

Written Only

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SUPERINTENDENT

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

**Date:** 02/13/2024

**Time:** 10:05 AM

**Location:** CR 211 & Videoconference

**Committee:** Senate Ways and Means

**Department:** Education

**Person Testifying:** Keith T. Hayashi, Superintendent of Education

**Title of Bill:** SB 3091, SD1 MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF EDUCATION FOR FOOD SERVICES.

**Purpose of Bill:** Makes an emergency appropriation to the Department of Education for its food service operations. Declares that the general fund expenditure ceiling is exceeded. (SD1)

**Department's Position:**

The Hawaii State Department of Education (Department) supports SB 3091 SD1 which is part of its administrative package.

The Department's School Food Services Branch (SFSB) has a projected shortfall of \$20 million for fiscal year 2024. Several major factors have contributed to the current budget shortfall, including high inflation of the price of goods, relatively static federal meal reimbursement, and unchanged school meal price rates.

Inflation throughout and following the pandemic has been the largest factor driving the SFSB's budget shortfall. In school year 2018-2019, the year immediately preceding the pandemic, food and milk costs were \$40.4 million or 35% of the program's overall cost. In school year 2022-2023, food and milk costs had grown to \$67.1 million, making up 48% of the program's total cost.

The Department is very appreciative of the United States Department of Agriculture's (USDA) efforts to increase reimbursement rates in the past few years. However, the current meal pricing and federal reimbursement rates have been insufficient to cover

cost increases experienced by the SFSB. The Department is aware that the USDA will conduct a school meal cost study for the Department in school year 2024-2025 to consider Hawaii for a higher reimbursement rate.

Providing nutritious meals to students is a critical part of the growth and development of Hawaii's keiki and is an investment in their future and for the state.

Thank you for the opportunity to testify on this measure.



**Testimony to the Senate Committee on Ways and Means  
Tuesday, February 13, 2024; 10:05 a.m.  
State Capitol, Conference Room 211  
Via Videoconference**

**RE: SENATE BILL NO. 3091, SENATE DRAFT 1, MAKING AN EMERGENCY APPROPRIATION  
TO THE DEPARTMENT OF EDUCATION FOR FOOD SERVICES.**

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

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 3091, Senate Draft 1, MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF EDUCATION FOR FOOD SERVICES.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

The bill, as received by your Committee, would appropriate \$20 million in general funds for fiscal year 2023-2024 to cover the fiscal deficit experienced in food service operations.

For many of Hawaii's families, the only consistent source of food for our children has been the meals provided at the public schools.

According to the Department of Education, it accumulated a deficit of over \$20 million for its school food service operations because of inflationary cost increases. In school year 2022-2023, more than 80 percent of the Department's food costs increased by 42 percent, resulting in the need for additional funds.

Hawaii's underprivileged and rural communities are extremely vulnerable to changing economic conditions. With inflation on the rise, entire families are struggling to put food on the table on a consistent basis. All one needs to do is visit various food distribution events and see the large number of people who wait to receive surplus food.

**Testimony on Senate Bill No. 3091, Senate Draft 1**  
**Tuesday, February 13, 2024; 10:05 a.m.**  
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For this reason, the HPCA supports this bill and urges your favorable consideration.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or [eabe@hawaiiipca.net](mailto:eabe@hawaiiipca.net).



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TO: Committee on Ways and Mean

FROM: HAWAII FOOD INDUSTRY ASSOCIATION  
Lauren Zirbel, Executive Director

DATE: February 13, 2024

TIME: 10:05am

PLACE: Conference Room 211

RE: SB3091 SD1 Making and Emergency Appropriation to the Department of Education for Food Services

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.

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

HFIA is in strong support of this measure. Unfortunately, in Hawaii 1 in 6 keiki face hunger. As this measure notes, for many children their school meal is often their only regular meal during the day. Research shows that receiving free or reduced-price school lunches reduces food insecurity, obesity rates, and poor health. We encourage the Committee to pass this measure to ensure that the Department of Education has the funds they need to continue this vital program.

Thank you for the opportunity to testify.