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# A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF HUMAN SERVICES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that vulnerable  
2 populations in Hawaii, including individuals experiencing  
3 homelessness, children, and those in need of mental health or  
4 social services, face significant challenges that hinder their  
5 well-being and stability. These issues have become exacerbated  
6 by a rising demand for services, stagnant government contract  
7 funding, and increasing operational costs, including significant  
8 insurance premium hikes following the 2023 Maui wildfires.

9           The legislature further finds that community-based  
10 organizations are vital partners in delivering critical services  
11 on behalf of the department of human services and that, by  
12 strengthening collaborations with service providers, the  
13 department can enhance program delivery and improve access to  
14 essential services such as administering benefits, providing  
15 work-training and employment support, strengthening child care  
16 programs, addressing homelessness, and reducing the harmful  
17 effects of a punitive incarceration system, among other



1 services. Additionally, families in Hawaii depend on this  
2 network of community-based organizations as a human services  
3 safety net.

4 The legislature also finds that the department of human  
5 services contracts with community-based organizations to provide  
6 critical services, but contract rates have not increased in many  
7 years and fail to cover full program costs. Community-based  
8 organizations have attempted to fill the gap between funding  
9 levels and demand for services through their own fundraising  
10 efforts but are finding the growing gap insurmountable. If the  
11 gap between funding levels and demand for services is not  
12 mitigated by increased state funding, community-based  
13 organizations will have to decline contracts or reduce the  
14 amount of services provided, despite the community need; some  
15 will be unable to sustain operations. According to a 2022  
16 survey of Hawaii community-based nonprofit organizations,  
17 ninety-one per cent had government contract budgets that fell  
18 below the full operating costs required to provide the  
19 contracted services. Of those, seventy-nine per cent always or  
20 often had to cut administrative costs.



1           The purpose of this Act is to provide increased funding for  
2 the department of human services to collaborate with contracted  
3 community-based organizations to address the need for social  
4 services in Hawaii.

5           SECTION 2. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$                    or so  
7 much thereof as may be necessary for fiscal year 2025-2026 and  
8 the same sum or so much thereof as may be necessary for fiscal  
9 year 2026-2027 for the department of human services to  
10 collaborate with contracted community-based organizations to  
11 address the need for social services in the State; provided that  
12 the funds shall be equitably distributed and allocated as  
13 follows:

- 14           (1) \$                   for child protective services (HMS 301);
- 15           (2) \$                   for adult protective and community care  
16                   services (HMS 601);
- 17           (3) \$                   for vocational rehabilitation (HMS 802);
- 18           (4) \$                   for homeless services (HMS 224);
- 19           (5) \$                   for general support for child care  
20                   (HMS 302);



1 (6) \$ for general support for self-sufficiency  
2 services (HMS 903);

3 (7) \$ for general support for health care  
4 payments (HMS 902); and

5 (8) \$ for in-community youth programs (HMS 501).

6 The sums appropriated shall be expended by the department  
7 of human services for the purposes of this Act.

8 SECTION 3. This Act shall take effect on December 31,  
9 2050.



**Report Title:**

DHS; Community-based Organizations; Social Services;  
Appropriations

**Description:**

Appropriates funds for the Department of Human Services to collaborate with contracted community-based organizations to address the need for social services in the State. Effective 12/31/2050. (SD1)

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