



State of Hawai'i
Department of Education

Annual Report on Federal Grants Revolving Fund

November 2025

Section 302A-1405, Hawai'i Revised Statutes, requires the Hawai'i State Department of Education (Department) to annually report on activities related to the Federal Grants Revolving Fund (Revolving Fund). Uses of the Revolving Fund include searching for discretionary grants, developing program applications to secure additional revenues, monitoring grant execution, ensuring compliance with grant requirements, and auditing grant expenditures.

LEGISLATIVE REPORT
Section 302A-1405, Hawaii Revised Statutes
Federal Grants Revolving Fund

The Federal Grants Revolving Fund (Revolving Fund) revenues are derived from the indirect costs for discretionary and non-discretionary grants. In fiscal year 2025 (FY25), the revenues were \$2,380,470 with an ending cash balance of \$2,717,674.

The following table shows the breakdown of expenditures for FY25.

| Funds | Expenditures* |
|-------------------------------|----------------------|
| A (Personnel Services) | \$981,562 |
| A1 (Other Personnel Services) | \$558,158 |
| B (Other Current Expenses) | \$22,790 |
| C (Equipment) | \$0 |
| TOTAL * | \$1,562,510 |

*Figures were rounded to the nearest dollar.

“A” and “A1” funds were used to support nine (9) permanent full-time employees (FTE) within the Monitoring and Compliance Branch (MAC). MAC evaluates the Department’s compliance with state and federal laws, U.S. Department of Education requirements, and Board of Education policies related to the implementation of ongoing federally funded programs. Through ongoing monitoring and targeted technical assistance, MAC supports effective federal program implementation and strengthens the Department’s capacity to meet both federal and state requirements.

“B” funds were used to support MAC expenses related to building capacity for federal grant program managers due to new requirements that were made to the Uniform Guidance that applies to federal awards. Funding was also used by the Kailua-Kalaheo Complex Area under the Capacity Building Grant Program.

The Department will continue to fund the nine (9) positions in MAC through the Revolving Fund in fiscal year 2026.