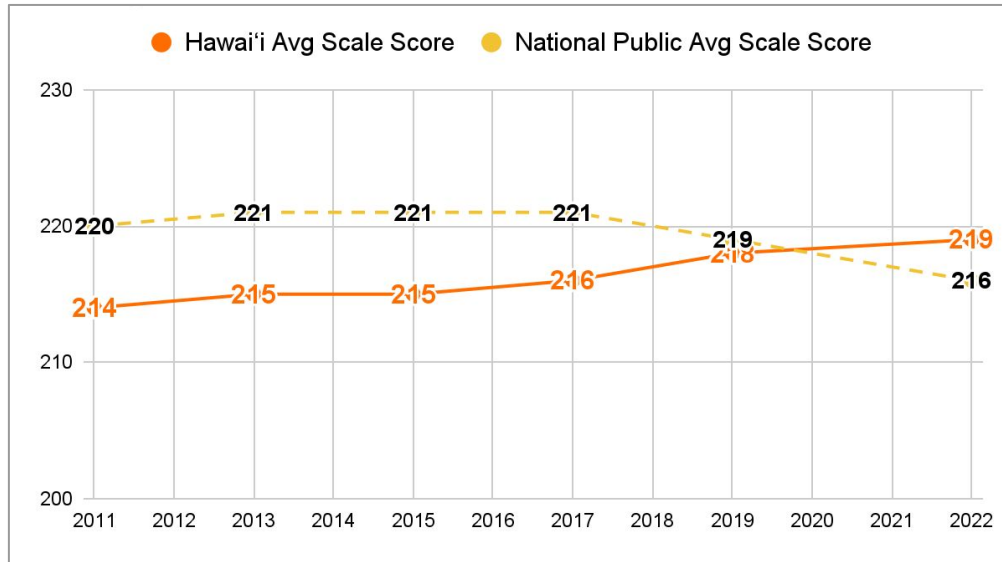
Pandemic Impacts

Hawai'i students faring better than the nation in pandemic recovery

National Assessment of Educational Progress, "The Nation's Report Card"

Hawai'i's average scale score (in **orange**) compared to the national public average scale score (in **yellow**), 2011–2022

Reading Grade 4



<https://bit.ly/NAEP-2022-HIDOE>

Briefing Progress

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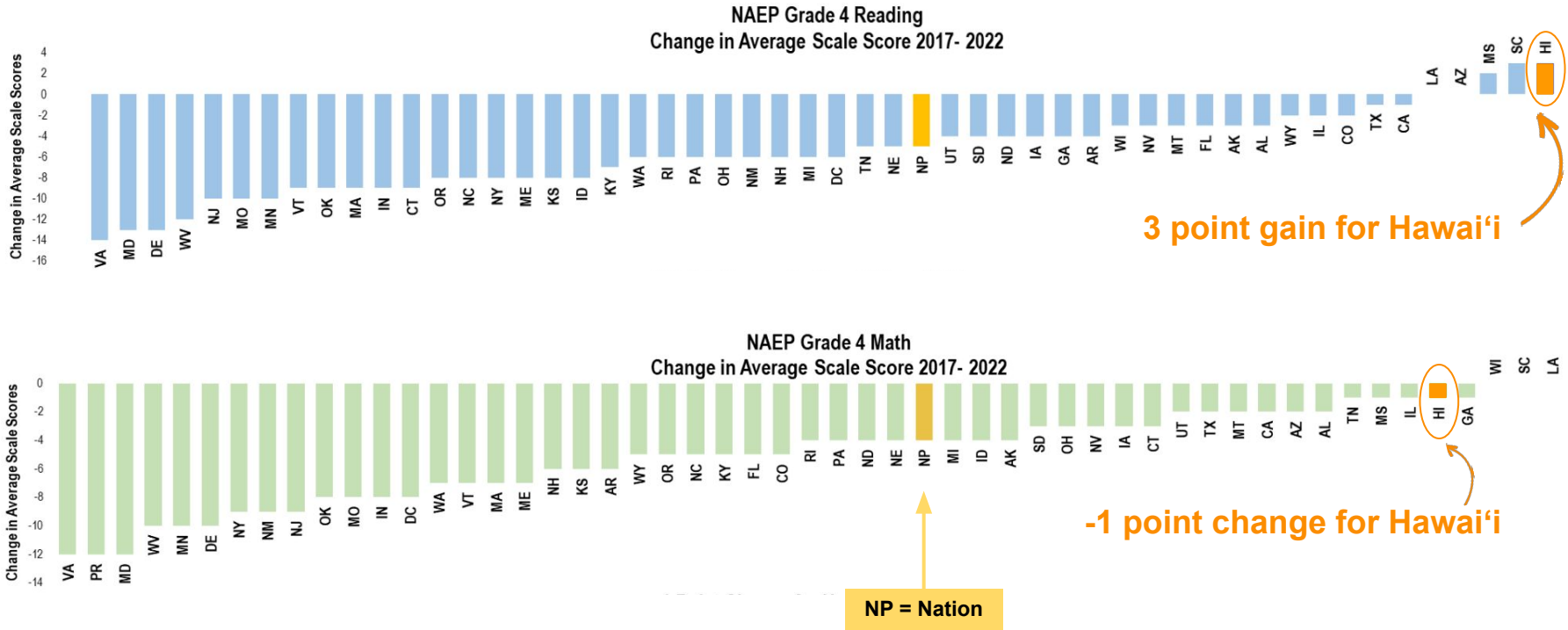
Non-General Funds

Budget Requests



Pandemic Impacts and Recovery Among States

Change in states' Grade 4 reading and math results, 2017 vs 2022

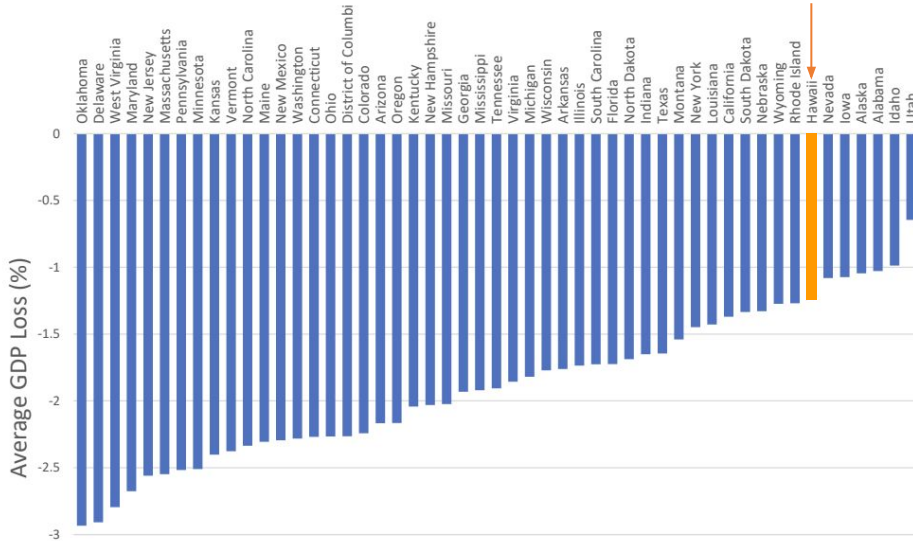


Source: National Assessment of Educational Progress

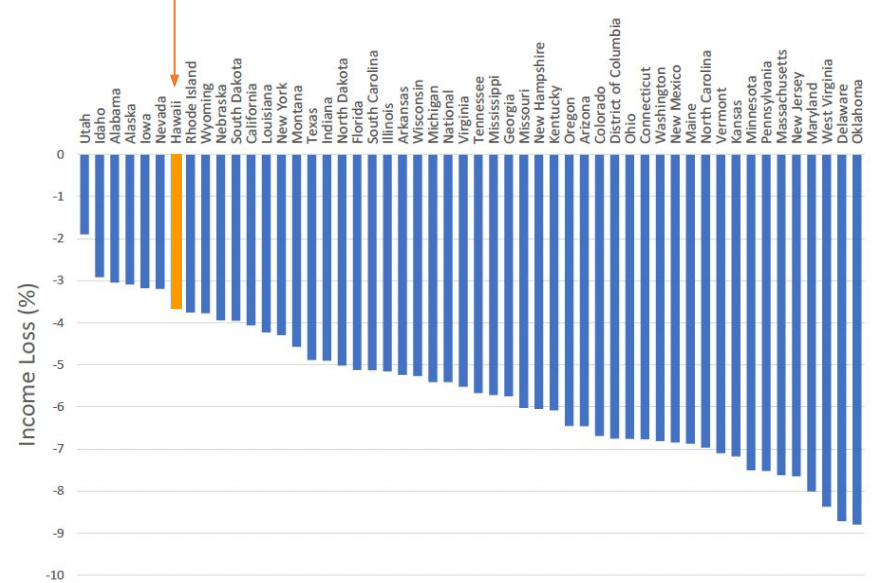


Long-term Economic Impacts on Human Capital

Average Percent GDP Loss over the 21st Century



Loss in Lifetime Income from Learning Losses by State of Schooling

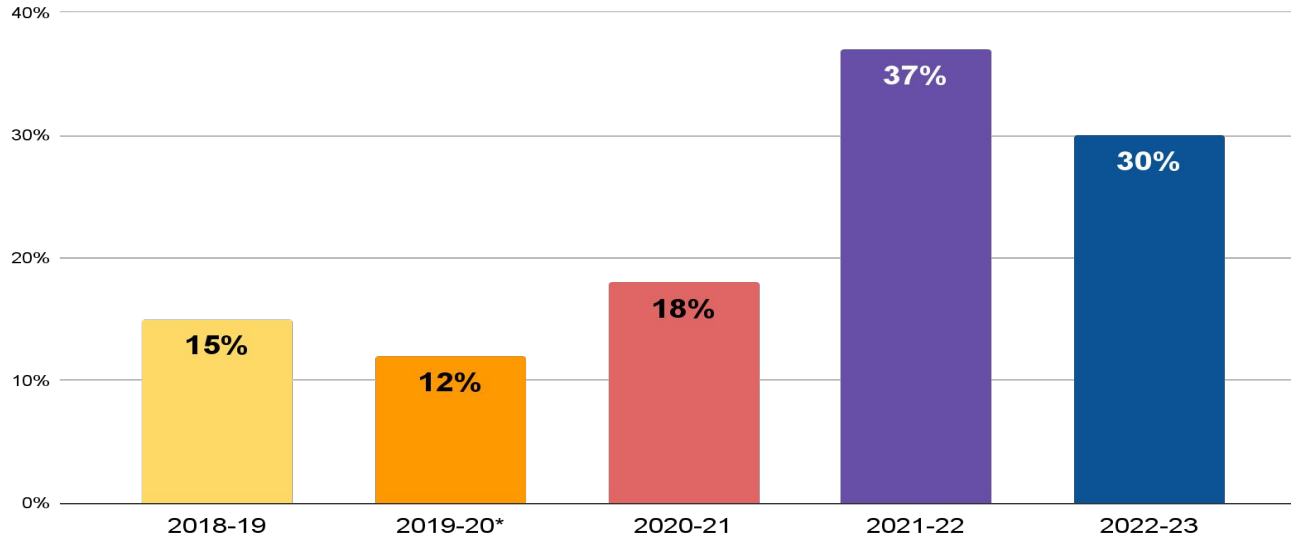


Source: Hanushek (2023). *The Economic Costs of the Pandemic*. Stanford University.



Ongoing Pandemic Impacts on Educational Participation

Chronic absenteeism of Hawaii's students (15 or more days absent)



*Pandemic-impacted years 2019-20 based on first three quarters only due to pandemic, and 2020-21 was mostly online.

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02

Federal Funds



Federal Funds - Major Recurring Grants

Briefing Progress

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Legal Authority	Grant Title	CFDA	FFY23 Appropriation	FFY24 Latest House Draft	FFY24 Latest Senate Draft
ESSA Title I	Education for the Disadvantaged	84.010	\$18,387,000	\$12,354,000	\$18,562,000
ESSA Title II	Supporting Effective Instruction	84.367	\$2,190,000	\$1,681,000	\$2,190,000
ESSA Title III	English Language Acquisition	84.365	\$890,000	\$0	\$897,000
ESSA Title IV-Pt. A	Student Support & Academic Enrichment Grants	84.424	\$1,380,000	\$1,380,000	\$1,400,000
ESSA Title IV-Pt. B	21st Century Community Learning Ctrs.	84.287	\$1,330,000	\$1,330,000	\$1,330,000
ESSA Title VIII	Impact Aid (Basic Support & CWD)	84.041	\$1,618,000	\$1,618,000	\$1,628,000
Individuals with Disabilities Education Act	Special Education State Grants (Part B-611)	84.027	\$14,194,000	\$14,194,000	\$14,369,000
Perkins Career & Technical Education Improvement Act	State Grants	84.048	\$1,430,000	\$1,430,000	\$1,470,000
Workforce Innovation & Opportunity Act (WIOA) Title II	Adult Education State Grants	84.002	\$715,000	\$715,000	\$715,000

* National level appropriation from Federal Funds Information for States (FFIS): Appropriations Update dated 12/19/23

** Federal Fiscal Year (FFY) 24 final funding levels pending passage by Congress. To date, FFY24 funding set by Continuing Resolution (CR) at FFY23 levels



Federal Funds - Pandemic Relief

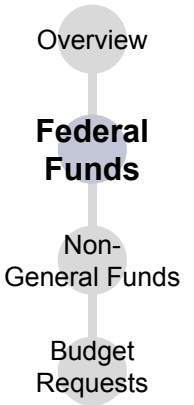
<https://bit.ly/COVIDReliefFunding-HI>

Legal Authority	Grant Title	Lapse Date	Department Award	Expenditures	Encumbrances	Balance	% Exp/Enc
CARES Act Grant	Coronavirus Relief (CR)	Dec. 31, 2021	\$47,100,000	\$47,100,000	\$0	\$0	100%
CARES Act Grant	Governor's Emergency Education Relief (GEER I)	Sept. 30, 2022	\$2,442,415	\$2,442,415	\$0	\$0	100%
CARES Act Grant	Elementary and Secondary School Emergency Relief (ESSER I)	Sept. 30, 2022	\$43,385,229	\$43,385,229	\$0	\$0	100%
CRRSA Act Grant	Elementary and Secondary School Emergency Relief (ESSER II)	Sept. 30, 2023	\$183,595,211	\$183,595,211	\$0	\$0	100%
American Rescue Plan Act Grant	Elementary and Secondary School Emergency Relief (ESSER III)	Sept. 30, 2024	\$412,530,212	\$240,760,358	\$27,194,695	\$144,575,159	65%
Total			\$ 689,053,067	\$ 517,283,213	\$ 27,194,695	\$ 144,575,159	79%

- **Expenditure** refers to funding that is already spent.
- **Encumbrance** refers to funds reserved (but unexpended) by purchase order(s) or contract(s).

As of Nov. 30, 2023

Briefing Progress





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Non-General Funds



Non-General Fund Annual Reports

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

[Link to Reports](#)

Briefing Progress

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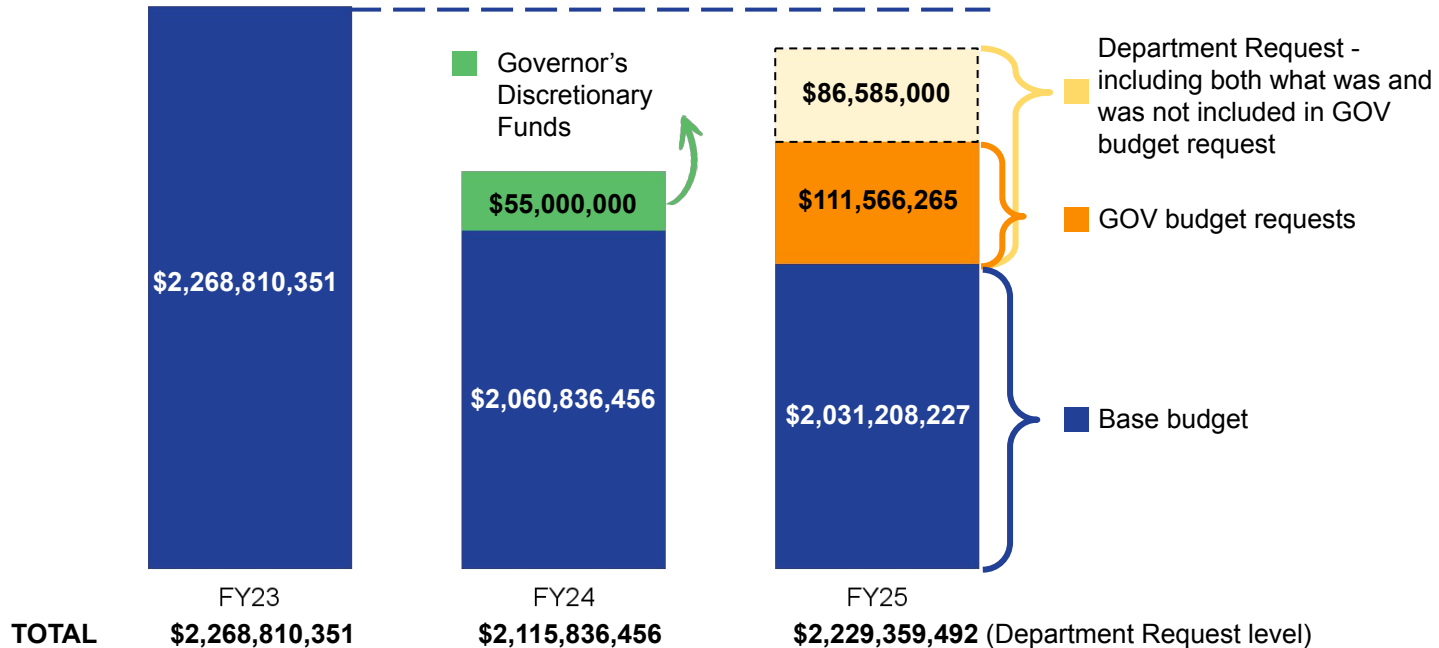
04

Budget Requests

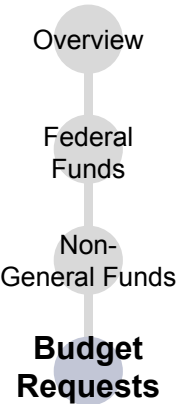


FY24 & FY25 Budget Appropriation & FY25 Requests

General funds



Briefing Progress





Opportunities and Challenges for FY25 and Beyond

Addressed in part via the Supplemental Budget Request

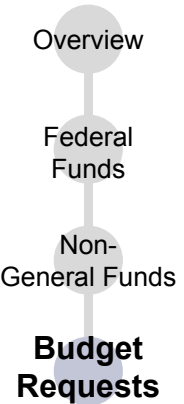
1. **State Funding Cliff** - Due in part to substantial levels of funding for recurring expenses appropriated in FY24 but not appropriated in FY25
2. **Federal Funding Cliff** - Due to the Elementary and Secondary School Emergency Relief (ESSER) program ending in Federal FY24
3. **High Inflation** - For non-payroll costs including food, transportation, & utilities
4. **Pandemic-Related Impacts on Student Learning** - Higher demands for student supports to offset learning loss and social emotional needs
5. **BOE/DOE Strategic Plan** - Innovation to better prepare graduates to be globally competitive, locally committed



Department Budget Request Summary

General funds, FY25

Briefing Progress



EDN		Act 164, SLH 2023 FY25 Appropriation	Department's Requests	Total Department Proposed Budget
100	School-Based Budgeting	\$1,179,452,497	\$74,382,055	\$1,253,834,552
150	Special Education Student Support Services	\$460,200,205	\$15,974,130	\$476,174,335
200	Instructional Support	\$81,932,890	\$35,502,291	\$117,435,181
300	State Administration	\$63,493,429	\$2,401,443	\$65,894,872
400	School Support	\$241,054,079	\$69,891,346	\$310,945,425
500	School Community Services	\$5,075,127	\$0	\$5,075,127
Total		\$2,031,208,227	\$198,151,265	\$2,229,359,492

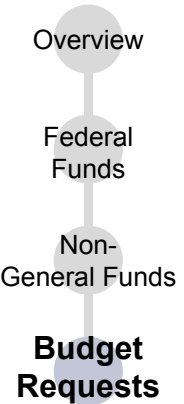
Note: See Testimony Tables 4 and 6 for details about these proposed requests.



Governor’s Budget Request Summary

General funds, FY25

Briefing Progress



EDN		Act 164, SLH 2023 FY25 Appropriation	Governor’s Requests	Total Governor Proposed Budget
100	School-Based Budgeting	\$1,179,452,497	\$28,877,674	\$1,208,330,171
150	Special Education Student Support Services	\$460,200,205	\$7,622,245	\$467,822,450
200	Instructional Support	\$81,932,890	\$801,679	\$82,734,569
300	State Administration	\$63,493,429	-\$251,679	\$63,241,750
400	School Support	\$241,054,079	\$74,516,346	\$315,570,425
500	School Community Services	\$5,075,127	\$0	\$5,075,127
Total		\$2,031,208,227	\$111,566,265	\$2,142,774,492

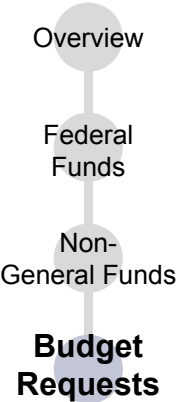
Note: See Testimony Tables 4 and 6 for details about these proposed requests.



Department's and Governor's Budget Request

General funds, FY25 by request category

Briefing Progress



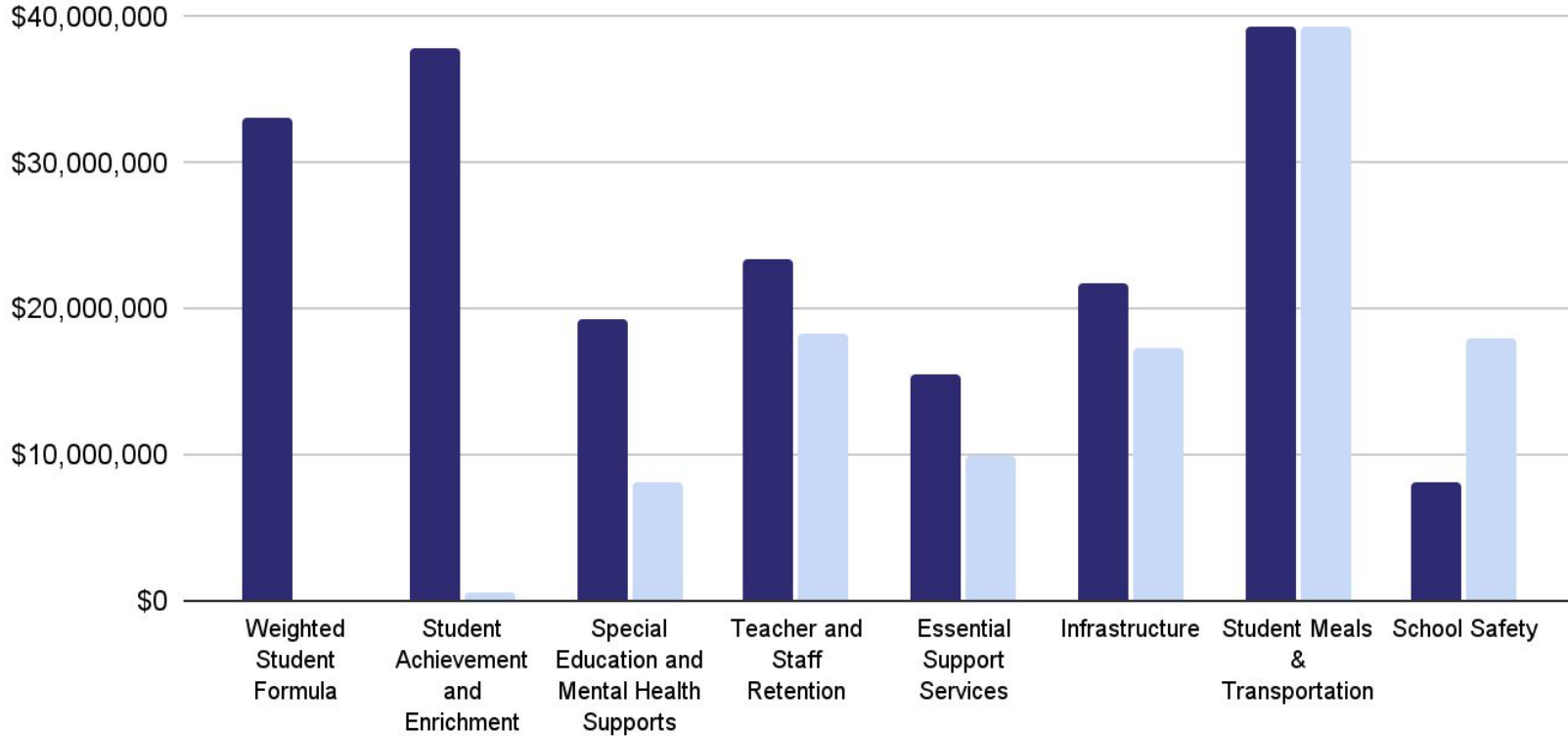
REQUEST CATEGORY	FY25 Department's Request	FY25 Governor's Request	Difference
Weighted Student Formula	\$33,016,281	\$0	-\$33,016,281
Student Achievement and Enrichment	\$37,894,528	\$500,000	-\$37,394,528
Special Education and Mental Health Supports	\$19,273,754	\$8,172,245	-\$11,101,509
Teacher and Staff Retention	\$23,400,879	\$18,377,674	-\$5,023,205
Essential Support Services	\$15,488,565	\$10,000,000	-\$5,488,565
Infrastructure	\$21,750,000	\$17,250,000	-\$4,500,000
Student Meals & Transportation	\$39,266,346	\$39,266,346	\$0
School Safety	\$8,060,912	\$18,000,000	\$9,939,088
TOTAL	\$198,151,265	\$111,566,265	-\$86,585,000

Note: Excludes Trade-Off/Transfer

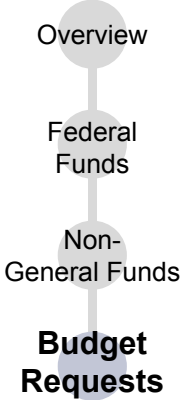


FY25 Budget Request by Category

■ FY25 Department's Request ■ FY25 Governor's Request



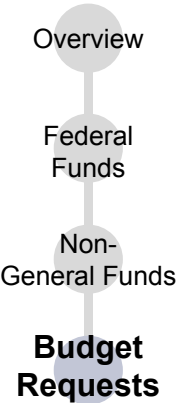
Briefing Progress





Capital Improvements Program Request

Briefing Progress



Categories	FY24 DOE Biennium Request	FY25 DOE Biennium Request	Act 164, SLH 2023 Appropriation	
			FY24	FY25
L/S Project Completion	\$105,000,000	\$40,000,000	\$0	\$0
L/S Deferred Maintenance	\$167,000,000	\$167,000,000	\$71,760,000	\$45,000,000
L/S Federal Grants (state match)	\$22,600,000	\$80,000,000	\$25,600,000	\$36,000,000
L/S Federal Grants (federal funding)	\$90,400,000	\$320,000,000	\$102,400,000	\$144,000,000
L/S Health & Safety	\$10,000,000	\$10,000,000	\$0	\$0
L/S Compliance	\$36,410,000	\$32,900,000	\$0	\$0
L/S Capacity	\$160,750,000	\$118,250,000	\$0	\$0
L/S Instructional	\$2,500,000	\$66,500,000	\$2,500,000	\$11,000,000
L/S Support	\$26,850,000	\$53,400,000	\$0	\$0
L/S Office of IT Services	\$5,000,000	\$5,000,000	\$2,000,000	\$2,000,000
Various Specific School Projects	\$0	\$0	\$272,151,000	\$32,770,000
TOTAL	\$ 626,510,000	\$893,050,000	\$ 476,411,000	\$270,770,000

L/S: Lump Sum



Capital Improvements Program Request

Briefing Progress

- Overview
- Federal Funds
- Non-General Funds
- Budget Requests**

Categories	Act 164, SLH 2023 FY25 Appn	FY25 DOE Supp Request	FY25 GOV Supp Request	FY25 GOV Supp Total
L/S Wildfires Recovery; L/S Major R&M; L/S Completion of Ongoing Projects	N/A	\$192,000,000	\$0	\$0
L/S Project Completion	\$0	\$0	\$49,000,000	\$49,000,000
L/S Deferred Maintenance	\$45,000,000	\$0	\$0	\$45,000,000
L/S Federal Grants (state match)	\$36,000,000	\$0	\$0	\$36,000,000
L/S Federal Grants (federal funding)	\$144,000,000	\$0	\$0	\$144,000,000
L/S Health & Safety	\$0	\$35,000,000	\$0	\$0
L/S Compliance	\$0	\$43,000,000	\$26,000,000	\$26,000,000
L/S Instructional	\$11,000,000	\$0	\$0	\$11,000,000
L/S Office of IT Services	\$2,000,000	\$0	\$0	\$2,000,000
Various Specific School Projects	\$32,770,000	\$272,151,000	\$10,000,000	\$42,770,000
TOTAL	\$270,770,000	\$ 476,411,000	\$85,000,000	\$355,770,000



SECTION

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Testimony Tables

https://www.hawaiipublicschools.org/DOE%20Forms/budget/FB2023-25_SupplementalOperatingBudgetUpdate.pdf



Globally Competitive. Locally Committed.



HawaiiPublicSchools.org





SECTION

06

DOE Budget References



Budget References

- **Budget Program ID and Descriptions**
<https://www.hawaiipublicschools.org/DOE%20Forms/budget/DOE%20EDN%20Program%20Code%20and%20Description%20%28Level%20IV%29.pdf>
- **FY 2024 Appropriation Summary** <https://www.hawaiipublicschools.org/DOE%20Forms/budget/FY2024-Operating-Budget-Appropriation-Summary.pdf>
- **Budget Presentations to the Board of Education:**
 - **10/4/23 FY25 Operating Budget**
https://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/FIC_100423_Action%20on%20DOE%27s%20Supplemental%20Operating%20Budget%20Request%20FY25.pdf
 - **10/4/23 FY25 CIP Budget**
https://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/FIC_10042023_Committee%20Action%20on%20DOE%27s%20CIP%20Supp%20Budget%20Request%20for%20FY25.pdf
 - **12/7/23 Update on Operating Budget Requests for FY 25**
https://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/FIC_120723_DOE%20Supplemental%20Budget%20Development%20Update.pdf
- **The Department's Budget website**
<https://www.hawaiipublicschools.org/ConnectWithUs/Organization/Budget/Pages/home.aspx>
- **Other Reference Materials**
https://www.hawaiipublicschools.org/DOE%20Forms/budget/FB2023-25_SupplementalOperatingBudgetReferences.pdf