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DEPT. COMM. NO. 361

March 5, 2026

VIA EMAIL (senkouchi@capitol.hawaii.gov)
The Honorable Ronald D. Kouchi
Senate President
415 South Beretania Street
Hawaiʻi State Capitol, Room 409
Honolulu, Hawaiʻi 96813

VIA EMAIL (repnakamura@capitol.hawaii.gov)
The Honorable Nadine K. Nakamura
Speaker, House of Representatives
415 South Beretania Street
Hawaiʻi State Capitol, Room 431
Honolulu, Hawaiʻi 96813

Re: *Audit of the Department of Education's Efforts to Meet Its Mandate to Incorporate Local Foods in School Meals*, Report No. 26-07

Dear President Kouchi and Speaker Nakamura:

Please find attached Report No. 26-08, *Audit of the Department of Education's Efforts to Meet Its Mandate to Incorporate Local Foods in School Meals*, along with a copy of the Auditor's Summary.

The report is accessible through our website at:
https://files.hawaii.gov/auditor/Reports/2026/26-08.pdf.

The summary is also accessible through our website at:
https://files.hawaii.gov/auditor/Overviews/2026/26-08AuditorSummary.pdf.

If you or other Legislators have questions about the report or would like a printed version of the report, please let me know.

Very truly yours,

Leslie H. Kondo
State Auditor

Attachments

LHK:lml

cc/attach: Members of the Senate
Members of the House of Representatives
Carol Taniguchi, Senate Chief Clerk
Brian Takeshita, House Chief Clerk

Auditor's Summary

Audit of the Department of Education's Efforts to Meet Its Mandate to Incorporate Local Foods in School Meals

Report No. 26-08



PHOTO: DEPARTMENT OF EDUCATION

In 2021, the Legislature transferred the Hawai'i Farm to School Program from the Department of Agriculture to the Department of Education (DOE) and required DOE to increase the amount of local foods served in public school meals. Under Act 176, Session Laws of Hawai'i 2021, 10 percent of DOE's total food costs was supposed to be spent on locally sourced products by January 1, 2025, with a longer-term goal of 30 percent by 2030. DOE, however, did not meet the 2025 benchmark. In its January 2025 report to the Legislature, DOE reported that just 5.4 percent of its food purchases during School Year 2023–2024 were locally sourced.

Now, with the 2030 deadline approaching, DOE's primary strategy is a sweeping plan to build a statewide network of regional kitchens. DOE contends these centralized production facilities will enable the department to process raw local ingredients at scale and dramatically increase its spending on locally sourced foods.

If DOE is to meet the 30 percent mandate by 2030, it must first develop the foundational systems necessary to understand what local products are available, what foods offer the best opportunity for substitution, and how procurement and menu planning can be aligned with Hawai'i's agricultural capacity.

What We Found

We found that DOE's efforts to meet the 10 percent mandate were largely unstructured and without meaningful action. DOE did not develop a strategic plan, policies, or procedures to guide its Farm to School Program. Although the Superintendent said he emphasized the importance of purchasing local foods, he never conveyed that policy in writing. Cafeteria Managers – who are responsible for ordering food – were generally aware of the goal to increase local food usage, but not all were aware of the specific legislative mandates.

We also found that DOE lacked the basic systems needed to track local food purchases. DOE's distributor price lists generally do not identify whether products are locally grown, preventing Cafeteria Managers from making informed purchasing decisions. In addition, DOE had no reliable internal method for recording which purchases were local. The department instead relied on unverified distributor-provided data, which it could not independently confirm.

DOE recently released a plan to increase local procurement to 30 percent by 2030, centered on building a statewide network of regional kitchens. DOE asserts that centralized kitchens will improve efficiency and help local farmers scale production. However, we found the plan lacks essential baseline data, including information on the cost breakdown of school meals, the capacity of local producers to meet increased demand, and how regional kitchens will directly increase the use of local products.

The department's projected timeline assumes annual increases in local purchasing that appear unsupported by evidence. DOE's own benchmarks begin at 10 percent in 2025 – despite DOE reporting only 5.4 percent in that year – and offer no concrete explanation for how progress will occur before regional kitchens become operational.

Why These Problems Matter

DOE's Farm to School mandate was intended to improve student health and strengthen Hawai‘i's agricultural economy. However, DOE's failure to establish structure, guidance, and accountability has left the program operating as business as usual. Without reliable data and a coordinated strategy, DOE cannot demonstrate progress toward meeting legislative goals or ensure that local purchasing decisions are deliberate rather than happenstance.

If DOE is to meet the 30 percent mandate by 2030, it must first develop the foundational systems necessary to understand what local products are available, what foods offer the best opportunity for substitution, and how procurement and menu planning can be aligned with Hawai‘i's agricultural capacity.

Until DOE has that information, there isn't sufficient baseline data about what local products are available, in what quantities, during which seasons, and at what cost. Instead, the department expects that given enough lead time farmers, ranchers, and distributors will scale up operations to meet the increased demands. Unless DOE develops a data-driven, cost-informed strategy grounded in agricultural capacity and fiscal reality, the 30 percent mandate risks becoming not only another unmet benchmark, but a costly one.

Link to the complete report

https://files.hawaii.gov/auditor/Reports/2026/26-08.pdf

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Audit of the Department of Education's Efforts to Meet Its Mandate to Incorporate Local Foods in School Meals

A Report to the Governor
and the Legislature of
the State of Hawai'i

Report No. 26-08
March 2026



OFFICE OF THE AUDITOR
STATE OF HAWAI'I

OFFICE OF THE AUDITOR
STATE OF HAWAIʻI

Constitutional Mandate

Pursuant to Article VII, Section 10 of the Hawaiʻi State Constitution, the Office of the Auditor shall conduct post-audits of the transactions, accounts, programs and performance of all departments, offices, and agencies of the State and its political subdivisions.

The Auditor's position was established to help eliminate waste and inefficiency in government, provide the Legislature with a check against the powers of the executive branch, and ensure that public funds are expended according to legislative intent.

Hawaiʻi Revised Statutes, Chapter 23, gives the Auditor broad powers to examine all books, records, files, papers and documents, and financial affairs of every agency. The Auditor also has the authority to summon people to produce records and answer questions under oath.

Our Mission

To improve government through independent and objective analyses.

We provide independent, objective, and meaningful answers to questions about government performance. Our aim is to hold agencies accountable for their policy implementation, program management, and expenditure of public funds.

Our Work

We conduct performance audits (also called management or operations audits), which examine the efficiency and effectiveness of government programs or agencies, as well as financial audits, which attest to the fairness of financial statements of the State and its agencies.

Additionally, we perform sunrise analyses and sunset evaluations of proposed regulatory programs, analyses of proposals to mandate health insurance benefits, analyses of proposed special and revolving funds, analyses of existing special, revolving, and trust funds, annual reviews of tax incentives, and special studies requested by the Legislature.

We report our findings and make recommendations to the Governor and the Legislature to help them make informed decisions.

For more information on the Office of the Auditor, visit our website: https://auditor.hawaii.gov

COVER PHOTO: DEPARTMENT OF EDUCATION

Foreword

Our audit of the Department of Education's Farm to School Program was conducted pursuant to Article VII, Section 10 of the Hawai'i State Constitution and Section 23-4, Hawai'i Revised Statutes, which authorizes the Auditor to conduct post-audits of the transactions, accounts, programs, and performance of all departments, offices, and agencies of the State and its political subdivisions.

We express our appreciation to DOE's Superintendent and staff for their cooperation and courtesy.

Leslie H. Kondo
State Auditor

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PHOTO: DEPARTMENT OF EDUCATION

Audit of the Department of Education's Efforts to Meet Its Mandate to Incorporate Local Foods in School Meals

Chapter 1

Introduction

In 2021, the Legislature transferred the Farm to School Program from the Department of Agriculture to the Department of Education (DOE or department) and gave DOE a Farm to School Coordinator position, a mandate, and a deadline: 10 percent of the total cost of school meals should come from local foods by January 1, 2025.[1] That meant DOE had three school years (2021–2022; 2022–2023; and 2023–2024) to increase local food content in its school meals. In addition to mandating that 10 percent of the total food costs be from locally sourced products by 2025, the Legislature also required the department to increase spending on local products to 30 percent by 2030.

We found that neither the Farm to School Program nor the mandate to increase the amount of local products in school meals was a department priority.

1. In 2025, the Legislature rescinded the requirement that 10 percent of the food served in school meals be locally sourced by January 1, 2025 to resolve discrepancies between the locally sourced food benchmarks for DOE and other departments. Act 137 (SLH 2025) took effect "upon its approval" on May 30, 2025, *five months after the department's deadline had passed*.

DOE did not meet the January 1, 2025 mandate, with the department reporting just 5.4 percent of the $82 million that it spent on food during School Year 2023–2024 was on "locally sourced food products."[2] We found that neither the Farm to School Program nor the mandate to increase the amount of local products in school meals was a department priority. The Farm to School Program has yet to adopt a strategic plan that defines its goals and guides its efforts to increase spending on local foods. In addition, the program has no policies and procedures to guide its activities. While the DOE Superintendent said that he had emphasized the importance of locally sourced food in discussions and meetings, he never conveyed that policy in writing. Cafeteria Managers at the various schools purchase the food for school meals, and while those we spoke with were generally aware of a goal to increase local ingredients, not all were aware of the specifics of the goal. But even if purchasing local had been clearly articulated and communicated as a priority to staff, Cafeteria Managers did not have the ability to carry out the policy. The DOE-approved product lists from which Cafeteria Managers purchased food and other ingredients for school meals did not make the distinction between local and imported, meaning Cafeteria Managers could not make an informed choice to buy local foods.

According to DOE's last four annual reports, the rate of locally sourced food usage has oscillated between 5 percent and 6.5 percent, with food service operations remaining essentially unchanged during that time period.

While the department did hire a permanent Farm to School Coordinator in 2023, we found his activities lacked department support and were negligible. He described his position as being the leader of gathering information and making reports. But we found that this reporting was late, incomplete, inaccurate, and therefore, unreliable; as flawed as the information gathering and compiling may be, more concerning is that the reporting reflects the business-as-usual work of the department's food service operations instead of the results of a deliberate, designed, and sustained effort to increase the usage of locally sourced products to meet the targets set by the legislature.

We also found that, in summer 2025, DOE released a plan to meet the additional goal of 30 percent by 2030, proposing a network of regional kitchens, with centralized food service operations that may allow DOE to prepare meals more efficiently. However, the department lacks the critical baseline data and research on which to build a strategic effort to increase the amount of local products; the plan is more aspirational than operational, lacking necessary details on how consolidating cafeteria meal preparation at regional kitchens will result in the department buying more local products necessary to meet the 2030 mandate.

2. The department's calculation of food purchases excludes public charter schools.

For instance, in its effort to reach its 30 percent goal by 2030, DOE hopes to identify and promote local sources for key products, "novel" crops such as rice, buckwheat, and arrowroot. However, it is questionable that the department will able to procure such new crops by 2030, or ever. According to an Associate Extension Agent at the University of Hawai'i's College of Tropical Agriculture and Human Resilience we spoke with, Hawai'i does not have the area for cultivation of small-grain crops. In addition, specialized equipment needed for harvesting would likely make the crops unprofitable.

Moreover, while both the 2025 and 2030 mandates are based on a percentage of total food costs, DOE does not have data about the cost of each component of the meals served at its schools. Without such data, the department is unable to determine what dishes or items (main entree, side of fruit, vegetable, roll, milk) and, specifically, what ingredients within those categories, provide the best opportunities to increase local food usage and spending. In addition, without concrete and current empirical data, the department does not know the range of local products currently available, the quantities necessary to meet the department's menu needs, the farmers from whom the local items can be obtained, or the cost to incorporate more locally sourced products. According to one food distributor, the department has not adequately researched the "food landscape" (i.e., identified farmers and their current products). "I feel like we are still researching the landscape … it's been the same for almost 10 years, but it feels like [DOE] is expecting a different answer," he said.

Without such data on the current states of local food availability and meal preparation, DOE's upcoming efforts – which include the design and launch of new menus, a re-examination of the procurement laws and policies, and the creation of a comprehensive statewide plan for regional kitchens – are being developed in their own silos, missing the direction and coordination of a targeted strategy. Without an integrated, targeted strategy – and the data and analysis to support it – results will continue to be unguided and left up to happenstance.

Impetus

The Auditor initiated this audit of the Department of Education's Farm to School Program after reports about the department's failure to meet its mandate that 10 percent of its food cost be from local products by the beginning of 2025 and questions about the department counting the cost of bottled water towards that mandate. The audit was performed pursuant to Article VII, Section 10 of the Hawai'i State Constitution and Section 23-4, Hawai'i Revised Statutes (HRS), which authorizes the Auditor to conduct post-audits of the transactions, accounts, programs, and performance of all departments, offices, and agencies of the State and its political subdivisions.

This is our first performance audit of DOE's Farm to School Program.

Background

In 2015, the Hawai'i Farm to School Program was established within the Department of Agriculture[3] to improve student health, develop an educated agricultural workforce, enrich the local food system by increasing local food procurement for the State's public schools and other institutions, accelerate garden and farm-based education for the State's public schools, and expand the relationship between public schools and agricultural communities.

In 2021, the Legislature enacted Act 175, Session Laws of Hawai'i (SLH) 2021. The Act accomplished four things. First, it transferred the Hawai'i Farm to School Program from the Department of Agriculture to DOE while maintaining the purposes of the program, including to increase "local food procurement for the State's public schools." Second, it created a position of Farm to School coordinator within DOE to lead the program. Third, the Act imposed a mandatory goal of 30 percent locally sourced products, as measured by the total food costs, in school meals by 2030. Fourth, the Act required DOE to submit a detailed annual report to the Legislature prior to each regular session, beginning in 2022. Act 175 is codified as Sections 302A-405.5 and 302A-405.6, HRS.

During the same session, the Legislature enacted Act 176 (SLH 2021), codified at Section 27-8, HRS, which requires DOE and certain other state departments, including the University of Hawai'i, to ensure that a certain percentage of food purchased consists of "fresh local agricultural products and local value-added, processed, agricultural, or food products." Act 176 required DOE to ensure that 10 percent of school meals be locally sourced foods by January 1, 2025, as measured by the percent of total food costs.

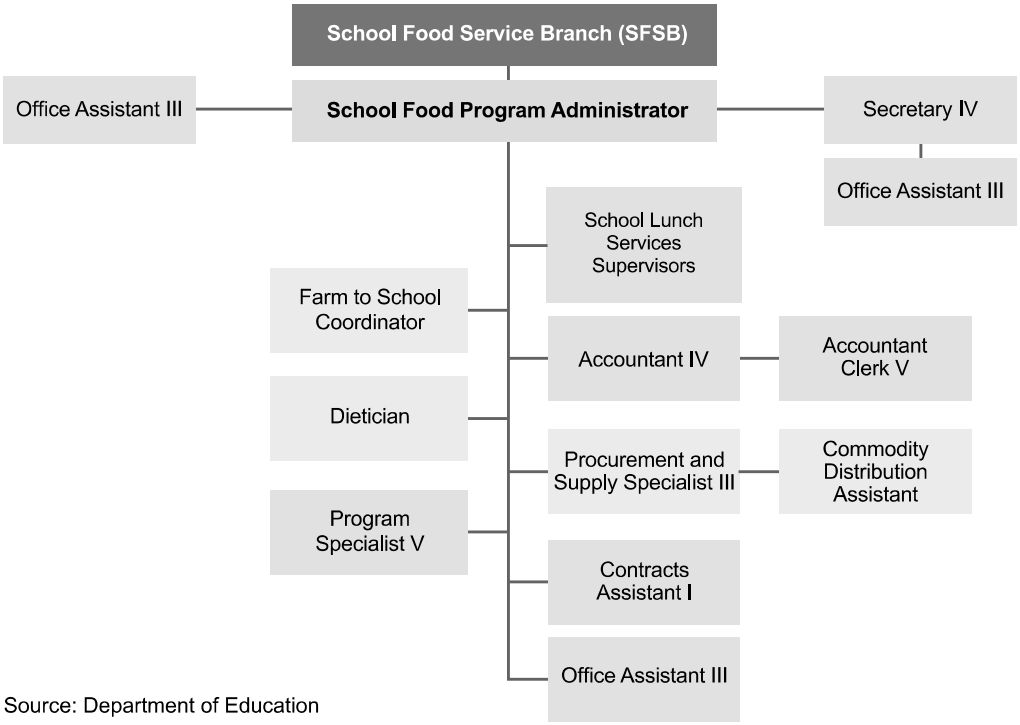
DOE's Food Service Operations

The School Food Services Branch, which is part of the department's Office of Facilities and Operations, is responsible for developing and administering statewide programs, plans, budgets, policies, standards, and specifications for the public school system's food service operations; and is headed by the School Food Program Administrator who oversees the strategic direction and responsibilities of the branch, which includes the Farm to School Program.

DOE's Farm to School Program is led by the Farm to School Coordinator, who is responsible for initiating, planning, developing, managing, and coordinating appropriate activities, as well as evaluating all aspects of the program. When we asked the Coordinator who he thought was leading the effort to meet the 30 percent legislative mandate, he told us that he thought he had that responsibility when he was hired in 2023; but the reality, he said, is "I'm the leader of gathering information and making reports," and "I [only] have authority to ask and suggest."

3. In 2025, the department name was changed to the Department of Agriculture and Biosecurity.

Exhibit 1
School Food Service Branch (SFSB) Organization Chart
(Highlighted positions related to the Hawai‘i Farm to School Program)



Source: Department of Education

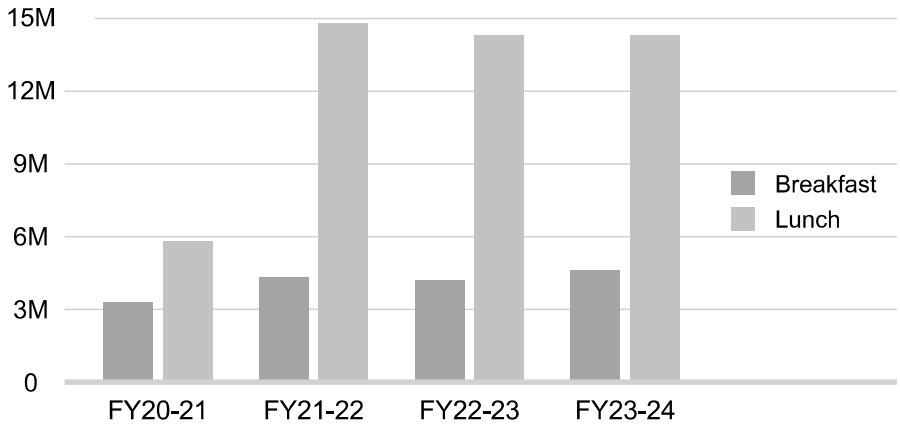
School meals are prepared or served in three different settings: school cafeteria kitchens, preparation kitchens, and serving kitchens. Preparation kitchens cook meals for schools that do not have equipment to prepare meals. Those prepared meals are then delivered to kitchens, referred to as serving kitchens, at those schools that lack the equipment to make the meals but provide meal service for their students.

Cafeteria Managers are responsible for managing and directing the day-to-day operations of the kitchens, which includes food purchases for their kitchens as well as directing cooks, bakers, cafeteria helpers, and food drivers to provide school food services. Cafeteria Managers operate kitchens with the support of School Food Services Branch District Supervisors. Cafeteria Managers are part of the branch, but their day-to-day activities are supervised by their school’s principal.

Number of DOE Students Served Breakfasts and Lunches

School Years 2020–2021 to 2023–2024

School Year	Number of Breakfasts Served to Students	Number of Lunches Served to Students
2023-2024	4.6 million	14.3 million
2022-2023	4.2 million	14.3 million
2021-2022	4.3 million	14.8 million
2020-2021	3.3 million	5.8 million



Source: Formal Education Variance Reports to the Legislature Program

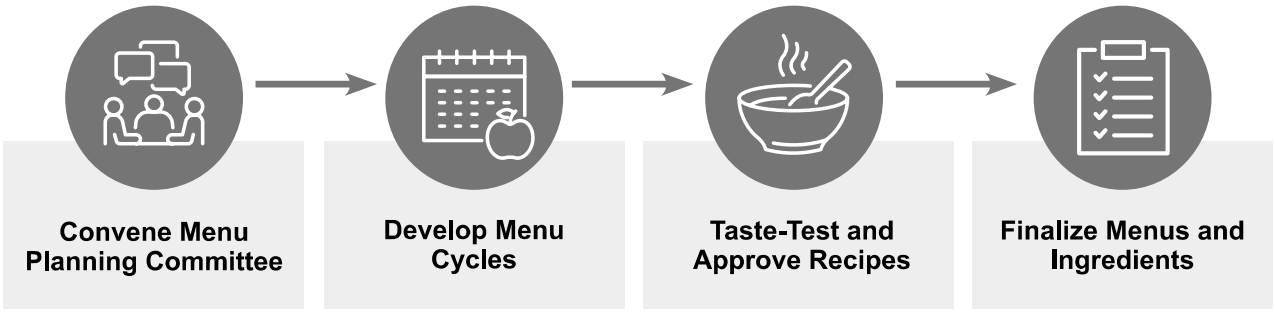
Financial Information – School Food Services Branch

The School Food Services Branch pays the costs for school food service, which includes the salaries of branch staff, repair, maintenance, food service equipment, supplies, and the cost of food. The branch receives funding through state General Fund appropriations, the School Food Services Special Fund, and federal funds, which include reimbursements from the National School Lunch Program and the Fresh Fruit and Vegetables Programs. It also receives federal "entitlement funds," credits that can be used to purchase produce from the Department of Defense's Fresh Fruit and Vegetable Order/ Receipt System (FFAVORS). (See "FFAVORS from the Feds" on page 12.) For School Year 2023-2024 (July 1, 2023 to June 30, 2024), DOE received $80 million in general funds, $20 million from the School Food Services Special Fund, and $72 million in federal reimbursements.

Menu Planning, Procurement, Preparation: How Food Gets to Students' Plates

For DOE, planning for upcoming school year's meals is a year-long process – starting from menu planning through meal preparation.

Menu planning



Each August, the School Food Services Branch's Dietitian convenes a menu planning committee consisting of 13 Cafeteria Managers from school districts throughout the State (one from Kaua'i, eight from O'ahu, one from Maui, one from Moloka'i or Lāna'i, and two from Hawai'i Island) to develop the menu cycles a year in advance of the next school year. Between the 2021-2022 and 2024-2025 school years, menu cycles consisted of a 20-day schedule of school meals, five days a week for four weeks (See next page). The committee also determined the menu cycles for breakfast and afternoon snacks. All recipes go through taste-testing by various School Food Services Branch employees, Cafeteria Managers, and, in some cases, students. The recipes are then vetted by the Dietitian to ensure that the meals meet the nutritional content and other requirements set by the Food and Nutrition Service of the U.S. Department of Agriculture.

By the end of October, the committee finalizes the menus for breakfast, lunch, and afternoon snack; the Dietitian identifies the ingredients needed to prepare the meals and projects the amounts needed based on the number of students, creating a sort of shopping list that is then forwarded to the branch's Procurement and Supply Specialist.

The 2024–2025 School Year 20-Day DOE Lunch Menu

All meals include a choice of either chocolate or unflavored fat-free (skim) or 1% milk (Children 2-5 YO are allowed unflavored fat-free (skim) or 1% Milk)

WEEK 1	**CHEESE PIZZA** Veggie Sticks-Celery or Cucumber Fresh Fruit Edamame (K-A) Condiments: Dressing	**CHICKEN PATTY SANDWICH** Emoticon Potatoes Lettuce Leaf Tomato Slice Fresh Fruit Condiments: Ketchup, Mayonnaise (9-A)	**CHILI & CHEESE NACHOS or SOFT SHELL BEEF TACOS** Green Salad Salsa Cup Strawberry Kiwi Juice Mixed Fruit (9-A) Condiments: Dressing	**ROAST TURKEY W/ GRAVY & WG ROLL** Whipped Potatoes Zucchini Mixed Fruit Craisins (9-A) WG Roll Condiments: Gravy	**BEEF PATTY W/ GRAVY & RICE or PANIOLO PATTY** Steamed Rice Steamed Carrots Edamame White Grape Peach Slushie Sliced Peaches (9-A) WG Roll (9-A) Condiments: Gravy
WEEK 2	**TASTY TENDERS & RICE (Chickenless Tenders)** Broccoli Baked Beans Apple Crisps Fresh Fruit (9-A) WG Roll (9-A) Condiment: Dipping Sauce	**TUNA SANDWICH or FISH FILLET SANDWICH** w/ Lettuce Leaf & Tomato Slice (K-A) Chips (Potato Crisps, OR Wild White Nachos) Veggie Sticks (Celery OR Cucumber) Orange Fruit Gel Sliced Peaches (9-A) Condiment: Dresing, Tartar Sauce (in Fish Sandwich)	**CREOLE MAC (WITH CHEESE) or SPAGHETTI W/ MEAT SAUCE (WITHOUT CHEESE)** Green Salad Edamame Sliced Peaches Diced Pears (9-A) WG Roll, Garlic or Plain Condiments: Dressing	**KOREAN CHICKEN & RICE or BAKED CHICKEN W/ GRAVY & RICE** Steamed Rice Steamed Corn Steamed Carrots Applesauce Pineapple Chunks (9-A) WG Roll (9-A)	**CHICKEN POTSTICKERS (GYOZA)** Baby Carrots Veggie Sticks (Celery or Cucumber) Fresh Fruit Fresh Fruit (9-A) Condiments: Dressing, Dipping Sauce
WEEK 3	**MAC & CHEESE or THREE BEAN CHILI & RICE or THREE BEAN CHILI MAC** Broccoli Steamed Carrots POG Slushie Pineapple Chunks (9-A) WG Roll (9-A)	**SHOYU HOT DOG W/ RICE or HOT DOG W/ BUN** Tater Tots or Corn Baby Carrots Fresh Fruit Condiments: Ketchup, Mustard WG Roll (K-A) w/ Shoyu Hot Dog & Rice only	**KALUA PORK & CABBAGE & RICE or KALUA PORK NACHOS** Lomi Tomato or Pico De Gallo Edamame Pineapple Chunks Mixed Fruit (9-A) WG Roll OR 2oz Tortilla Chips (9-A)	**HAMBURGER, TERI-BURGER, CHEESE BURGER, or SLOPPY JOE** w/ Lettuce & Tomato Potato Wedge Fries Veggie Sticks (Celery or Cucumber) (K-A) Fresh Fruit Condiments: Ketchup	**PEPPERONI PIZZA** Baby Carrots Veggie Sticks (Celery or Cucumber) (K-A) Fresh Fruit Condiments: Dressing
WEEK 4	**CHEESE BITES** Marinara Dipping Sauce Veggie Sticks-Celery or Cucumber Fresh Fruit Condiment: Dressing	**BBQ PORK SANDWICH or KALUA PORK SANDWICH** Potato Wedges Baked Beans Coleslaw Sliced Peaches Fresh Fruit (9-A) Condiments: Ketchup, BBQ Sauce	**HAMBURGER CURRY & RICE or HAMBURGER STEW & RICE** Cucumbers Green Salad Cran Razz Juice Pineapple Chunks (9-A) WG Roll (9-A) Condiments: Dressing	**CHICKEN TENDERS** Potato Wedges Baby Carrots Edamame Strawberry Fruit Gel Diced Pears (9-A) WG Roll (9-A)	**MINI TURKEY CORN DOG** Baby Carrots Veggie Sticks (Celery or Cucumber) Fresh Fruit Condiments: Dipping Sauce, Dressing

Source: Department of Education

Procurement



The Procurement and Supply Specialist works with the department's Procurement and Contracts Branch, which is part of the Office of Fiscal Services (an office independent of the School Food Services Branch and Office of Facilities and Operations), to procure the menu ingredients, both raw ingredients as well as processed food items. The School Food Services Branch is responsible for deciding the procurement method, the specifications describing what it wants, and the structure of how bids are awarded and renewed; the Procurement and Contracts Branch drafts the solicitations, ensures that the specifications allow competition, and posts the solicitations on the State's electronic procurement system.

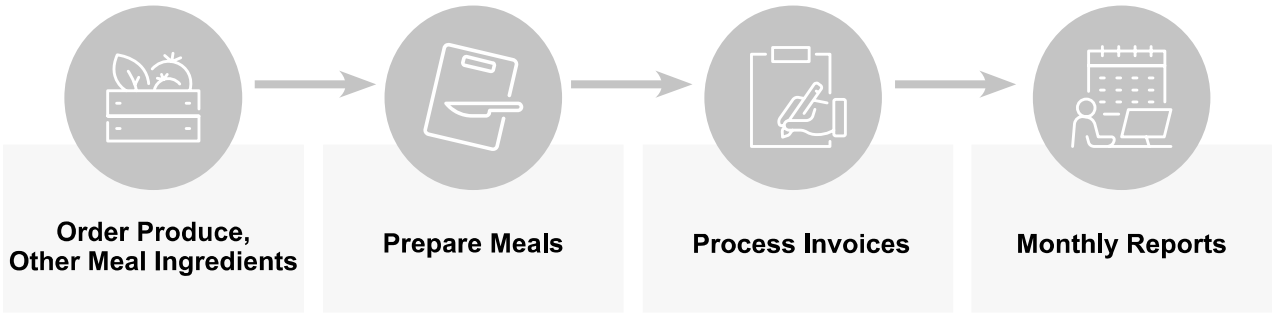
During our work on this audit, the department had issued separate Invitations for Bid, referred to as IFBs, soliciting bids from food distributors to provide fresh produce; frozen protein (ground beef, pork, poultry); dairy products; and protein/breakfast, groceries, and beverage products.[4] Each IFB contained a list of items needed by the branch for school menus – for example, the bid to "furnish and deliver supplemental fresh produce" invited vendors to supply 73 kinds of fruits and vegetables and included the estimated quantity needed to meet the branch's needs. Food distributors submitted bids to supply the items at a specified price with the contract awarded to the lowest bidder. The resulting contracts, generally, are for one year, begin on July 1, and include the specific food items and their prices. The branch can renew a contract each year for up to four years or issue a new solicitation.

From School Year 2021-2022 to School Year 2024–2025, four produce distributors served DOE schools, one each for Oʻahu, Maui, Kauaʻi, and Hawaiʻi Island. There were three ground beef distributors, one for Oʻahu, one for Maui, and one for Hawaiʻi Island, Kauaʻi, Molokaʻi, and Lānaʻi. One distributor provided dairy products to cafeterias statewide.

4. The department also has a smaller "special diet products" price list to supply food items for students with special dietary requirements.

In general, the price lists do not differentiate between local and imported items. For example, the supplemental produce price list, which includes more than 70 varieties of fruit and produce ranging from apples to zucchini, does not specifically identify whether the fruit or produce is locally grown. In contrast, since 2021, the frozen protein bid has solicited ground beef containing 51 percent Hawai'i-grown beef. Ground beef purchased from the resulting price list, therefore, qualifies as a "local value-added" product under the statute.[5] There is also a grocery bid, called by the School Food Services Branch's Procurement and Supply Specialist the "main grocery bid." Traditionally, that IFB rarely had local bidders, and all the items on the main grocery bid were from the mainland. However, the most recent grocery solicitation, containing almost 200 items and issued in Spring 2025, included four specifically local items: bottled water, breadfruit, breadfruit flour, and taro root.

Purchasing and preparation



Cafeteria Managers are normally required to purchase meal ingredients from the approved price lists. However, the department's primary source for fresh produce is through the federal Fresh Fruit and Vegetable Program procured through FFAVORS. (See "FFAVORS From the Feds" on page 12.) In contrast to the School Food Services Branch's supplemental produce price lists, FFAVORS identifies produce that is locally sourced. Each year, the branch's Commodity Distribution Assistant allocates entitlement funds (or credits) from the U.S. Department of Agriculture to each school that can be used to buy fresh produce from FFAVORS. The amount of credits allotted to each school is based on the number of meals served by the school the previous school year.

5. The Spring 2025 solicitation added one item that specified local pork.

In addition to price lists for produce, there are other price lists from which Cafeteria Managers order. For example, the price list for groceries and other processed foods includes things like hot dogs, spaghetti, mayonnaise, tuna, cinnamon, cumin, and, garlic. The dairy price list includes things like milk, chocolate milk, buttermilk, and sour cream. The frozen protein price lists include frozen beef, pork butt, chicken thighs, and turkey roast.

Food preparation ranges from "heat-and-serve" meals where there is no preparation needed other than heating to "scratch-cooked" meals that require cafeteria staff to prepare menu items produced from raw ingredients rather than pre-assembled or processed products. Cafeteria Managers must prepare and schedule recipes that are on the DOE annual menu cycles approved and created by the Dietitian and menu committee the prior year.

Cafeteria Managers also process food distributor invoices for payment through a system called the Aukahi Financial Management System (Aukahi). This financial data inputted by Cafeteria Managers is compiled into a statewide monthly report reviewed by the School Food Program Administrator as well as the Assistant Superintendent and Chief Financial Officer of the Office of Fiscal Services.

As described by the former School Food Program Administrator, DOE cafeteria managers do not have spending limits or a set budget for their purchases from these price lists.

FFAVORS from the Feds

The US Department of Agriculture (USDA) partners with US Department of Defense (DoD) to support the purchase of locally grown produce by school districts by leveraging the DoD's procurement system. The program was created in the mid-1990s as part of an effort to supply US-grown fresh fruit and vegetables directly to schools along with deliveries to military installations and other sites in the United States.

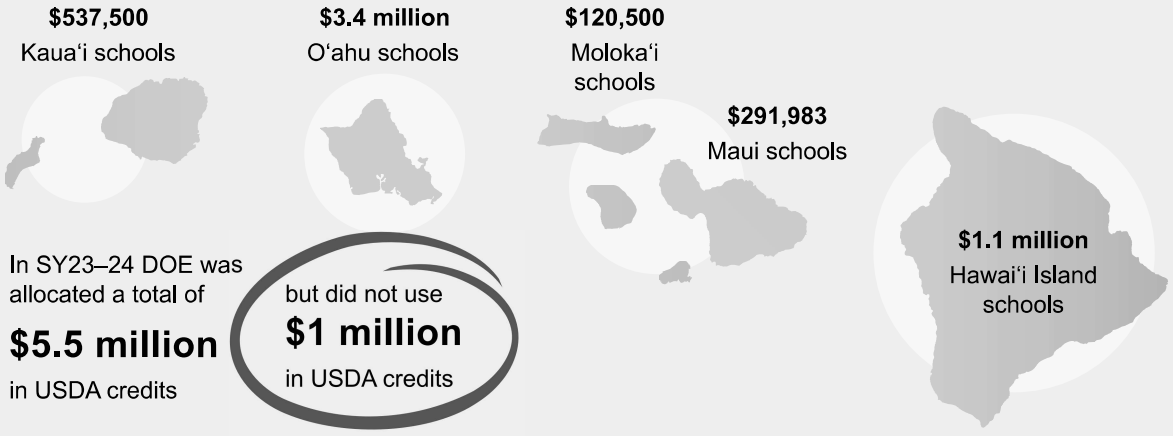
Around May of each year, DOE is informed of the amount of USDA credits available to the department for the upcoming school year, which is then allocated among DOE schools based on the number of meals served in the previous school year. Schools place orders directly into the program's Fresh Fruit and Vegetable Order/Receipt System (FFAVORS), an online catalog of domestically grown produce that is updated weekly by distributors who are encouraged to source local produce, taking into consideration price, quality, availability, and other factors. Distributors must report the state of origin for each fruit or vegetable in the online FFAVORS catalog.

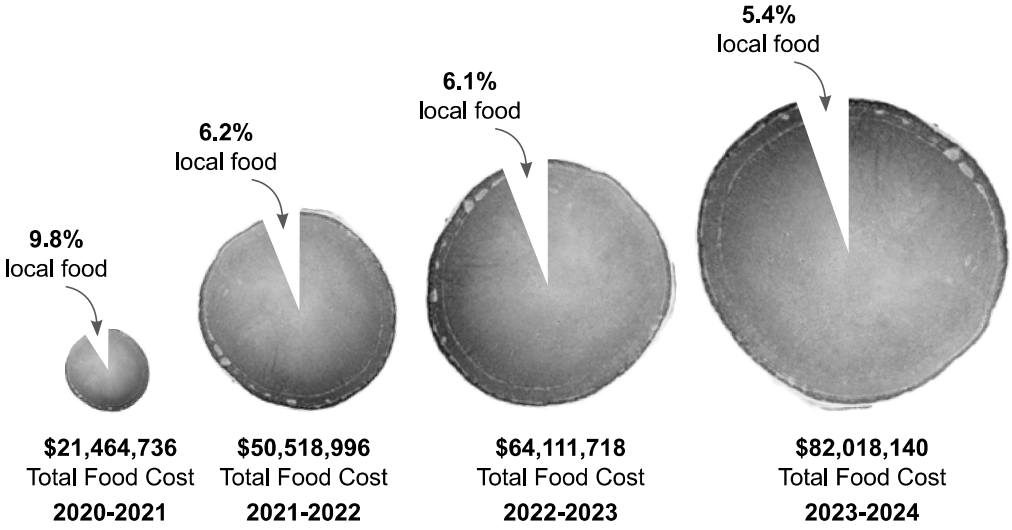
According to DOE, FFAVORS is supposed to be the first choice for produce purchases. If a school has exhausted its allocation of entitlement credits or an item is not available through FFAVORS, Cafeteria Managers can purchase produce from DOE's supplemental produce list; however, as we note elsewhere, the supplemental price list does not identify the origin of its fruits and vegetables.

The School Food Services Branch does not provide regular supervisory oversight of food spending at the school level. As a result, the branch did not spend nearly $1 million of allocated FFAVORS credits over the past two years. For example, for School Year 2023–2024, DOE was allocated $5.5 million of USDA credits, with about $3.4 million disbursed to O'ahu schools, $1.1 million to Hawai'i Island schools, and Maui schools receiving $291,983 in credits. Kaua'i and Moloka'i schools received $537,500 and $120,500, respectively. In School Year 2023–2024, DOE did not use $1 million in credits, and in the following school year, School Year 2024–2025, DOE did not use $413,000 in credits; however, because an additional $500,000 was requested but not allocated, a total of $913,000 was not used that year. The unspent credits did not carry over to subsequent school years and were redistributed amongst the states.

FFAVORS data allows the School Food Services Branch to create purchase reports for the school year, enabling those purchases to be included in the calculation of the local percentage of total food purchased.

In School Year 2023-2024, DOE spent about $4.3 million through FFAVORS on produce, 47 percent of its total produce purchases. About $700,000 (16 percent) of that amount was spent to buy locally grown produce.





School Year	Total Food Costs	Total Local Food Costs
2020-2021	$21,464,736	$2,103,753
2021-2022	$50,518,996	$3,132,178
2022-2023	$64,111,718	$3,936,415
2023-2024	$82,018,140	$4,452,526

Source: DOE Farm to School and Local Meals Reports submitted to the Hawai'i State Legislature (required by Acts 175 (SLH 2021) and Act 176 (SLH 2021)) and 2022 Governor Message 5. The DOE Farm to School Report to the 2023 Hawai'i State Legislature covered a 10-month period rather than a 12-month period.

PHOTO: ISTOCK.COM

Audit Objectives

1. Determine why, by January 1, 2025, DOE was unable to meet the requirement that fresh local agricultural products and local value-added, processed, agricultural, or food products constitute 10 percent of the total food purchased during the calendar year.
2. Determine how DOE intends to meet the requirement that, by 2030, 30 percent of food served in public schools consists of fresh local agricultural products and local value-added, processed, agricultural, or food products, as measured by the percentage of the total cost of food.
3. Make recommendations as appropriate.

Scope and Methodology

To meet our audit objectives and gain an understanding of DOE's Farm to School Program, we reviewed applicable federal laws and regulations, relevant sections of the Hawai'i Revised Statutes and their associated legislative histories, administrative rules related to DOE's School Lunch Program, DOE's Plan of Organizations, and other written policies and procedures. We also looked at the "plans" to achieve the Farm to School meals mandates, a draft created by the Farm to School Coordinator and another presented by the Superintendent to the Board of Education, as well as a plan suggested by the Hawai'i Agricultural Foundation. We reviewed DOE's update on its Regional Kitchen Masterplan that was presented to the Board of Education on June 19, 2025, as well as subsequent updates to that plan. Our review included the period from 2021, the year that the Farm to School Program was transferred to DOE, through August 2025, and, as we judgmentally deemed appropriate, included certain relevant information outside of the period.

As part of our background work, we reviewed best practices as described in other jurisdictions regarding farm to school purchasing activities and summarized DOE internal audits and non-Hawai'i Farm to School internal and management audits and relevant reports. We reviewed national and local media accounts of farm to school food sourcing efforts. We interviewed the Superintendent, the Superintendent's Chief of Staff, the former Assistant Superintendent of DOE's Office of Facilities Operations, the former School Food Program Administrator, the Farm to School Coordinator, and the School Food Service Branch's Commodity Distribution Assistant, as well as the Procurement and Supply Specialist and Dietitian.

We interviewed eight Cafeteria Managers from Honolulu, Windward O'ahu, Leeward O'ahu, Kaua'i, and Hawai'i Island, who we judgmentally selected to attain a sampling from various areas of the State and a range of school sizes and cafeteria types, to gain an understanding of the variety of practices across the State. The Cafeteria Managers were from high schools, middle schools, and elementary schools, and included preparation kitchens that not only prepare food for their schools but for other schools that don't have full kitchen facilities. We also interviewed School Food Service Supervisors from O'ahu, Maui, and Hawai'i Island judgmentally selected for a sampling across the State.

We interviewed food distributors that had the four major food contracts: groceries, dairy, frozen protein, and supplemental produce. We contacted the other state agencies that are required to increase the use of fresh local agricultural products and local value-added, processed, agricultural, or food products under Section 27-8, HRS, including the Department of Health, Department of Corrections and Rehabilitation, Department of Defense, and the University of Hawai'i system. We identified and interviewed potential

farm to school stakeholders, including the Hawai‘i Agricultural Foundation's Executive Director.

To meet audit objectives, we reviewed the Farm to School and Local Meal Reports submitted to the Hawai‘i State Legislature from 2021 through 2025. To the extent necessary to achieve our objectives, we reviewed a portion of the data provided by the DOE Farm to School Coordinator and collected from DOE food distributors and School Food Services Branch expense transactions recorded in the Aukahi Financial Management System for the periods July 1, 2022 to June 30, 2023 and July 1, 2023 to June 30, 2024. We evaluated and compared the use of both sources of data to determine the accuracy and consistency of the information gathered and reported in the DOE Farm to School Meals and Local Meals October 2024 and January 2025 reports to the Hawai‘i State Legislature. The department reported its most current school year spending in December 2025. We also reviewed that report and included certain information reported therein about the department's spending. None of the DOE food data reviewed included data from charter schools, as the School Food Services Branch did not include charter schools in the Farm to School and Local Meal Reports.

To the extent necessary to achieve our audit objectives, we also reviewed information predating the transfer of the Farm to School Program to DOE in 2021.

Based on the above-described audit work, we evaluated why DOE did not meet the State's mandate of 10 percent of food served in public schools to be locally sourced by 2025. We also evaluated how DOE intends to meet the 30 percent locally sourced food mandate by 2030.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Department of Education's efforts to increase the percentage of locally sourced products in its school meals to meet the legislatively mandated goal of 10 percent by 2025 were without structure, direction, or consequential actions.

Summary of Findings

1. The Department of Education's efforts to increase the percentage of locally sourced products in its school meals to meet the legislatively mandated goal of 10 percent by 2025 were without structure, direction, or consequential actions.
2. While the Department of Education's plan to develop regional kitchens may allow for the incorporation of more local foods in school meals, it lacks essential details to support the department's contention that it will increase its spending on locally sourced products to 30 percent by 2030.

Chapter 2

Finding 1:

The Department of Education's efforts to increase the percentage of locally sourced products in its school meals to meet the legislatively mandated goal of 10 percent by 2025 were without structure, direction, or consequential actions.

Starting in at least 2013, the Legislature established objectives and policies relating to agriculture's role in the State's economy, prioritizing the improvement of the health of Hawai'i's children by supporting local agriculture through such initiatives as a farm to school program and increasing the consumption of locally grown foods in schools throughout the State. The Legislature specifically noted that it was establishing "a policy to buy local produce and support local agriculture" and codifying that policy in the Hawai'i State Planning Act, Chapter 226, HRS.

Two years later, in 2015, the Legislature established a Hawai'i Farm to School Program in the Department of Agriculture with the express purpose of improving the health of children. The Legislature expected the program to increase the procurement of local agricultural products for school meals, with the added benefit of supporting the State's agricultural economy by providing an additional revenue source to local farmers. Consistent with the objectives articulated in the Hawai'i State Planning Act, the new program was directed to:

1. Improve student health;
2. Develop an educated agricultural workforce;
3. Enrich the local food system through the support and increase of local food procurement for the State's public schools and other institutions;
4. Accelerate garden and farm-based education for the State's public schools; and
5. Expand the relationship between public schools and agricultural communities.

In 2021, to "bring the farm to school program closer to achieving tangible results for the health of Hawai'i's students," the Legislature established a local farm to school meal "target goal" of 30 percent by 2030. That goal requires 30 percent of food served in public schools, as measured by the total

cost of food, to consist of fresh local agricultural products or local value-added processed, agricultural, or food products by 2030. The Legislature also transferred the program to DOE.

That same year, the Legislature determined that supporting local farmers and ranchers and encouraging the use of local agricultural products was "a matter of statewide concern." To make sure that state departments, including DOE, purchased locally-grown produce to ensure continued growth of local produce, the Legislature required that, by January 1, 2025, 10 percent of DOE and certain other departments' produce purchases be from fresh local agricultural products and local value-added processed, agricultural, or food products.[6] That percentage of locally sourced food increases every five years to 50 percent of total food costs by January 1, 2050.

In 2025, noting the conflicting programmatic goals for DOE to locally source 30 percent of food served in public schools by 2030 in Section 302A-405.6, HRS, and that under Section 27-8, HRS, which requires only 18 percent by 2030, the Legislature exempted DOE from certain percentage goals applicable to other departments. Although Act 137 (SLH 2025) also rescinded the requirement that 10 percent of the food served in school meals be locally sourced by January 1, 2025, the act took effect on May 30, 2025, *five months after DOE's January 1, 2025 deadline*.

In its January 2025 report to the Legislature, DOE reported that just 5.4 percent of the $82 million that it spent on food during the 2023-2024 school year was "local."[7] This was down from 6.1 percent for the previous school year, which was slightly lower than the 6.2 percent of the year before.[8]

DOE has no process – or system – to track each cafeteria manager's food purchases, including (and most importantly) identifying which purchases were locally sourced products.

Cafeteria Managers are responsible for, among other things, reviewing recipes for upcoming meals on the menu cycle and placing orders for the needed ingredients from distributor price lists and through the federal Department of Defense Fresh Fruit and Vegetable Order Receipt System (see "FFAVORS

6. The mandate was amended a year later, in 2022, to apply to DOE, the departments of health, public safety, and defense, and the University of Hawai'i.

7. Section 302A-405.6, HRS, used the term "locally sourced products," which includes both local agricultural produce as well as "local value-added processed" products.

8. In its January 2025 report to the Legislature, DOE reported that, in its previous year's report relating its food expenditures during School Year 2022-2023, the department had not included dairy. Using School Year 2023-2024 financial data from DOE's dairy vendor and School Year 2024-2025 spending on locally sourced dairy, we estimate the percentage of locally sourced products likely would have been lower had the department included its dairy purchases in its School Year 2022-2023 report.

Down Is Up

A decrease in School Year 2024-2025's total food spending contributed to an uptick in that year's percentage of spending on locally sourced food.

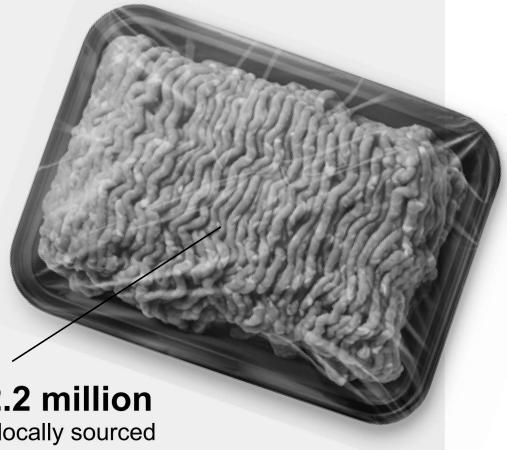
In its Annual Local Meals and Farm to School Meals Report to the Legislature, released on December 15, 2025, DOE reported that for School Year 2024-2025, it spent about $5 million on locally sourced products, which comprised about 6.5 percent of the department's $77 million in total food costs, still far short of the January 1, 2025 goal of 10 percent. While the spending on locally sourced products increased by nearly $600,000, the department also reported that its total spending on food *decreased* by nearly $5 million (or more than 6 percent) from the previous year (in School Year 2023-2024, DOE reported spending $82 million). The report provides no explanation about the decreased total food costs.

For School Year 2024-2025, DOE reported that it spent about $1.8 million on locally sourced fresh produce, an increase of about $300,000 from the prior school year; about $2.2 million on locally sourced ground beef, which was more than $230,000 *less* than the prior year; and about $967,000 on locally sourced dairy products, an increase of about $550,000. The department also reported that its special meal events contributed about $25,000 of spending on locally sourced products, which comprised about 0.03 percent of total food costs. DOE did not report on special meal events spending for School Year 2023-2024, but the department reported spending about $25,000 on locally sourced poi (0.03 percent of spending) and a little more than $50,000 on locally sourced bottled water (0.06 percent).



$1.8 million
on locally sourced
fresh produce

Up **$300,000** from the prior school year



$2.2 million
on locally sourced
ground beef

Down **$230,000** from the prior school year



$967,000
on locally sourced
dairy products

Up **$550,000** from the prior school year

PHOTOS: ISTOCK.COM

From the Feds" on page 12). For School Years 2021-2022 through 2024-2025, Cafeteria Managers' ability to purposely order locally sourced products was limited: local ground beef from the frozen protein price list and local produce through FFAVORS. During that period, there were no other sources from which Cafeteria Managers could knowingly purchase locally sourced products, including the supplemental produce price list which does not identify the origin of the produce.

Cafeteria Managers also had no uniform process or system to record which of its purchases were local, even those like the fresh produce purchased through FFAVORS whose information may have indicated that it was locally sourced. Cafeteria Managers submit invoices for payment through Aukahi, the department's accounting and financial reporting system; Aukahi, however, does not track whether the specific products that are purchased are local. Cafeteria Managers also notate food purchases in handwritten ledgers and on index cards to track physical inventory and food costs at the school level, as required by USDA.[9] Although Cafeteria Managers send a monthly report on the total spent on inventory to SFSB Supervisors, there is no breakdown of what is spent on individual items in inventory as that information is only kept at the school level. The manual paper system was still in use at the end of our work on this audit.

Pictures of DOE Inventory Systems



PHOTOS: OFFICE OF THE AUDITOR

9. The inventory and food cost data are reviewed annually by SFSB Supervisors.

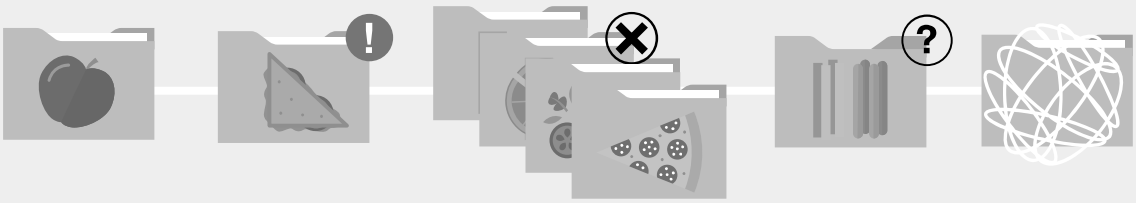
Data on locally sourced purchases is unverified and may be inaccurate.

Without any process or system to collect information about the food purchases – specifically the locally sourced products – DOE must rely entirely on data maintained and provided to the department by its distributors to calculate school year spending totals, including amounts spent on locally sourced products. The former School Food Program Administrator shared with us her concerns about the accuracy of this information, citing an instance in which a vendor imported lettuce from the mainland but washed it on Maui, an example of something that may "muddy the data." In addition, the department has no means to verify the accuracy of the distributor-supplied information. As a result, it is unclear whether the department's reported spending is accurate.

We reviewed the branch's annual reports on Farm to School Meals for School Year 2022–2023 and School Year 2023–2024 and compared the reported total food costs with the totals in Aukahi; we found significant differences between the total food costs DOE reported to the Legislature and the costs in Aukahi. According to the department's October 2024 annual report to the Legislature, the department's total food cost of School Year 2022–2023 was $64.1 million, while DOE's Fiscal Office reported total food costs of $75.3 million, a difference of $11.2 million. For the following school year, the annual report noted $82 million in total food costs, while internally the department reported $81.3 million in food spending, a difference of about $700,000.

The Annual Report on Farm to School Meals and Local Meals released in January 2025 noted that the information reported to the Legislature regarding the department's food costs in School Year 2022–2023 included discrepancies, explaining that DOE neglected to include the amount that the department had spent on dairy that school year; using data from Aukahi, we calculated DOE spent approximately $8.8 million on dairy; however, we do not know how much of that amount was on locally sourced dairy products. DOE has not corrected its numbers and percentages of locally sourced food from School Year 2022-2023.

These discrepancies, the result of the department's use of two different sources of information to calculate total food costs and, as importantly, the lack of a framework to capture the cost of locally sourced products, undermine confidence in DOE's ability to accurately report on how local food costs contribute to overall food purchases. They also highlight the urgent need for a centralized information system that can track both local and non-local food purchases.



Clash with a Titan

Titan, a menu planning, inventory, and meal-production tracking system, which could collect key data to identify and report food service program results, was not widely used and eventually scrapped.

In December 2022, DOE announced that it had procured a menu planning, inventory, and meal-production tracking system (later identified as Titan), which, among other things, would enable Cafeteria Managers to distinguish between locally sourced and non-locally sourced products they purchase. Cafeteria Managers were expected to enter the information after food delivery, at which time they could notate if the product is locally sourced. Menus were linked to the inventory entered into the system.

On July 31, 2023, the Assistant Superintendent for the Office of Facilities and Operations notified complex area supervisors and principals about the expected implementation of Titan. The notice mentioned that training would be provided during the 2023-2024 school year.

Titan went live in August of 2024, but it was not widely adopted, with only about 130 of the nearly 200 Cafeteria Managers fully utilizing the system for production records and inventory. A small group of Cafeteria Managers did use Titan to track production, but not for inventory. As many as 65 of them did not use Titan at all.

Some of the Cafeteria Managers' complaints about Titan included insufficient training, unsuitable metrics and codes, and inaccurate reports. The union representing most managers (Hawai'i Government Employees Association) had also pointed out that the implementation of Titan required a "consult and confer," which obligates public employers to engage in good-faith discussions with employee unions about workplace changes made prior to the procurement.

In January of 2024, the Hawai'i Child Nutrition Program, which administers federal grants and reimbursements for DOE, determined that the department had improperly procured Titan. Later in the year, the union and DOE agreed that Cafeteria Managers who were not already using Titan would not be required to do so.

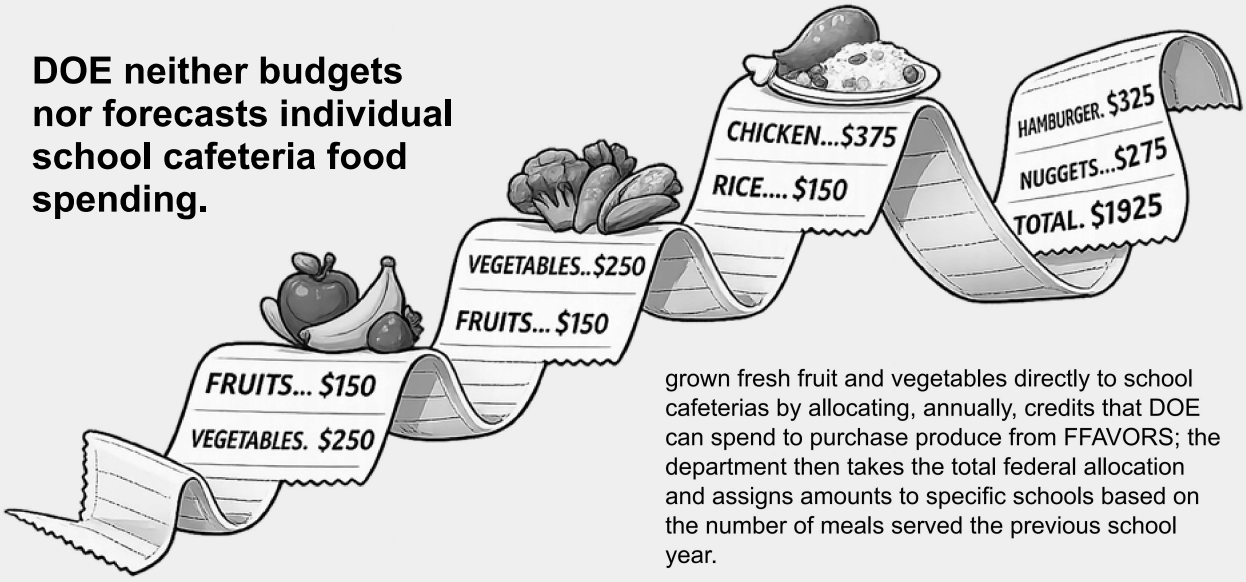
Then, in November of 2024, the Hawai'i Child Nutrition Program started withholding monthly federal reimbursements due to the department's alleged improper procurement of Titan and failure to take corrective actions to address issues related to the procurement. These withholdings would eventually grow to more than $20 million. And, in May of 2025, in an effort to "start over," the former School Food Program Administrator discontinued the use of Titan. By that time, the price tag for Titan and associated programs and programming had reached about $2.3 million.

A Request for Proposal for a system replacement was issued on June 10, 2025 and was scheduled to close on July 14, 2025. The former School Food Program Administrator estimated a contract could be signed by September of 2025, and the entire new system would be implemented in time for the 2026-2027 school year.

Near the end of our work on this audit, the department directed managers to stop using Titan altogether. Until the new system is operational, Cafeteria Managers have reverted to documenting purchases on handwritten index cards.

ILLUSTRATION: ISTOCK.COM

DOE neither budgets nor forecasts individual school cafeteria food spending.



Cafeteria Managers are responsible for placing orders for ingredients and supplies, receiving goods, and accounting for inventory and sales. The former School Food Program Administrator and Cafeteria Managers stated that, apart from an allocation of federal credits for purchasing produce from FFAVORS (See "FFAVORS from the Feds" on page 12), there are no set spending limits for purchases of food for school meals. According to the former School Food Program Administrator, the branch neither budgets nor forecasts individual school cafeteria food spending.

In addition, there is no regular supervisory oversight of food spending at the school level. Cafeteria Managers submit invoices into Aukahi to allow payment of DOE distributors using SFSB funds. This purchasing data is included in a monthly report that is reviewed by the School Food Program Administrator; the report is a compilation of branch revenues and expenditures and is not intended (nor used) to monitor the spending either by the branch or by individual schools.

Moreover, the former School Food Program Administrator told us that there are no controls in place to guide purchasing. As an example of the lack of guidance and oversight, the former School Food Program Administrator cited the underutilization of FFAVORS money. FFAVORS is the federal program that supports providing U.S.-grown fresh fruit and vegetables directly to school cafeterias by allocating, annually, credits that DOE can spend to purchase produce from FFAVORS; the department then takes the total federal allocation and assigns amounts to specific schools based on the number of meals served the previous school year.

For Hawai'i school cafeterias, FFAVORS is the first choice for produce purchases. If a school has exhausted its allocation of credits or an item is not available through FFAVORS, Cafeteria Managers can purchase produce from the department's supplemental produce list. The former School Food Program Administrator confirmed that the branch has no policy or procedure to ensure Cafeteria Managers should first order produce from FFAVORS.

According to the former School Food Program Administrator, SFSB District Supervisors are responsible for reminding Cafeteria Managers to use FFAVORS credits first. The branch's Commodity Distribution Assistant explained that she relies on District Supervisors to move FFAVORS allocations between schools within their district to ensure the entire allocation to schools within a district is spent. However, that supervisory duty is not clear to the District Supervisors we interviewed. Two supervisors did not believe it was their responsibility to monitor FFAVORS spending and purchasing at all and mentioned they will reach out to the Commodity Distribution Assistant if Cafeteria Managers request additional FFAVORS credits after they have exhausted their allocated credits. One District Supervisor reported she had requested additional FFAVORS credits; however, neither she nor the Cafeteria Manager received a response from the Commodity Distribution Assistant.

For School Year 2023–2024, DOE was allocated $5.5 million in FFAVORS credits; however, the department spent only $4.4 million of the credits, returning the remaining $1.1 million to the federal government. According to the former School Food Program Administrator, communication regarding the use of FFAVORS is unclear, with the branch not prioritizing the use of FFAVORS to its Cafeteria Managers. In addition, she said that the branch needs to do a better job tracking school cafeterias' utilization of FFAVORS credits.

In School Year 2023–2024, the School Food Services Branch distributed the $5.5 million in FFAVORS credits to 194 cafeterias, with allotments ranging from as little as $1,447 to a cafeteria serving a Maui elementary school to nearly $89,000 to a cafeteria serving a Kaua'i High School and Intermediate School. We found that 17 school cafeterias nearly exhausted their FFAVORS credits, with 26 other cafeterias leaving less than $1,000 unused. On the other hand, 32 cafeterias left about $10,000 or much more on the table, with an additional two cafeterias returning more than $30,000 to the federal government. One school did not spend any of its allocation of $16,000, while another school did not receive any funding.

When we asked the Superintendent about the contention of branch staff and Cafeteria Managers that cost was not a factor when purchasing food, the Superintendent insisted that cost is a factor for food purchases; however, when we asked him if each cafeteria has a budget that its Cafeteria Manager must adhere to, he told us that he was not sure there was a budget but said that District Supervisors monitor their Cafeteria Managers. He noted that the inventory tracking system that the department canceled in May 2025 would have enabled the tracking of purchases.

District Supervisors do not have the responsibility to monitor all food purchases at the school level. According to the former School Food Program Administrator, while supervisors have access to the food purchasing data on Aukahi, a review of that information is not part of District Supervisors' responsibilities. Beyond an annual review required by federal guidelines, she reiterated that there is no consistent review of cafeteria purchases. She repeated that, because there are no spending limits, Cafeteria Managers are making purchases at their discretion from what is on the DOE price lists. However, she said that some Cafeteria Managers are ensuring that they are being price efficient while others might purchase more food because they are afraid of running out, a practice that may be leading to waste.

For three of the last four school years, DOE has requested additional funding to meet food service cost overruns. In 2021, the School Food Services Branch received from the Board of Education a $27 million allocation of Elementary and Secondary School Emergency Relief funds to be used to cover a shortfall for food service in School Year 2020-21. Elementary and Secondary School Emergency Relief funds are federal grants, which were provided to state and local education agencies to help K-12 schools address the impact of the COVID-19 pandemic. DOE would later receive an additional $1 million of the funds to address an excess in food service operations.

Two years later, the department requested emergency funding from the State Legislature to address an accumulated $20 million deficit in its food services operations. In written testimony to the Senate Education Committee, the Superintendent cited inflation throughout the COVID-19 pandemic and its aftermath for rising food and milk costs. The Superintendent pointed out that current meal pricing and federal reimbursement rates had been insufficient to cover the increased cost, but he did not elaborate what the meal pricing and reimbursements are and should be.

The following year, the department needed another $20 million in emergency funding for food services. As of the end of February 2025, the School Food Services Branch had spent about $53.6 million, which was about $7.6 million over the department's forecasted spending for that time period. The department was projecting another $20 million deficit in its food service operations. The projected deficit was attributed to a number of factors, including increased operating costs such as personnel and kitchen repairs, rising food prices, and the school meal prices charged to students.

The Farm to School Program and the local food spending mandate were not department priorities.

DOE's reported spending on locally-sourced food appears to be the result of business as usual rather than a strategic approach. The Farm to School Program has no policies or procedures to guide the department's mandate to increase the amount of locally sourced products, and has not defined a budget to carry it out.

The reported spending leading up to the January 1, 2025 deadline highlights the lack of urgency or priority in the department's approach to increasing the amount of locally sourced products in its school meals; that spending reflects status quo rather than any meaningful increase. In the Annual Report on Local Meals and the Annual Report on Farm to School Meals both dated October 2024, DOE reported $64.1 million in total food costs in the school year ending June 30, 2023, of which $3.94 million (or 6.1 percent) comprised fresh local agricultural products and local value-added processed, agricultural, or food products. Fresh produce costs were $1.34 million (2.1 percent of the total food costs), and the department spent about $2.57 million on locally sourced ground beef (4 percent of the total food costs). Poi was listed for O'ahu, and the $24,960 total purchase amounted to 0.04 percent of the department's total food costs.

The department subsequently reported that it had not included the cost of dairy in both the total costs as well as the cost of locally sourced products; however, DOE has not updated its totals to include the missing dairy costs. Using Aukahi data that indicates the department's purchases from DOE's dairy vendor in the 2022-2023 school year, we estimated DOE's actual total food purchases for the school year ending June 30, 2023, to be approximately $72.9 million.

In School Year 2023-2024, which is when the department's spending on locally sourced products was supposed to be 10 percent of its total food costs, DOE reported that only 5.4 percent of its spending was on local products, slightly less than the prior school year. In total, DOE reported spending $82 million, an increase of about $18 million from the prior school year's report, with Hawai'i-sourced products accounting for $4.5 million of that total. The local spending included $1.5 million on fresh produce (1.8 percent of the total food costs), $417,092 on local dairy (0.5 percent of the total food costs), $51,124 on bottled local water (0.06 percent of the total food costs), and $24,921 on poi processed from taro (0.03 percent of the total food costs). Locally sourced ground beef comprised 3 percent of the total food costs. The amount of locally sourced ground beef fell both in actual cost as well as in the percentage of the total food costs from the prior school year.

It is not clear that DOE even realized that a concerted approach to increase the amount of locally sourced products in its school meals was necessary to meet the 10 percent goal by 2025. According to the Chief of Staff, the previous Assistant Superintendent believed that local milk purchases alone would enable the department to exceed the 10 percent requirement. It was only after DOE's report to the Legislature on the food costs for the 2023-2024 school year that the department learned that local milk comprised less than 5 percent of total milk purchases and only 0.5 percent of the department's total food costs. The former School Food Program Administrator also told us that, when she first started, there was no real push to get to the goal under her predecessor.

The Superintendent said that he has emphasized the importance of locally sourced food in discussions and meetings, but he said he never conveyed that policy in writing. The Cafeteria Managers we spoke with were generally aware of a goal to increase local ingredients; however, not all were aware of the specific 10 percent and 30 percent mandates. We reiterate that Cafeteria Managers are the ones who purchase the food for school meals, making the decisions on what to purchase from DOE price lists and through FFAVORS. Their knowledge of and participation to meet the targeted goals are critical; even more important, the Superintendent needs to clearly communicate – and document – the department policy to prioritize purchasing local and the legislative mandates.

DOE's Farm to School Coordinator, who is supposed to head the farm to school efforts by statute, described himself as a coordinator with no authority, someone who can only ask for or suggest action.

The Coordinator was hired to head the department's Farm to School Program. He reported engaging in various activities, which he described as building relationships with farmers and meeting with various stakeholder groups, as well as gathering some data on seasonally available fruit and vegetables for the menu committee, among other things. However, he said he lacks the authority and the means to educate potential distributors about the need to increase the locally sourced products in their bids to supply produce and other ingredients to the department. He told us he had created a PowerPoint presentation to educate potential vendors about the State's bidding process, but he has not been authorized to use the presentation; he also does not know how he can buy a plane ticket to meet with potential vendors on the Neighbor Islands or reserve a conference room to host a public forum. The Coordinator described his position as the leader of gathering information and making reports. "I [only] have authority to ask and suggest," he told us.

The Coordinator's activities toward the 10 percent goal were largely limited to participating in the School Food Services Branch's special monthly meal events. The special meal events were created about three years ago to increase participation by bringing variety and excitement to the school menu. The meals were considered to be an opportunity to test scratch-made recipes. The special meal events feature local ingredients on a small scale.[10] The Coordinator's contributions to those events focused on procuring relatively small amounts of local food used in the special meal events and coordinating with Cafeteria Managers to obtain numbers regarding the events.

We also found that the Coordinator, who is tasked with preparing annual reports on the Farm to School Program to the Legislature, does not have the final say on the information that is reported. The annual reports on the department's progress in meeting the local farm to school meal mandates do not include the information required by Section 302A-405.6, HRS. For instance, the reports contain no information regarding the costs of the Farm to School Program meals and realized savings, a list of the school meals containing the largest percentage of locally sourced products, the percentage of fresh food and processed food served by each county, the percentage of locally sourced products purchased from the department's largest distributors, or the training of cafeteria staff to cook meals from scratch. The Coordinator told us that the draft reports that he had prepared included some of the required information, such as dollar amounts, but it was removed before publishing.

In addition to the missing information, we found that the reports were published at irregular intervals and untimely: The results for School Years 2022–2023 and 2023–2024 were published just four months apart, in October 2024, more than a year after the Coordinator was hired, and then in January 2025, more than six months after the end of the school year. However, we note that the department's reporting of its food spending for the most recent school year, School Year 2024-2025, was issued in December 2025, less than six months after the end of the school year.

10. According to DOE's December 2025 Annual Report on Local Meals and Farm to School Meals, in School Year 2024-2025, spending for special meal events using locally sourced ingredients amounted to a little less than $25,000, or 0.03 percent of the department's total food costs.



PHOTO: DEPARTMENT OF EDUCATION

Limited Local

Introduced in May 2022, special meal events are DOE's primary means of testing new menu items for possible inclusion into the department's menus. These events, however, are small in scale and are held infrequently at a limited number of schools. The Coordinator pointed to the special meal events as evidence of his efforts to increase the amount of locally sourced products that the department incorporated into its meals. That characterization, however, seems to be, at best, an overstatement. The Dietitian told us that the primary purpose of those events was to test new menu items and for other purposes, none of which was to incorporate more locally sourced products. More specifically, the department had 9 special meal events during the 2023-2024 school year of which only 5 featured local ingredients. And, only a relatively small handful of schools participated in the special meal events.

- **September 2023: Papaya Bread (51 schools).**
- **January 2024: Paniolo Patty - Ground beef (59 schools).**
- **February 2024: Fruit and Chocolate Chickpea Dip (78 schools).**
- **March 2024: Sweet Potato Yogurt Bowl (57 schools).**
- **May 2024: Poi – Taro (73 schools).**

Only one dish resulted in a new item on the cyclic menu: The paniolo burger, a hand-formed patty made from local ground beef.

In February 2025, cafeterias served Sheet-pan Pancakes made with locally grown apple bananas. A subsequent DOE press release noted that the new breakfast offering was part of the department's farm to schools initiative and its aim was to enhance food sustainability in Hawai'i; however, the release gave few details about the effort and its role in increasing the amount of locally sourced products in school meals. For instance, the release described the popularity of the dish with students and the satisfaction of one parent at having a local food offering. It also explained that "the Department continues to work closely with local vendors statewide to see how fresh local produce can be scaled across all schools in the future on a regular basis."

DOE, however, did not mention the cost of the local bananas that were purchased for the event, only that 2,135 pounds were used. If the department paid $2.50 a pound for local bananas, as it did in the previous school year, the February 2025 event would have generated around $5,300 in sales for Hawai'i farmers, negligibly increasing DOE's spending on locally sourced products.

Conclusion

DOE did not meet the mandate that 10 percent of the total cost of school meals should come from local foods by January 1, 2025, with the department reporting that, for the 2023-2024 school year, just 5.4 percent of its spending was on locally sourced products.[11] In fact, in the almost three years since DOE hired a Farm to School Coordinator, the percentage of locally sourced products has remained relatively static, oscillating between 5 percent and roughly 6 percent.

The results reflect the department's lack of urgency and priority to meet the legislative mandate. During our audit period, the Farm to School Program had yet to adopt a strategic plan that defines its goals and guides its efforts to increase spending on local foods; DOE had not documented any policies or procedures to increase its spending on the local foods to try to meet the mandate.

Without a planned or other strategic approach to increasing the amount of locally sourced products in its school meals, the department's spending on local foods was happenstance – the amount of locally sourced products incorporated into school meals was just what Cafeteria Managers happen to purchase, not part of an intentional effort to meet the 10 percent mandate. But, even if DOE had implemented an intentional approach to increasing the amount of local foods in its meals, Cafeteria Managers had limited ability to know whether the fresh produce and other ingredients were locally sourced; Cafeteria Managers also had no means to record and report their locally sourced purchases to the department so it could track and later report on its efforts to increase the amount of locally sourced products. With the exception of the frozen protein bid for beef (and now some local pork) and the recent addition of four local items on the grocery bid consisting of almost 200 items, the department's invitations for bid did not specify locally sourced products, and the resulting price lists, including the supplemental produce list, did not identify the origin of the produce or product.

Without fundamental program components and meaningful actions taking place, the department's reporting, accurate or not, was only illustrative of business-as-usual and not the outcomes of a deliberate, designed, and sustained effort to increase the usage of locally sourced products. In other words, over the past several years, there hasn't been much of a program behind the DOE's Farm to School Program.

11. By statute, the department reports the total cost of food purchased during the school year preceding the regular session before which its reports are due to the Legislature.



PHOTO: ISTOCK.COM

Protein Deficiency?

With processed foods taking up such a large portion of the school plate and its price tag, finding scratch-cooked, locally sourced replacements for these pre-made items would appear to be a priority for meeting the department's local spending goals. While DOE does not track the costs to prepare its different scratch-cooked meals, school officials believe that scratch cooking the lunch entrée is the best opportunity to increase the spending on locally sourced products, specifically increasing the use of local ground beef, the main ingredient in 8 out of 10 scratch-cooked lunches in School Year 2024–2025.

In School Year 2023–2024, DOE spent almost $2.5 million on local value-added ground beef, more than half of the total that it spent on all locally sourced products that year ($4.5 million); however, the department has not emphasized serving more ground beef in schools. In fact, the number of days Cafeteria Managers must serve local ground beef was *reduced* from four days per four-week menu cycle in School Year 2021-2022 to three days in School Years 2022-2023, 2023-2024, and 2024-2025.

In addition, ground beef's status as local food breadwinner may be in question. For the current and future school years, it will be unclear how much local ground beef will be included on school plates and how the department will track and report on those amounts.

The frozen ground beef purchased by DOE counts as "locally sourced" if at least 51 percent of the beef is grown, raised, and harvested in Hawai'i. Under the statutory definition of "local, value-added, processed food product," up to 49 percent of the blend can be imported. And, in fact, the ground beef that DOE buys includes 51 percent local beef and 49 percent imported beef.

Also, DOE has recently adopted a "domestic split" strategy as a specification for some items solicited in its bids, which the former School Food Program Administrator described as a preference for local items on the price list, but if local is not available, the default is the imported equivalent. A sufficient supply of local beef is not always a given. One local distributor, who had previously supplied frozen protein to DOE, did not submit a bid in 2025 because he was concerned that he would not be able to obtain enough local beef to supply the amount of local value-added ground beef required by DOE.

As concerning, if the usage of local ground beef remains static or decreases, there is no other viable local protein to fill the gap. Currently, DOE does not procure locally sourced chicken (none commercially available) or fish (no department processing capacity). DOE spent $740,000 on frozen pork between July 1, 2023 and June 30, 2024. For School Year 2025-2026, the frozen protein distributor for the Neighbor Islands offers both imported and local pork when available; however, when local pork is available, it is expensive. According to a distributor, the current price of local pork is about $7 more per pound than imported pork. For example, DOE's frozen protein price list includes local pork butt at $9.89 per pound, compared to imported pork butt at $2.33 per pound.



PHOTO: DEPARTMENT OF EDUCATION

The Challenges and Realities of Eating Local

The grocery, produce, and frozen protein distributors we interviewed did not think that the 30 percent goal is attainable by 2030. "It's a stretch," said one distributor; "dream on," said another. Much of their pessimism is based on their belief that local farmers and ranchers are unable to produce enough food to meet DOE's needs.

Distributors cited Hawai'i's climate, weather, soil conditions, high prices, and availability of land and water as obstacles to reaching the goal. One distributor pointed out that farmers on O'ahu have been unsuccessful in growing produce such as broccoli, potatoes, celery, carrots, and other root vegetables in the past. He said DOE is still researching the landscape (identifying farmers, their crops, and their capacity), and even though the distributor has been giving DOE the same answers about the landscape for almost ten years, he felt like DOE is "expecting a different answer."

The following are some of today's realities of eating local:

Local Vegetable Side

Percentage of total food cost: 1.5%

SY2023–2024 spending on fresh local produce $1.3 million

In an effort to boost consumption of local greens, the Dietitian created five entrée salads for School Year 2025-2026. The salads feature local produce items such as lettuce, tomatoes, and cucumbers. The Dietician estimates that these and other local items could comprise between 40 percent to 90 percent of the salad, depending on availability. In School Year 2023—2024, DOE spent nearly $1 million on local lettuce, tomatoes, and cucumbers, the salad's main components.



PHOTO: DEPARTMENT OF EDUCATION

Entrée: Local Ground Beef

Percentage of total food cost: 3%

SY2023–2024 spending on local ground beef: approximately $2.5 million

In School Year 2023–2024, DOE spent $46.6 million on processed food, purchases that comprised 57 percent of the total food cost of $82 million. These food items included "heat-and-serve" entrees that made up a majority of school lunches' main entrée in the School Year 2023-2024 menu. For DOE to meet its 30 percent goal, the department will likely need to replace many of these heat-and-serve entrees with kitchen-cooked, or "scratch-cooked," foods, which could use local ingredients, most notably local ground beef. In School Year 2023-2024, the department reported that local value-added ground beef* accounted for 3 percent of the 5.4 percent spent on local food. However, two protein distributors expressed concerns to us about the continued availability of local beef. Meanwhile, there is a minimal supply of local pork and no local chicken, and the department currently has no capability to process local fish. (See "Protein Deficiency"on page 29 for further discussion.)

* "Local value-added processed, agricultural, or food products" means at least 51 percent of the product's primary agricultural component must be grown, raised, and harvested in Hawai'i. Section 302A-405.6(c), HRS. Local value-added products are included under the definition of locally sourced products and the department's costs to buy the local value-added products count towards its percentage mandates.

Local Dairy

Percentage of total food cost: 0.5%

SY2023–2024 spending on local dairy: approximately $417,000

With only one commercial dairy, Hawai'i imports as much as 90 percent of its milk. DOE's dairy distributor, which operates the lone local dairy, hopes to eventually increase its herd on Hawai'i Island to the point where it could provide the department with 100 percent local milk. However, local milk, with its higher production costs, is more expensive than imported milk, which would increase the cost school meals for the department.

Local Fruit Side

Percentage of total food cost: 0.3%

SY2023–2024 spending on fresh local fruits: approximately $221,000

In School Year 2023–2024, DOE spent approximately $6.31 million on imported canned fruit (peaches, pears, pineapple, and fruit cocktail mix). That amount is more than the total amount the department spent on all local foods that year.

Bread

Percentage of total food cost: 0%

SY2023–2024 spending on local food: $0

While the items in this category are baked fresh daily at individual cafeterias, they currently do not feature local ingredients. DOE spent approximately $693,000 in imported whole grain and bleached flour in School Year 2023-2024.

Finding 2:

While the Department of Education's plan to develop regional kitchens may allow for the incorporation of more local foods in school meals, it lacks essential details to support the department's contention that it will increase its spending on locally sourced products to 30 percent by 2030.

In 2021, the Legislature directed DOE to spend 30 percent of its food budget on locally sourced products by 2030; however, DOE's planning to meet that mandate started only recently. On June 19, 2025, the Superintendent provided an update to the Board of Education on the department's Regional Kitchen Master Plan, which proposes the establishment of a statewide network of production kitchens as the cornerstone for reaching the mandate's target of 30 percent by 2030.

The Superintendent's presentation describes a network of seven regional kitchens statewide (two on Oʻahu, two on Hawaiʻi Island, with one each on Maui, Kauaʻi, and Molokaʻi), which are expected to eventually prepare 172,000 meals per day. The facilities will "receive raw ingredients and process, cook and package meals for distribution to individual schools to prepare and serve student meals." However, a primary purpose of the regional kitchens appears to be to help farmers, not to meet the department's local food mandates. According to the master plan, one of the goals of the regional kitchens "is to help local farmers scale production by reducing risk, increasing market access and leveraging the power of public procurement."

The first regional kitchen, the Oʻahu Regional Kitchen #1, will be located in Wahiawā and serve the Leilehua-Mililani-Waialua Complex Area. The first phase of the three-phase project is expected to be partially operational in Fall 2027 and be operating at full capacity the following spring. While the master plan represents that regional kitchens will allow DOE to increase the procurement of locally grown agricultural products and to provide students with fresh, healthy, and nutritious school meals using locally grown ingredients, the department does not explain specifically – or even broadly – *how* the consolidation of food service operations will achieve these goals. Also, absent is specific information supporting DOE's ongoing efforts to meet its mandated goals, such as data on the availability of locally sourced products as well as analyses of the costs of locally sourced ingredients that currently comprise the school meal plate.

An update on farm to school activities, released by the Superintendent on August 14, 2025, outlines a "multi-pronged strategy." Along with the creation of a comprehensive statewide plan for regional kitchens, the

other strategies include the design and launch of new menus as well as a re-examination of the department's procurement approach for menus and commodities. However, while the update outlines various strategies covering such things as training, menu planning, and procurement, it does so without an acknowledgement or explanation of the increased demands for locally sourced products that these measures would create and if and when producers and distributors will be able to meet those demands.

In addition, the Farm to School Coordinator provided us with a July 10, 2025 draft of a Hawai'i Farm to School Strategic Plan, 2025–2030. The strategic plan follows an internal January 2025 Project Plan and Fact Sheet, which had noted the lack of local processing infrastructure for meat and fish, and its potential impact on the department's 30 percent goal. However, like the master plan and the Farm to School Update, neither the project plan nor the draft strategic plan includes an assessment of the current or potential availability of the locally sourced products that the regional kitchens will be processing. Also, like the master plan, the draft strategic plan relies on the creation of new menus to drive product demand, with the expectation that farmers and other producers, as well as distributors, given the time, will eventually fill that demand.

While the transition to a centralized model of food processing and meal production may well result in higher usage of locally sourced products, the draft strategic plan does not address how the increases will be, by when, and at what cost. Without baseline information and an analysis of that data, the department cannot answer those critical questions, and until it can, the plans seem more professions of faith than statements of fact.

DOE's plan to build regional kitchens to increase its spending on local foods to 30 percent by 2030 lacks any meaningful data and data analysis supporting how transitioning meal preparation to a centralized model will allow the department to meet the 2030 mandate.

Under its "Purpose," the master plan explains that regional kitchens are facilities that receive raw ingredients and process, cook, and package meals for distribution to individual schools to serve to students. The master plan points out that menu planning and incorporating locally sourced products will provide growers with the various product types, quantities, and times when they are needed. Local farmers will be able to "scale production by reducing risk, increasing market access and leveraging the power of public procurement."

According to the Farm to Institution New York State (FINYS), a collaborative supporting the increase of local food usage in New York government institutions, farm to government menu planning practices call for deciding what local products will be used, when they will be used, how often,

and how much will need to be purchased to meet participation needs. FINYS notes that menu planning starts with a thorough review of an institution's current menu, including identifying what items are already sourced from local farmers or producers. Items that could be available locally should be highlighted along with non-local items that could be replaced with local products. Using this information, school districts can determine what items are already procured locally and what non-local items can be replaced with local ones.

Once non-local menu items with the potential for local replacement have been identified, school districts should check with their distributors to see if replacement is possible. FINYS stresses the importance of communication with distributors and suppliers, noting that, before deciding to develop new relationships, contracts, and systems, school districts should take stock of the opportunities available through the current procurement system.

In contrast, DOE's approach to farm to school meals gives no indication that any of this preliminary, foundational work has been done to address the fundamental issues that FINYS identifies: What local products will be used, when they will be used, how often, and how much will be needed to be purchased.

Instead, the master plan includes a pair of timelines: "Statutory Timeline for Local Food Purchasing" and "Anticipated Benchmarks to Meet Our Goal of 30%," which identify DOE's mandated goals and the department's expected progress toward those goals.

The Statutory Timeline covers the period from 2030 to 2050 and indicates that the department will reach its goal of 30 percent locally sourced products by 2030, then experience a 4 percent increase in 2040. Local food purchases then rise 4 percent every five years through 2050. The timeline has no accompanying text or footnotes explaining *how* these goals will be achieved.

For the Anticipated Benchmarks timeline, the projected progress toward the mandated goal is even more accelerated, with annual increases of 4 percent, starting from 10 percent in 2025 and culminating at 30 percent in 2030. The department's timeline seemingly ignores that its reported spending on locally sourced products was 5.4 percent in 2025, not near the 10 percent starting point in the timeline, and 6.5 percent for the school year that ended June 30, 2025, which is well-below the 14 percent anticipated benchmark in the plan for 2026. Like the Statutory Timeline, the Anticipated Benchmarks timeline chronicles steady increases in spending for local food, which are not supported by information that address how and how much the operation of a regional kitchen will increase the department's use of locally sourced products. It appears that DOE starts its projection at 10 percent, a milestone DOE did not reach, and simply divides the remaining 20 percent needed to reach the 30 percent goal by 5, i.e., the 5 years from 2025 to 2030, yielding

its 4 percent annual increases. This does not appear to be a fact-based projection; this appears to be an exercise in simple arithmetic.

In addition, the master plan does not explain how the regional kitchens will enable the department to meet its 2030 goal. For instance, as previously noted, the Oʻahu Regional Kitchen #1 is expected to be partially operational in Fall 2027. At that time, the 18,000 square-foot facility is expected to prepare 12,000 meals per shift, with output increasing to 24,000 per day by Spring 2028. However, according to the timeline, the department's usage of locally sourced products is expected to increase by 4 percent every year, *before, during, and after* the construction of the kitchen, as well as when it is operating at 50 percent at its initial opening and at 100 percent capacity in Spring 2028 at full roll out, when it is expected to produce up to 12,000 meals per day per shift. In other words, per the department's own projections, the amount of locally sourced products will *not* increase with the operation of the regional kitchen.

The master plan also mentions Phase II and Phase III of the Oʻahu Regional Kitchen #1 development, which expand the facilities to 30,000 square feet and then 45,000 square feet, with expected increases in production to 40,000 and 60,000 meals per day, respectively. The master plan, however, does not include the start or end dates for these subsequent phases, and neglects to explain how these significant expansions with anticipated increases in locally sourced product usage.

The master plan also includes the results of preliminary statewide site assessments of 291 sites on Oʻahu, Hawaiʻi Island, Maui, and Kauaʻi for additional regional kitchens. The master plan concludes with information on the implementation of facilities called "receiving kitchens," which it also does not describe or define, nor does it explain these facilities' connection to Oʻahu Regional Kitchen #1.

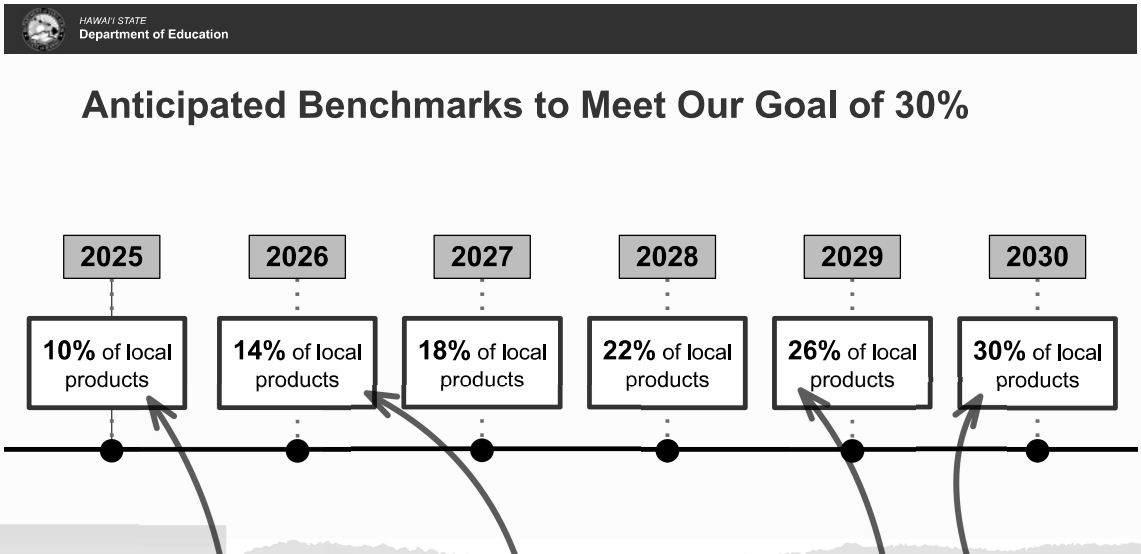
Superintendent's Regional Kitchen Master Plan update still lacks foundational information, including a cost analysis of student meals.

On August 14, 2025, the Superintendent provided the Board of Education with an update to the department's Farm to School Program and its primary goal of achieving 30 percent local food procurement by 2030. The five-page memo summarizes a "multi-pronged strategy" to "accelerate progress toward the 30% goal." The three strategies are:

1. Design and launch new menus and implement new training programs;
2. Re-examine the procurement approach for menus and commodities; and
3. Create a comprehensive statewide plan for regional kitchens.

DOE's Incomplete Timeline

In this PowerPoint slide from a June 19, 2025 presentation to the Board of Education, the department forecasts usage of locally sourced products to increase by 4 percent every year for the next five years. However, the presentation provides no explanation of how the department will meet the 2030 goal. Without explanation and support, it appears that DOE just did some simple arithmetic (20 percent to goal ÷ 5 remaining years = 4 percent per year), not data-based forecasting.



According to statute, 10 percent of total cost of school meals should come from locally sourced products by January 1, 2025. For School Year 2023-2024, the time period covered by the January 1 deadline, DOE reported local sourced products comprised just **5.4 percent** of the $82 million it spent on food.

On December 15, 2025, DOE reported that for School Year 2024-2025, it spent about $5 million on locally sourced products, which comprised about **6.5 percent** of the department's $77 million in total food costs, far short of the 14 percent DOE projects for January 1, 2026.

The operation of the O'ahu Regional Kitchen #1 doesn't appear to affect DOE's projections, which expect 4 percent increases every year for five years, before, during, and after the construction and operation of the kitchen. At the beginning of the **2027-2028** school year, the department anticipates the kitchens to be 50 percent operational, preparing 6,000 meals daily. The 2027-2028 spending is reported to the Legislature before the 2029 session.

By **2029**, the O'ahu Regional Kitchen #1 is expected to be 100 percent operational, producing as many as 24,000 meals per day. Again, unaffected by the kitchen's increased output.

For Strategy #1, the department notes that it is working with the Kapiʻolani Community College's Culinary Institute of the Pacific to create 50 new menu items. Once the new menus are finalized, the department, with the help of the University of Hawaiʻi's College of Tropical Agriculture and Human Resilience, Department of Agriculture, and the Hawaiʻi Farm Bureau, will communicate the new menu needs to farmers, allowing them to scale production to meet the department's needs.

"By intentionally redesigning our menus to incorporate more local ingredients and using them in culturally relevant and delicious recipes, the Department expects to increase the amount of local food purchased," the plan says.

As previously noted, according to FINYS, menu planning starts with a thorough review of an institution's current menu, learning from farmers about the availability of locally sourced products as well as the potential for local replacements for non-local products currently on the menu. However, the master plan does not identify the role of farmers in the menu planning process. Instead, they are informed of the "new menu needs," which allows them time to "scale production to meet our procurement goals." Instead of basing new menus on an assessment of current and potential product availability, under Strategy #1, the new menus and their 50 unnamed new menu items are expected *to create a demand* that farmers are expected to meet.

Strategy #2 is a re-examination of the procurement approach for menus and commodities. The update explains that the recently enacted Act 134 (SLH 2025) increased the small purchase procurement threshold for local edible produce and packaged food products from $100,000 to $250,000. Meanwhile, the update notes that, as of March 2025, locally sourced food costs comprised 5.88 percent of the department's spending on food (which, according to the department, rose to 6.5 percent by the end of the 2024–2025 school year – meaning DOE's local food purchases were such that it raised the total by 0.6 percent in the final three months of the school year).

The department asserts that the increased procurement threshold will allow it to pilot new items to gauge student acceptance and purchase smaller quantities before scaling up. Similar to Strategy #1, the change in procurement approach simply sets new items that farmers are expected to supply to meet demand. *But Act 134 is a tool, not a strategy in itself.* The update does not specify what those procurement goals are and – just as important – what those goals are based on. For instance, while the focus on increasing the small purchase threshold highlights par-cooked kabocha, lūʻau leaf, and lychee as possible pilot project offerings, it does not explain why these products would be targeted. In other words, it does not include an assessment of the availability of these products, and more importantly, how much usage of the products will "move the needle" toward meeting the 30 percent mandate by 2030. It is also unclear how the School Food Services Branch proposes to choreograph the intricate dance of supply and demand

for local products other than to signal the kinds and amounts it will need and hope that they will be there.

The department is re-examining its procurement approach with only a rudimentary understanding of its per-plate meal costs to make these determinations. According to the August 6, 2025, Civil Beat article, "No One Will Say Why School Lunch Costs Hawai'i DOE $9 A Plate," in January 2025, DOE had revealed that it costs nearly $9 to produce a school lunch in Hawai'i public schools. "The department doesn't share – and may not even collect – campus-level data on how much individual schools are spending on meals. It has provided no breakdown of how much the State spends on items like milk or fresh produce that go into lunches," the article noted.

In the absence of detailed local food and overall food costs data, DOE only calculates and reports the average cost of meals served, which was derived from dividing overall food costs by the number of meals served, resulting in the reported $9 per meal announcement. The department's $9-a-meal announcement was met with "sticker shock" from lawmakers and advocates and resulted in a pair of resolutions by the Legislature, which requested that DOE produce a detailed breakdown of its meal programs, including the cost of ingredients, beverages, and supplies.

According to Civil Beat, DOE had not said if it was working on a cost analysis for the Legislature, but any report the department submits to lawmakers would not be published until late 2025 or early 2026 in the lead-up to the new legislative session. In our interviews with the School Food Services Branch Accountant and former School Food Program Administrator, who prepares the monthly revenue and expense reports for the department's school meal operations, she explained that the department's cost-of-meal calculation at the time was the department's food costs, salaries, and supplies divided by meal count.

Strategy #3 of the August 2025 update, calls for the creation of a comprehensive statewide plan for regional kitchens and is largely unchanged from the earlier master plan. "With the abundance of fresh produce and commodities, the regional kitchen will be able to take those products and prepare, process, and produce school meals that are nutritious, delicious, and locally sourced," the update says. Like the master plan before it, the update makes this assertion without detailed explanation or supporting information.

However, so far only one regional kitchen has reportedly progressed beyond the planning phase. According to the master plan, the first of these kitchens would open at partial capacity in Wahiawā in the fall of 2027 and full capacity the following spring. As of June 2025, sites for the remaining six proposed regional kitchens were still being evaluated.

When asked how the department could achieve its target of 18 percent locally sourced products by 2027 before the first regional kitchen is fully operational, the Superintendent responded "we are trying our best," confirming the plan is a work in progress. He acknowledged that one regional kitchen isn't "going to get us there" to the 30 percent goal. The Superintendent's Chief of Staff added that the plan was only aspirational.

The Farm to School Coordinator's Hawai'i Farm to School Strategic Plan, 2025–2030 includes details on specific needs and possible outcomes for regional kitchens, but it still lacks important baseline information.

The Coordinator provided us with the Hawai'i Farm to School Strategic Plan 2025–2030 dated July 2025, still in draft form, which includes 23 goals, organized under three different priorities, to be pursued to meet the meals mandate. The plan states that: "Hawai'i has significant opportunities to increase local food procurement due to ideal climate advantages. The pilot program from 2015 to 2020 set a high standard for scratch cooking with fresh ingredients. Excitement remains from students, farmers and school food service staff who participated."

As of July 3, 2025, neither the DOE Superintendent nor his Chief of Staff had reviewed the Coordinator's plan.

In contrast to the Superintendent's Regional Kitchen Master Plan and its update, the draft strategic plan does identify specific features of regional kitchens and their potential impacts on the department's 30 percent goal. For instance, the plan points out that regional kitchens will receive raw ingredients in order to process, cook, and package meals for distribution to individual schools. To do so, the Coordinator "strong[ly] advocates" including in each regional kitchen spiral broilers and spiral freezers, which will enable them to process local ground beef into pre-cooked patties, potentially replacing 260,000 pounds ($2.3 million) of imported beef; ethylene gas ripening chambers for local bananas, which will enable the department to replace $300,000 of imports; and size sorting equipment for produce to allow regional kitchens to serve local oranges and mandarin fruit by ensuring that portion servings meet USDA requirements. The draft strategic plan notes that currently the department imports about 679,000 pounds ($1.9 million) of oranges, and about 11,900 pounds of mandarins ($60,400), at an estimated cost of $1.96 million.

The plan states: "Menu planning, incorporating locally sourced products, will provide growers with the various product types, quantities and times when they are needed." However, like the other plans, the draft strategic plan makes its projections without assessing current and potential product availability and producer capability to meet increased demand. For instance, the draft strategic



"By far, the most popular meal is Cheese Bites. You would think it would be kalua pig with cabbage, but it's cheesy bites. When I look at it, I think we can do better with that."

– DOE Superintendent

Scratching the Surface

While DOE acknowledges that decreasing the amount of processed foods is key to increasing the amount of locally sourced food served to students, substituting menu items with scratch-made dishes is challenging for the department. The Dietitian and Cafeteria Managers agreed that DOE can prepare at least two scratch-cooked meals a week, at most three. Many cited the extra preparation time and cafeterias' lack of staffing as major barriers to increasing the amount of scratch-cooked meals.

But, more scratch-cooked food does not equate to more locally sourced food. Of the 32 main entrees featured in the School Year 2024-2025 lunch menu, 16 are scratch-made. But only 8 of the 16 scratch-cooked entrees featured a locally sourced ingredient, ground beef. For example, a 100 percent scratch-cooked Kalua Pork Sandwich is made from imported ingredients, with the exception of Hawaiian salt.

There is also another major, more fundamental hurdle that the department must clear when it comes to scratch cooking and locally sourced food: Students prefer processed foods.

According to the Dietitian, if the department removed heat-and-serve foods, it would be taking away the menu's most popular items. According to student rating of meals found on Nutrislice, a DOE website that allows students and parents to see what is on the menu, including a nutritional analysis of the meals, and comment on whether an item is liked or disliked, 60 percent of the most popular items on the school menu are processed foods, with Cheese Bites being the most popular item throughout the school system. In School Year 2023-2024, the department spent $3.53 million on the mozzarella cheese-filled bread dish.

While the least popular dishes vary from district to district, the Dietitian singled out the scratch-made, locally sourced Hamburger Curry as a dish that is particularly unpopular with students. "The only reason I think this is on the menu is because of [its] ability for us to incorporate more local. However, a lot of the schools don't like it. It's not popular amongst the students," she said.

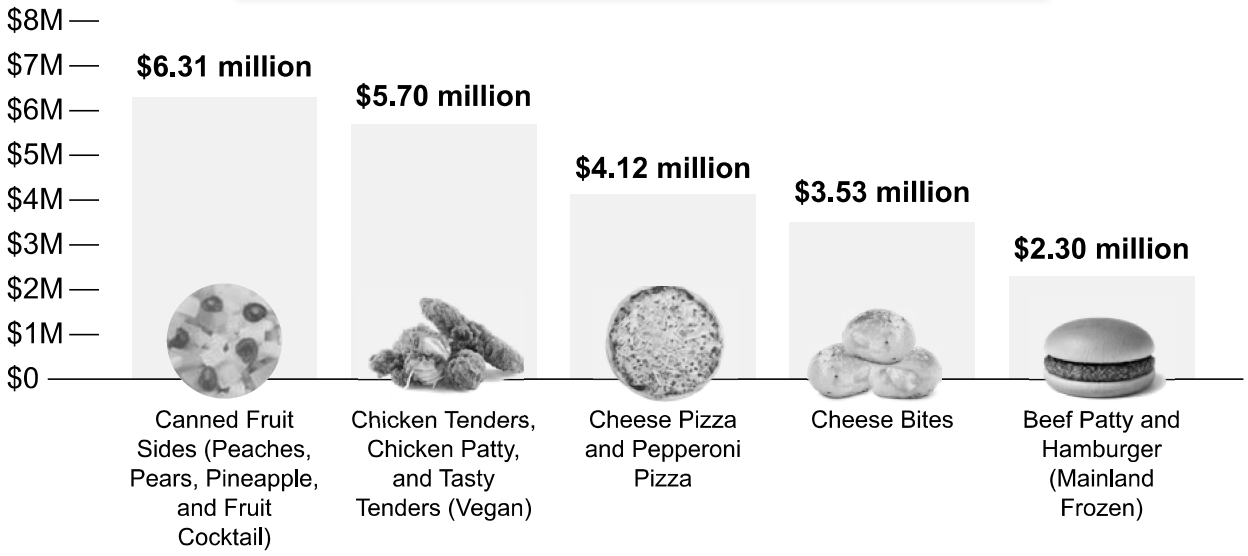
Note: This image is AI-generated and is intended for illustrative purposes only.

DOE's Top Processed Menu Items

Purchased July 1, 2023–June 30, 2024*



PHOTO: DEPARTMENT OF EDUCATION



Total Cost of All Processed Food (including processed food not listed)	Total Food Cost
$46.60 million	$82.02 million

Source: DOE July 1, 2023–June 30, 2024 Data from DOE Processed Food Vendor.
* Note: This list combines separate but related items.

plan's projections about local ground beef may reflect the processing capabilities of regional kitchen equipment such as spiral broilers and spiral freezers, but does not address whether ranchers and distributors provide the additional 260,000 pounds of local ground beef needed for processing and, if so, when.[12]

In addition, similar to the other plans, the draft Hawai'i Farm to School Strategic Plan includes a timeline featuring percentage goals that are unconnected to its actions and are short on details. For instance, the plan lists the milestone "Finalize Local Produce Procurement Plan," which it expects to be completed in the first six to eight months of the plan. It describes the milestone as "Complete local sourcing agreements for rice, buckwheat, and arrowroot, ensuring alignment with the 30% by 2030." However, a University of Hawai'i College of Tropical Agriculture and Human Resilience, Associate Extension Agent, and the Executive Director of the Hawai'i Farm Bureau told us that Hawai'i doesn't have the area or climate to grow these crops competitively. Therefore, it would seem unlikely that DOE will be able to secure agreements from farmers for crops that are not yet established in Hawai'i, for uses that have yet to be identified – all within the first six to eight months of the plan.

Past efforts to collect information on the availability of locally sourced products have fallen by the wayside.

While the department does not know what locally sourced products are currently available in the needed quantities and when those products are available, DOE, and the Department of Agriculture before it, made initial efforts to gather such information. For instance, in April 2016, the Department of Agriculture issued a Request for Information (RFI) to gather local food production and distribution information for anticipated upcoming Farm to School initiatives. At the time, the Farm to School Program fell under the purview of the Department of Agriculture.

The purpose of the RFI was:

- To gather direct local food supply information from farmers and distributors to develop a more specialized understanding of local food supply;
- To better inform local food buying strategies for schools and other institutions;
- To better inform state entities on local food purchasing and community networking opportunities; and
- To assess Farm to School Program proposal ideas from across the State.

12. One local distributor, who had previously supplied frozen protein to DOE, did not submit a bid in 2025 because he was concerned that he would not be able to obtain enough local beef to satisfy the department's current needs.

The RFI contained 33 questions, which garnered 37 responses from 46 respondents. Responses varied from individuals interested in policy and very small production to larger specialty producers and smaller island distributors. An undated executive summary by the Department of Agriculture raised concerns. While there appeared to be great interest in contracting with the State, there was little understanding about how to comply with government contracting requirements such as food safety, insurance, and how to register with the State's procurement system.

Other specific issues identified included changes in contracting procedures to allow individual schools to enter into local food purchasing agreements along with these purchases to include "off-grade" produce, products that have cosmetic or size issues that prevent them from being sold otherwise.

Five years later, in her testimony in support of the transfer of the Farm to School Program from the Department of Agriculture to DOE, the then-Superintendent stated that, to achieve the goal of at least 30 percent local food served in public schools by 2030, the department would need to determine the progress the program made while under the Department of Agriculture. According to the then-Superintendent, this assessment was a necessary step in determining "a baseline" of how much food at that time was locally sourced. It is not clear what – if any – progress the Farm to School Program made under the Department of Agriculture, because two years later DOE was still seeking baseline information on the program.

On October 19, 2023, DOE released an RFI of its own, which queried interested distributors and potential distributors, including, but not limited to, farmers, ranchers, food hubs, processors, cooperatives, and distributors. The objective of this RFI, like the earlier one issued by the Department of Agriculture, was to provide information on the availability of locally sourced products that can be provided to various department cafeterias. Not only did the RFI mention that it was part of the effort to meet the goal of 30 percent locally sourced foods by 2030, but it also noted the subsequent goal of 50 percent by 2050.

The RFI included produce and product availability forms to be filled in with responses to specific inquiries on specific products. For example, for bananas, DOE provided the estimated quantity it needed for each island, and respondents were to indicate the quantity they could provide (pounds), the lead time they would need for harvest, the months the bananas were available, and any additional notes, such as the different varieties that they grow.

The availability forms were organized into grids featuring 30 different types of produce, everything from bananas and broccoli to tomatoes and zucchini. Distributors could also provide details on additional produce not on the DOE list. The RFI also included availability forms to be filled out by producers for packaged foods and proteins. These included inquiries about any processing

The "Outside Plan"

It's an action plan for the City and County of Honolulu, funded by a federal grant, prepared by a non-profit, about a state department program that never requested it. The action plan's title says it all: "Hawai'i State Department of Education Farm to School Action Plan for Central O'ahu: Leilehua, Mililani, and Waialua Complex Area prepared by the Hawai'i Agricultural Foundation for the City and County of Honolulu."

However, the self-explanatory title needs some explanation.

In October 2024, the City and County of Honolulu's Office of Climate Change, Sustainability and Resilience awarded a low-bid contract to the Hawai'i Agricultural Foundation to prepare a farm to school action plan for DOE. The contract was funded, in part, by a grant from the US Department of Agriculture Food and Nutrition Service. The grant had been secured more than two years earlier by a former DOE Farm to School Coordinator who had worked on the grant application while with the City but has since moved to another state department.

Like the Superintendent's Regional Kitchen Master Plan, the action plan is primarily focused on the construction of a regional kitchen in Central O'ahu and the eventual establishment of a network of kitchens throughout the state. Of its eight primary goals, the action plan includes only one that addresses the effort to increase the use of locally sourced ingredients in school meals.

According to the Foundation, due to the limited timeframe and the small dollar amount of the contract, it limited the scope of the action plan to focus on the development and initiatives for a regional kitchen for Central O'ahu's Leilehua-Mililani-Waialua Complex Area because it would enable them to complete a timely report since plans for the kitchen were already moving forward. The 15-page action plan was intended to document goals and strategies for the regional kitchens, and included initiatives that were already in motion.

The Foundation organized a group of 17 stakeholders, and held 17 meetings with members of some, or all, of the stakeholders. However, it does not appear that the action plan has an "owner." While DOE is one of the stakeholders, the Hawai'i State Department of Education Farm to School Action Plan isn't DOE's



HAWAII AGRICULTURAL

Hawai'i State Department of Education Farm to School Action Plan for Central Oahu: Leilehua, Mililani, and Waialua Complex Area prepared by the Hawai'i Agricultural Foundation for the City and County of Honolulu

Overview

On October 7, 2024, the Hawai'i Agricultural Foundation (HAF) was awarded a City and County of Honolulu low bid contract to prepare a Farm to School Action Plan for implementation by the Hawai'i State Department of Education (HIDOE). Given the constrained timeline, with a completion deadline of December 31, 2024, the scope of work was adjusted to prioritize the development and initiatives for a Regional Kitchen for Central Oahu's Leilehua, Mililani and Waialua (LMW) Complex Area. At the time of HAF's contracting with the City and County of Honolulu, the HIDOE's, Office of Facilities and Operations, Facilities Development Branch had awarded a $28 million contract (09/13/2024) to Hensel Phelps Construction Co. to build a Regional Kitchen. The contract identified approximately 18,000 square feet in Whitmore Village, O'ahu for a single story Regional Kitchen with surface parking to serve up to 20,000 meals per day. As part of the Agribusiness Development Corporation (ADC) Food Hub project, the Regional Kitchen would occupy 3 to 4 acres of a 34-acre parcel.

The Regional Kitchen model sets the foundation for achieving the statutory goals of 30% local agriculture and seafood in school meals by 2030 set by Act 175, Session Laws of Hawai'i (SLH) 2021, and 50% local agriculture and seafood in school meals by 2050 set by Act 176, SLH 2021. The LMW Regional Kitchen will be the first of several regional kitchens statewide to be developed across five islands. This first kitchen with the ability to produce up to 20,000 meals a day allows the HIDOE to purchase local commodities in bulk quantities, which will enable farmers to assess potential resource allocations needed for growth. The LMW complex area includes 20 schools and 19 kitchens (Wheeler Elementary and Middle share one kitchen).

While the scope of this plan focuses on the LMW Complex Area, many of the initiatives, including child nutrition, menu development, scaling of agricultural commodities, agricultural education, food safety and compliance, marketing and student engagement, sustainability and funding, and the project evaluation can be scaled to other complex area schools.

SOURCE: HAWAII AGRICULTURAL FOUNDATION

action plan. After the plan was completed, the Foundation presented a draft to the Superintendent, Deputy Superintendent, Chief of Staff, Branch Administrator, and an Analyst. DOE might have offered some minor feedback on the report. However, according to the Hawai'i Agricultural Foundation's Executive Director, there was no commitment from DOE to follow the action plan, nor any formal agreement to adopt the plan as its own.

Similarly, when we asked the former Branch Administrator whether the plan was DOE's plan, she responded: "That's a really good question and to be honest, I really don't know. It's not our plan, that's the Hawai'i Agricultural Foundation's plan. In my opinion, this is an outside plan."

In addition, the DOE Farm to School Coordinator said he did not see the plan until it was released on July 25, 2025. He said he was not consulted on it. However, he said he will consider the merits of the plan and that certain elements of the plan make sense.

The Foundation's Executive Director believes the action items listed for 2024 were completed, and the 2025 items were completed or are being worked on. Two items that were mentioned as being on schedule were the hiring of consultants for menu development from the Culinary Institute of America and the pilot workforce training program for cafeteria workers. However, the Executive Director said she didn't know if the procurement and policy reform to simplify local distributor participation, as stated in the 2024 planning timeline, had been completed. She said the Hawai'i Agricultural Foundation had not been tracking action items listed in the plan, but added she should.

necessary as well as storage (shelf stable, refrigerated or frozen) requirements. The RFI's final component was a form for basic respondent information that included description of type of business, areas of distribution as well as food safety-related documents that respondents could provide to DOE.

When we later asked the Coordinator about the RFI, he pointed out that the larger players (farmers and distributors) did not participate in the survey, and many of the smaller farmers were intimidated by it. He anticipated that there would be issuance of another RFI that would be less intimidating.

Until then, without the collection and analysis of such baseline information, DOE does not have a clear understanding of what locally sourced products are currently available, in what quantities, and when. It is unclear how the department can continue to strategically plan and project results without such knowledge.

At What Cost?

Fresh local produce and other value-added food products are often more costly than imported food. In the case of local and imported pork, the price difference is substantial – for School Year 2025-2026, $9.89 per pound for local pork compared to imported pork butt at $2.33 per pound. However, DOE is forging ahead in its effort to increase the amount of locally sourced food products in its school meals without assessing what will likely be the additional costs associated with that effort.

Without such an assessment, it is unclear how much more funding the department will require if 30 percent of its total food costs are on local foods. Instead, the department's "build-it-and-we'll-see" approach deprives the Legislature of important information from which it needs to allocate state funds. In other words, can the State "afford" to meet the mandate?

Conclusion

In 2021, the Legislature directed DOE to spend 30 percent of its food budget on locally sourced products by 2030. The department's master plan to meet this goal, released in summer 2025, is a network of regional kitchens, with centralized food service operations. The first of these kitchens, located in Wahiawā, will service schools in the Leilehua/Mililani/Waialua (LMW) Complex Area. While a regional kitchen model may allow the department to incorporate more local products into its school meals, we found that the plan includes little detail to specifically, or even broadly, describe how the operations of the regional kitchen and the eventual statewide network of kitchens will enable the department to reach its 30 percent goal.

For instance, the department identifies the design and launch of new menus as one of its core strategies, noting that it is working with the Kapiʻolani

Community College's Culinary Institute of the Pacific to create 50 new menu items. "By intentionally redesigning our menus to incorporate more local ingredients and using them in culturally relevant and delicious recipes, the department expects to increase the amount of local food purchased," the plan says.

But, the plan does not explain what those expectations are based on. It does include a timeline of expected outcomes; however, those outcomes are unsupported by actual facts and even appear to be unconnected to the construction and operation of the regional kitchen itself. For example, according to the plan, the department's usage of locally sourced products is expected to increase by 4 percent every year, *before, during, and after* the construction of the kitchen, as well as when it is operating at 50 percent at its initial opening and at 100 percent capacity in Spring 2028 at full roll out, when it is expected to produce up to 12,000 meals per day per shift. Absent any details, the department's goals and projected timeline seem to be nothing more than simple arithmetic unsupported by anything more than high hopes.

Another plan, drafted by the Farm to School Coordinator, also centers its strategy to meet the 30 percent mandate around the establishment of a statewide network of regional kitchens. However, like the department's master plan, the draft plan relies on the creation of new menus to provide product demand, with the expectation that farmers and other producers, as well as distributors, given the time, will eventually fill that demand. Missing are explanations and data to support this contention, such as an assessment of the current and potential availability of the locally sourced products that the regional kitchens will be processing. As a result, like the master plan, it appears to be more aspirational than operational.

In 2015, when the Legislature created the Hawai‘i Farm to School Program, it gave the Department of Agriculture, and then later DOE, a wide range of responsibilities, from improving student health and educational opportunities to developing an agricultural workforce to supporting farmers and the state's food system through an increase of local food procurement. These myriad responsibilities may be beyond the capabilities or inclination of DOE.

Recommendations

Internal Control Structure

1. DOE administration, including the Superintendent, Deputy Superintendent, Assistant Superintendent, and School Food Program Administrator, should clearly inform department staff involved in school meals – including meal planning, procurement, purchasing, and preparation – that the department's policy is to prioritize using locally sourced products. DOE administration should convey its support of and commitment to that policy both in-person as well as in memoranda or other documentation distributed to those involved in school meals. Staff should be reminded of that policy on scheduled intervals, for example, each quarter.
2. DOE should adopt controls, which may include documented procedures, to ensure those involved in school meals are following the department's policy to prioritize using locally sourced food products and to allow supervisors and cafeteria managers to ensure staff are adhering to the policy.
3. DOE should adopt a strategic plan that defines its local farm to school meal goals and guides its efforts to meet the goals established by the Legislature, including the 2030 goal that 30 percent of the cost of food served in public schools consists of locally sourced products. The plan should include specific steps to be taken and how each step will contribute to increased spending on locally sourced products, be supported by data and data analysis, and include interim goals that management tracks to ensure the department is progressing to meet the goals.
4. DOE should adopt policies and procedures to guide staff, including the School Food Services Branch, in implementing and achieving the department's local farm to school meals goals.
5. DOE should amend position descriptions to identify and designate responsibilities relating to meeting the department's local farm to school meals goals.

Data Collection

6. DOE should develop an electronic system that allows Cafeteria Managers to record, among other things, food and other related items that they purchase, including identifying any locally sourced food products, and the cost of each item. That system should allow DOE management, including the School Food Program Administrator and the Assistant Superintendent, to review the total cost of food as well as the total cost of locally sourced food products purchased by each Cafeteria Manager.

7. DOE should adopt documented policies and procedures relating to its use of the electronic system, including the type of information that Cafeteria Managers should include and how that information should be entered as well as the types and frequency of reports Cafeteria Managers and managers should generate. The policies and procedures should identify the purposes of the reports, one of which should be to monitor the department's progress in incorporating more locally sourced food products in its school meals.
8. DOE should adopt controls, which may include documented procedures, to ensure the accuracy of food and other products designated by suppliers and distributors as locally sourced, as the term is defined under Section 302A-405.6, HRS.

Food Costs

9. DOE should determine the actual cost of each component of its school meals, meaning the cost for each entrée, each side dish, and each beverage. For scratch-cooked entrées and side dishes, the actual cost should include each of the ingredients used to create the entrée or dish. Because the department's goals are based on a percentage of the total food costs, the department's calculation should not include labor, equipment, maintenance, or other non-food related costs.
10. DOE should estimate the total cost of food if it were to substitute food that it purchases for school meals that is currently imported with locally sourced food products such that 30% of the total food costs will be locally sourced. That information will allow the department and the Legislature to understand the additional funds for food necessary to meet the 2030 goal of 30% local foods and assess whether the department can "afford" to meet the mandate.

Meal Planning

11. DOE should identify the locally sourced food products that are currently grown or available.
12. DOE should determine the quantities of those locally sourced food products that vendors and distributors can supply, the seasonality of that supply, and the cost of the locally sourced food products. That information will help DOE understand what locally sourced food products can currently be considered for its school meals, either as a new offering or as a substitute for food products that are currently imported.
13. DOE should determine the appropriate number of scratch-cooked meals in a menu cycle necessary to increase the percentage of locally sourced food products incorporated into its school meals.
14. Based on the information about the availability and supply of locally sourced food products as well as its ability to prepare scratch-cooked meals, DOE should develop menus incorporating those products.

Procurement

15. DOE should develop solicitations specifically for locally sourced products. The solicitations should require vendors and distributors to periodically report the quantity and total cost of each locally sourced product supplied to DOE schools. DOE should also require vendors and distributors to provide information sufficient to confirm that locally sourced products are fresh local agricultural products or local value-added processed, agricultural, or food products, as defined in Section 302A-405.6, HRS.

Purchasing

16. DOE should direct Cafeteria Managers to prioritize purchasing locally sourced food products and buy imported food products only if local food is unavailable. This directive should be consistent with the Board of Education and department's policy to prioritize buying local foods. This directive to Cafeteria Managers, however, should be documented and include criteria to guide their purchasing decisions relating to local foods.
17. DOE should adopt controls, which may include documented procedures, to ensure that Cafeteria Managers use all FFAVORS credits allocated to their respective schools or inform management if those credits will not be used during the school year so that those credits can be used by other schools. Those controls should include a process by which management can review Cafeteria Managers' use of the FFAVORS credits, including a current balance of the unused credits.
18. DOE should set budgets for food products at each DOE cafeteria and communicate the budget to cafeteria managers and school principals.

Meal Preparation

19. DOE should train cafeteria workers to prepare new scratch-cooked offerings, if needed.

Regional Kitchens

20. DOE should complete an analysis of how much more locally sourced food products it expects to be able to incorporate into its school meals through the regional kitchens. That analysis should consider the local food currently grown or available, including the available quantities of that food, and include a detailed explanation as to how the regional kitchens will allow DOE to meet its 2030 goal. That analysis will allow DOE and the Legislature to understand whether that goal is likely achievable and, if not, consider whether the goal should be amended.

Chapter 3

Office of the Auditor's Response to the Department of Education's Comments

WE PROVIDED A DRAFT of our *Audit of Department of Education's Efforts to Meet Its Mandate to Incorporate Local Foods in School Meals* to the Department of Education (DOE) and met with department management, including the Superintendent and his chief of staff as well as the Deputy Superintendent for Operations, School Food Program Administrator, Chief Financial Officer, and others, including the Director of Internal Audit and one of her staff.[1] Following the exit conference, we made a limited number of non-substantive revisions during our review process directly preceding final layout of the report.

In its written comments to the draft report, which are attached in their entirety as Appendix A, DOE says that it is "in general agreement with the majority of the findings and recommendations." The department's written comments, however, do not identify any disagreement with any of the findings; to the contrary, DOE's comments reflect agreement with our findings. The department similarly did not raise any disagreement with any of the findings during the exit conference.

The department's comments include corrective actions to implement the recommendations as well as a Compliance Schedule Matrix with target completion dates. We will request the department to self-report the status of its implementation of the recommendations next year. In about 3 years, we will independently assess DOE's progress in implementing the recommendations. That review, which likely will be around the latter part of 2029, may allow us to determine whether the recommendations helped the department reach its 2030 goal of 30 percent local foods in its school meals.

1. The Deputy Superintendent and School Food Program Administrator were hired subsequent to our audit period.

JOSH GREEN, M.D.
GOVERNOR

KEITH T. HAYASHI
SUPERINTENDENT

STATE OF HAWAIʻI
DEPARTMENT OF EDUCATION
KA ʻOIHANA HOʻONAʻAUAO
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OFFICE OF THE SUPERINENDENT

March 2, 2026

The Honorable Leslie H. Kondo
State Auditor
Office of the Auditor
465 S. King Street, Room 500
Honolulu, Hawaii 96813-2917

Re: Response to the Office of the Auditor's Draft Report – Audit of the Department of Education's Efforts to Meet Its Mandate to Incorporate Local Foods in School Meals

Dear Mr. Kondo:

The Hawaii State Department of Education (Department) appreciates the opportunity to review and provide feedback on the draft report regarding our progress toward the Farm to School mandates. We value the Office of the Auditor's rigorous review of our programs, as it provides a vital roadmap for identifying gaps and enhancing our operational efficiency.

The Department remains fully committed to the 2030 goal of thirty percent local food procurement. While we acknowledge the challenges highlighted in the report, we view these findings as an opportunity to refine our processes and strengthen the School Food Services Branch (SFSB).

General Comments

The Department is in general agreement with the majority of the findings and recommendations. We recognize that the transition of the Farm to School Program from the Department of Agriculture in 2021 required significant organizational adjustment. While we have made strides in scratch-cooking and local sourcing, we acknowledge that standardized data collection and centralized procurement controls require further refining. During the period of the audit, the Department had temporarily assigned leadership in the SFSB, and now the Department has a food service expert in the School Food Program Administrator role with extensive experience in local purchasing. To further move these important initiatives forward, the Department requested 13 positions that were approved by the Board. Unfortunately, the request was not included in the Administrative package for the supplemental year of the budget.

The Department continues to advocate for these positions to ensure the SFSB has the adequate resources to meet legislative requirements.

We also recognize and agree that various departments within the State must work cohesively to ensure that local agricultural producers can scale up to the level necessary for the Department to meet the mandated benchmarks. Accordingly, the Department has been coordinating with the Department of Agriculture and Biosecurity; Agribusiness Development Corporation (ADC); Department of Business, Economic Development, and Tourism (DBEDT); Department of Health (DOH), Department of Transportation (DOT); University of Hawaii College of Tropical Agriculture and Human Resilience (CTAHR); the University of Hawaii Leeward Community College; and the Department of Labor and Industrial Relations.

In addition to State entities, the Department has also been coordinating with others, such as the Hawaii Farm Bureau, Hawaii Agriculture Foundation, Central Oahu Agriculture and Food Hub, North Shore Economic Viability Partnership, and State School Food Systems Circle.

Response to Specific Findings and Recommendations

1. Internal Control Structure: Formalizing Structure (Recommendations 1 - 2): The Department agrees that the Farm to School Program requires a more formal organizational framework to ensure long-term success and accountability.

- **Corrective Action:** Leadership will reinforce the commitment to local purchasing through official memoranda and regular in-person meetings at all levels, including School Food Services Manager Summits and branch staff meetings, while controls for consistency are implemented.

2. Internal Control Structure: Strategic Planning (Recommendations 3 - 5): We recognize that the absence of a documented strategic plan has hindered the ability to measure progress and allocate resources effectively.

- **Corrective Action:** The Department is developing a formal five-year strategic plan for 2027 to 2032 that establishes data-driven benchmarks and clear staff responsibilities to meet local food goals. The Department anticipates completion of the five-year strategic plan by the fourth quarter of School Year (SY) 26-27, with annual progress reporting incorporated into existing performance dashboards. To support this, the Department will: (1) update its handbook and standard operating procedures; and (2) review and revise relevant position descriptions as vacancies occur or as organizational needs require to formally incorporate farm to school responsibilities.

3. Data Collection (Recommendations 6 - 8): The Department concurs that high-level policy support is essential for prioritizing local food procurement across all schools. The new system will generate standardized local procurement reports and will include audit trail functionality to verify product origin and expenditure data.

- **Corrective Action:** The Department is implementing a comprehensive menu planning and inventory software system that standardizes menus and ordering to prioritize local

products and automates data entry for reporting. To ensure compliance, the Department will establish formal procedures for monthly reporting reviews and utilize specific local line-item bids and menu planning software to control and monitor the selection of locally sourced items.

4. Food Costs (Recommendations 9 - 10): The audit correctly identifies that meeting local food mandates requires specific budgetary alignment across all School Food Services levels.

- **Corrective Action:** The Department has completed a comprehensive cost and local-percentage analysis for the SY26-27 menu, allowing for data-driven adjustments that prioritize local purchasing while managing expenses. This standardized menu template will serve as the ongoing model for all future menus and enables the Department to accurately estimate the fiscal impact of substituting imported products with local alternatives. The standardized template allows the Department to model fiscal impacts under multiple procurement scenarios, thereby reducing financial risk and improving budget predictability.

5. Meal Planning (Recommendations 11 - 16): The Department agrees that identifying current local food availability, seasonality, and cost is essential for effective meal planning.

- **Corrective Action:** In collaboration with DBEDT and CTAHR, the Department has identified available local products and projected their volume and costs for the SY26-27 menu, which includes a new seasonal fruit plan and items processed for year-round use. The Department has quarterly meetings with DBEDT, CTAHR, ADC, DOH, and Hawaii Farm Bureau to coordinate menu development and commodity mapping. The Department has also determined the number of scratch-made meals required to meet local goals, planning to add three to five new recipes annually, and establishing specific menus for both the upcoming school year and the SY27-28 Regional Kitchen launch.

6. Procurement (Recommendation 17): We agree with the need for specialized solicitations and confirming compliance with expectations. The Department has developed solicitations specifically for locally sourced products such as honey and poi, and is requiring vendors to submit monthly reports on local sourcing and costs.

- **Corrective Action:** The Department will continue creating specific solicitations for local products particularly for the Regional Kitchen. To ensure transparency and statutory compliance, the Department is also requiring distributors to provide the specific farm names where products originate. All solicitations will comply with HRS Chapter 103D and applicable procurement rules, with specifications clearly identifying local sourcing requirements and documentation standards.

7. Purchasing: (Recommendations 16 - 18): The Department concurs with the need for documented directives to prioritize local food, and that maximizing the Federal Fresh Fruit and Vegetables Order Receipt System (FFAVORS) credits is essential for local sourcing. The

Department recognizes the importance of communicating specific food budgets to school leadership.

- **Corrective Action:** The Department is transitioning to standardized menus for SY26-27 and locked electronic order guides to ensure local products are prioritized, with supervisors and procurement staff actively verifying and adjusting vendor orders to maintain compliance. To maximize federal resources, the Department has implemented district-level FFAVORS allocations and enhanced monitoring—including weekly participation checks and data-driven forecasting—to ensure all allocated funds are utilized. While United States Department of Agriculture commodity allocations were not entirely spent in the past, this school year the Department is on track to utilize all funds and has requested additional funds for neighbor islands when their allocations were entirely spent. Additionally, utilizing pre-costed menu data, the Department will provide each cafeteria with a specific budget and share monthly performance reports with school leadership to ensure fiscal transparency.

8. Meal Preparation (Recommendation 19): The Department agrees with the recommendation to provide specialized training for cafeteria staff to ensure the successful implementation of scratch-cooked meals.

- **Corrective Action:** The Department has partnered with the Culinary Institute of America and the Hawaii Agriculture Foundation to provide comprehensive culinary training, including specialized instruction on new menu items, to all food service staff. The Department will track training completion rates and correlate participation with local menu implementation metrics.

9. Regional Kitchens and Achievement of the 2030 Goal (Recommendation 20): While the Department is optimistic about the role of regional kitchens, we agree that a more detailed analysis and interagency collaboration are necessary to bridge the gap between current production and the thirty percent goal.

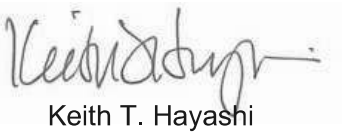
- **Corrective Action:** The Department is collaborating with multiple state agencies and agricultural organizations to analyze the Regional Kitchen menu's cost, volume, and local food availability to determine its impact on sourcing goals. This partnership also includes planning for increased local production while recognizing that the Regional Kitchen model offers benefits beyond meeting procurement mandates.

Conclusion

The Department appreciates the audit's reflection of the systemic changes required to shift a large-scale institutional food service operation toward local sustainability. We are encouraged by the progress of our scratch-cooking initiatives and are dedicated to implementing the recommended controls to ensure Hawaii's students receive the highest quality local nutrition. The attached matrix shows the Department's compliance schedule.

Thank you for the opportunity to provide clarification and for your team's diligent work in supporting the improvement of our school meal programs. Should you have any questions or concerns, please contact Anneliese Tanner, School Food Program Administrator, at (808) 784-5503 or via email Anneliese.Tanner@k12.hi.us.

Sincerely,



Keith T. Hayashi
Superintendent

KTH:at
c: Internal Audit
School Food Services Branch

COMPLIANCE SCHEDULE MATRIX

Rec. No.	Auditor Recommendation (Summary)	Department Corrective Action	Target Completion
1-2	Formalize governance structure and internal controls for Farm to School Program	Develop and present proposed Board policy prioritizing local procurement; formalize internal reporting structure; document supervisory review procedures and internal control protocols	Q2 FY2027
3-5	Develop formal strategic plan with measurable benchmarks and defined responsibilities	Complete five-year Farm to School Strategic Plan (2027–2032) with defined metrics, staff roles, and annual reporting; update SOPs and handbook; revise relevant position descriptions as organizational adjustments occur	Q4 FY2027
6-10	Standardize data collection and reporting to accurately track local procurement	Implement menu planning and inventory management system with standardized local sourcing definitions and audit trail capability; establish monthly supervisory review procedures	System operational SY2026-27
11-12	Align budget and cost modeling with local procurement goals	Utilize standardized SY2026-27 menu cost model to project fiscal impacts of local substitutions; integrate cost modeling into annual menu development and budget forecasting	Ongoing annually
13-14	Improve meal planning to reflect seasonality, availability, and production capacity	Coordinate with DBEDT and CTAHR to document projected volumes and costs; incorporate seasonal fruit planning and scratch-made recipes; add 3-5 local recipes annually	Ongoing annually
15	Strengthen procurement controls for local sourcing	Issue product-specific solicitations compliant with HRS Chapter 103D; require vendor origin documentation and monthly reporting; incorporate sourcing verification into Regional Kitchen solicitations	Ongoing annually
16-18	Establish documented purchasing controls and maximize federal credits	Implement standardized menus; configure electronic order guides to prioritize local products with supervisory override controls; provide cafeterias with defined budgets and monthly performance reports; monitor FFAVORS utilization weekly	SY2026-27 implementation
19	Provide specialized training to support scratch cooking and local utilization	Partner with Culinary Institute of America and Hawaii Agricultural Foundation; track staff training completion and correlate with implementation metrics	Ongoing annually
20	Evaluate Regional Kitchen impact on 30% local procurement goal	Conduct cost, volume, and sourcing capacity analysis; coordinate with state agencies and agricultural stakeholders; report findings to leadership and Board	Preliminary analysis Q4 FY2028