



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/25/2026

Time: 10:57 AM

Location: CR 211 & Videoconference

Committee: WAM

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: SB3232, RELATING TO UNIVERSAL SCHOOL MEALS.

Purpose of Bill: Establishes the universal school meals special fund to accept deposits of Medicaid reimbursements received by the Department of Education.

Department's Position:

The Hawaii State Department of Education (Department) respectfully provides comments on SB 3232.

The Department appreciates the intent of the measure to provide universal school meals for our public school students. SB 3232 proposes to fund universal free meals by depositing all Medicaid reimbursements received by the Department into a new special fund. While we share the goal of feeding hungry public school students, the Department offers the following comments and cautions regarding the proposed redirection of Medicaid reimbursement revenues from its current purpose.

First, the use of Medicaid reimbursements for school meals is inconsistent with Section 302A-1406, Hawaii Revised Statutes (HRS), which establishes the Department's Federal Revenue Maximization Program Revolving Fund. From the fund, the Department pays for Medicaid-eligible services provided by the Department and for administrative costs related to the Federal Revenue Maximization Program.

The redirection of funds, although for a good cause, may jeopardize the future receipt of Medicaid reimbursement revenue. This process requires the Department to maintain a portion of funds available in its designated Federal Revenue Maximization Program Revolving Fund to receive reimbursement revenue:

- The Department is required to first pay the state share of its Medicaid claim to the Department of Human Services (DHS) Med-QUEST.
- DHS Med-QUEST then reimburses the Department the total federal and state amount, resulting in a net reimbursement.

If adequate funding is not available in the Federal Revenue Maximization Program

Revolving Fund, an alternate source would need to be identified to submit any direct service claims for reimbursement.

Second, using Medicaid reimbursements to fund universal school meals may not fulfill the criteria for establishing a special fund pursuant to Section 37-52.3, HRS, which requires “a clear nexus between the benefits sought and charges made upon the program users or beneficiaries or a clear link between the program and the sources of revenue . . .”

The nexus is murky at best. This is self-evident as SB 3232 amends Section 302A-405(b), HRS to clarify that Medicaid reimbursements received by the Department for universal school meals will be deposited into the new special fund, and not into the existing School Food Services special fund, which funds cafeteria operations.

And lastly, the sustainability of providing free meals to students is a significant concern due to the combination of uncertain future general fund availability, an anticipated loss of school lunch special fund revenue from these students, and escalating food costs.

Act 139, SLH 2025 expanded free school meal coverage to students who qualify for reduced-price lunch for School Year (SY) 2025-26, and students whose household income is not more than 300% of the federal poverty level for SY 2026-27. Act 139, SLH 2025 also appropriated general funds of \$565,000 for Fiscal Year (FY) 2025-26 and \$2,800,000 for FY 2026-27 to support the expansion. Recurring general funds for FY 2027-28 and beyond have not yet been secured to maintain support for these important initiatives.

While the Department remains committed to ensuring that our students have access to nutritious meals, it has concerns regarding the proposed use of Medicaid reimbursements to fund the program. An alternative may be to fund universal school meals through a separate, dedicated funding source that does not impact the delivery of Medicaid-eligible services or the Department’s ability to maximize federal reimbursement revenue.

Thank you for the opportunity to provide testimony on SB 3232.



February 23, 2026

**Testimony in Support of S.B.3232
Relating to Universal School Meals**

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

Aloha United Way supports S.B. 3232, which establishes a special fund to support universal school meals by allowing Medicaid reimbursements and other funds to be dedicated to this purpose.

For many working families in Hawai'i, school meals are an essential part of household stability. According to Aloha United Way's ALICE (Asset Limited, Income Constrained, Employed) data, nearly 40%¹ of Hawai'i households struggle to afford the basic cost of living, even while working. For these families, reliable access to nutritious meals at school reduces financial pressure and helps ensure children are prepared to learn. Universal school meals reduce stigma, simplify administration, and ensure that no child falls through the cracks because of complicated eligibility rules or paperwork barriers. When meals are available to all students, families can count on consistent support regardless of fluctuations in income or benefits eligibility.

S.B. 3232 represents a practical and fiscally responsible step toward sustaining universal school meals by creating a dedicated funding stream. Establishing a special fund allows the State to maximize available federal reimbursements and other funding sources while supporting the long-term stability of the program.

Food security for children supports educational outcomes, family stability, and workforce participation. When families know their children will receive meals at school, limited household resources can be directed toward housing, transportation, and other essential needs.

Universal school meals are a proven investment in healthy children and stronger communities. We urge you to support S.B.3232.

Mahalo,

Michelle Bartell
President & CEO
Aloha United Way

¹ <https://www.auw.org/about/alice-initiative/alice-reports/>



1050 Bishop St. PMB 235 |
Honolulu, HI 96813
P: 808-533-1292 | e:
info@hawaiiifood.com

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TO: Committee on Ways and Means
FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 25, 2026
TIME: 10:57

RE: SB3232 Relating to Universal School Meals
Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

HFIA is in support of this measure. Students' access to healthy meals is critical to academic success and achievement. Access to nutritious meals also promotes students' short term and long-term health, improves behavioral outcomes, and improves overall wellbeing.

Ensuring that all keiki have access to enough food should be a top priority of the State.

For some students, school meals may be their only consistent source of food.

Many children who would benefit from school meals are not eligible for current programs. Children may miss out on free school lunch programs because of stigma, or other reasons. Providing free school meals to all Hawaii keiki ensures that every child in our school system has access to food.

Hawaii's keiki deserve this, and we urge the committee to pass this measure. Thank you for the opportunity to testify.



1200 Ala Kapuna Street • Honolulu, Hawai'i 96819
Tel: (808) 833-2711 • Fax: (808) 839-7106 • Web: www.hsta.org

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TESTIMONY TO THE HAWAI'I SENATE COMMITTEE ON WAYS AND MEANS

Item: SB 3232 – Relating to Universal Free School Meals

Position: Support

Hearing: Wednesday, February 25, 2026, 10:57 am, Room 211

Submitter: Osa Tui, Jr., President - Hawai'i State Teachers Association

Dear Chair Dela Cruz, Vice Chair Moriwaki, and members of the committee,

The Hawai'i State Teachers Association (HSTA) **supports** S.B. 3232, which establishes a dedicated universal school meals special fund. This measure creates the necessary financial structure to capture Medicaid reimbursements and other funding specifically for student nutrition. By securing these resources in a dedicated fund, the state takes a vital step toward ensuring every student has access to the meals they need to succeed in the classroom.

Hunger is a significant barrier to learning, and a universal meal program helps eliminate both food insecurity and the stigma often associated with subsidized school lunches. This bill provides a sustainable foundation for the Department of Education to provide healthy meals to all Hawai'i's keiki. We urge the committee to pass this measure.

Mahalo.

SB-3232

Submitted on: 2/23/2026 5:20:13 PM

Testimony for WAM on 2/25/2026 10:57:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Lynn Nguyen | Individual | Support | Written Testimony Only |

Comments:

Aloha,

My name is Lynn Nguyen, and I am writing in strong support of SB3232, which seeks to strengthen support for Hawai‘i’s underserved and ALICE (Asset Limited, Income Constrained, Employed) communities.

Across our state, many hardworking families are doing everything “right” — working full-time, contributing to their communities, raising children, caring for kūpuna — yet still struggling to afford basic necessities. ALICE households often earn too much to qualify for traditional public assistance, but not enough to achieve financial stability. They are one unexpected expense away from crisis.

This bill represents an important step toward closing that gap.

Underserved communities in Hawai‘i face layered challenges, including high housing costs, food insecurity, limited access to childcare, transportation barriers, and workforce constraints. When families lack stability in one area, it often impacts every other area of life — including children’s educational outcomes, mental health, and long-term economic mobility.

By investing upstream and strengthening systems that support working families, we reduce the need for more costly crisis interventions later. Supporting ALICE households is not only a moral imperative — it is fiscally responsible and economically strategic.

When families are stable:

- Children are better able to learn and thrive
- Workers are more productive and reliable
- Communities experience stronger social cohesion
- Public systems experience reduced strain

This legislation acknowledges that prevention and stabilization are just as important as crisis response. It recognizes that resilience is built not only at the individual level, but through strong and responsive systems.

I respectfully urge the Committee to pass this Senate Bill and continue prioritizing policies that create pathways to stability, dignity, and opportunity for Hawai'i's working families.

Mahalo for the opportunity to provide testimony and for your continued commitment to serving our communities.

SB-3232

Submitted on: 2/23/2026 5:27:26 PM

Testimony for WAM on 2/25/2026 10:57:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| cassidy hollenbeck | Individual | Support | Written Testimony Only |

Comments:

I support SB3232

SB-3232

Submitted on: 2/23/2026 11:57:14 PM

Testimony for WAM on 2/25/2026 10:57:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|----------------------|---------------------|---------------------------|---------------------------|
| Johnnie-Mae L. Perry | Individual | Support | Written Testimony Only |

Comments:

I, Johnnie-Mae L. Perry, Support w/comment

3232 SB RELATING TO UNIVERSAL SCHOOL MEALS.

HOW WILL THE MEDICAID FUNDS BE SPENT?



PARTNERS IN DEVELOPMENT
FOUNDATION

February 24, 2026

The Honorable Senator Donovan M. Dela Cruz, Chair
The Honorable Senator Sharon Y. Moriwaki, Vice Chair
Senate Committee on Ways and Means
State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: Hearing on Wednesday, February 25, 2026 at 10:57 a.m.,
Via VideoConference, Conference Room #211

Regarding SB No. 3232, "Relating to Universal School Meals"

Dear Chair Dela Cruz and Vice Chair Moriwaki and Members of the Senate Committee on Ways and Means

We ask that you **strongly support SB 3232** to establish the universal school meals special fund to accept deposits of Medicaid reimbursements received by the Department of Education.

Partners in Development Foundation is a 501(c)(3) nonprofit that inspires and equips families and communities for success and service, using timeless Native Hawaiian values and traditions. Since 1997, PIDF has served more than 171,000 people in over 75 communities across the state (www.pidf.org). PIDF has a strong record of managing complex, multi-year federal and state grants with measurable results in early childhood education, family engagement, and youth justice. PIDF continues to step to the frontline to meet the ever-changing needs of our low-income, remote, and rural families and communities, including operating a COVID quarantine hotel to keep families safe and healthy during the pandemic, to supporting families displaced by the Maui wildfires to heal and rebuild, to continuing to support and strengthen our most vulnerable children, youth and families as they navigate increasing living costs, unemployment, and loss of federal resources.

It is vital that this critical work provided by not only Partners in Development Foundation but the many other nonprofit organizations in our state continue to be supported through sufficient resources to impact the children and communities of which we serve. **We ask that you support SB 3232 to establish the Universal School Meals Special Fund, ensuring that Medicaid reimbursements received by the Department of Education are reinvested directly into sustaining and strengthening access to nutritious meals for all students, impacting the children of Hawai'i.**

On behalf of Partners in Development Foundation and our many nonprofit partners serving tirelessly in our state, mahalo nui loa for your consideration of this request.

Shawn M. Kana'iaupuni, PhD
President and Chief Executive Officer

SB-3232

Submitted on: 2/24/2026 9:12:19 AM

Testimony for WAM on 2/25/2026 10:57:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Elli Pace | Individual | Support | Written Testimony Only |

Comments:

This bill represents a fiscally responsible and forward-thinking approach to sustaining universal school meals. By directing eligible Medicaid reimbursements into a dedicated special fund, the state can leverage existing federal resources to strengthen and stabilize access to nutritious meals for students. As a pediatric dietitian with over a decade of experience in Child Nutrition programs, I strongly support this bill.



Date of Hearing: February 25, 2026

To: Chair Dela Cruz, Vice Chair Moriwaki, and the Senate Committee on Ways and Means

Subject: **SB3232**, Relating to Universal School Meals

Aloha,

I am writing in **support of SB3232**. This measure will establish a special fund for universal school meals within the state treasury. Furthermore, the bill will require that all Medicaid reimbursements received by DOE be deposited into this fund and direct grants and donations to the fund. Lastly, the bill will restrict the use of this fund solely to funding universal school meals and will remove medicaid reimbursement from the general school lunch fund. We acknowledge the concerns that establishing this fund may jeopardize the future receipt of Medicaid reimbursement revenue and request the Senate Committee on Ways and Means to clarify/address this concern raised by the Department of Education.

Food security in Hawai'i is a serious concern. From 2024-2025, 32% of households face food insecurity, and 11% of households went a whole day without food at least once during the year¹. For many low-income children, school meals are the most reliable source of nutrition. By restricting the fund to universal school meals, the bill ensures these dollars are protected and used only to feed students.

Keiki are our future. Students who are well-nourished are better prepared to learn and succeed. A stable, dedicated funding source strengthens the long-term sustainability of universal school meals and supports families across our state. Therefore, I **urge this committee to pass SB 3232**.

Mahalo,
Brandon Kinard and The Food+ Policy Team
#fixourfoodsystem

[1] Pirkle, C. M. (2025). The state of food insecurity in Hawai'i 2024–2025. Hawai'i Foodbank.

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2026, the cohort of interns are undergraduate and graduate students and young professionals working in the food system. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.