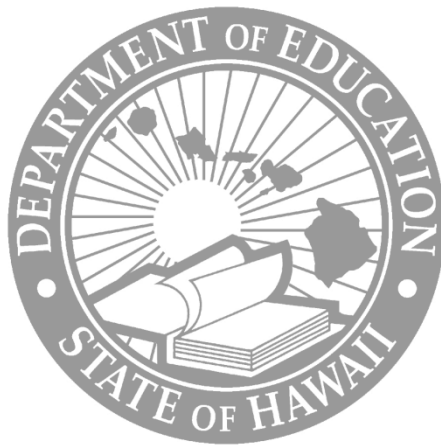




State of Hawai'i
Department of Education

Annual Report on Federal Grants Revolving Fund

October 2026

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, Hawai'i 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 2026 (FY26), the revenues were \$2,113,853 with an ending cash balance of \$3,360,930.

The following table shows the breakdown of expenditures for FY26.

Funds	Expenditures*
A (Personnel Services)	\$939,101
A1 (Other Personnel Services)	\$529,139
B (Other Current Expenses)	\$25,902
C (Equipment)	\$0
TOTAL*	\$1,494,142

*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 Hawai'i State Department of Education's (Department) compliance with state and federal laws, U.S. Department of Education requirements, and Hawai'i State 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 continuing to build capacity for federal grant program managers via providing professional development pertaining to requirements in the Education Department General Administrative Regulations and the Uniform Guidance that applies to federal education awards.

The Department will continue to fund the nine FTE positions in MAC through the Revolving Fund in fiscal year 2027.