

STAND. COM. REP. NO.

2153

Honolulu, Hawaii

FEB 11 2026

RE: S.B. No. 2442
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 2442 entitled:

"A BILL FOR AN ACT RELATING TO PURCHASE OF SERVICE CONTRACTS BY THE JUDICIARY,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Beginning January 1, 2027, require contracts for services awarded to community-based organizations by the Judiciary in support of fulfilling its statutory mandate to individuals, families, and communities in the State to include certain protections against inflation; and
- (2) Appropriate funds to the Judiciary to increase the contract prices in existing contracts for certain services provided by community-based organizations in support of fulfilling its statutory mandate to individuals, families, and communities in the State.

Your Committee received testimony in support of this measure from Parents and Children Together, Partners in Development Foundation, Responsive Caregivers of Hawaii, Hale Kipa, Hawaii Substance Abuse Coalition, Hawai'i Alliance of Nonprofit Organizations, Domestic Violence Action Center, Coalition for a Drug-Free Hawaii, Hina Mauka, Catholic Charities Hawai'i, Aloha



United Way, HITrueCost, Hawaii Youth Services Network, Hawai'i True Cost Coalition, Ku'ikahi Mediation Center, Big Island Substance Abuse Council, Child and Family Service, Adult Friends for Youth, Lanakila Pacific, and eight individuals.

Your Committee received comments on this measure from the Judiciary.

Your Committee finds that community-based organizations contract with the Judiciary to provide essential services that are critical to the Judiciary's capacity to fulfill key components of statutory mandate. Your Committee further finds that the costs incurred by community-based organizations to provide these services have increased while government contract rates have remained stagnant. Consequently, community-based organizations that provide services to the Judiciary cannot fully cover the cost of their operations, threatening the continuity and effectiveness of these critical services statewide. This measure will appropriate funds to the Judiciary to increase the contract price in existing contracts for certain services provided by community-based organizations, allowing the Judiciary to continue to fulfill its statutory mandate to individuals, families, and communities in the State.

Your Committee has amended this measure by:

- (1) Specifying that prices for contracts awarded to community-based organizations shall be adjusted on an annual basis based on increases in the Consumer Price Index for All Urban Consumers for Urban Hawaii;
- (2) Inserting an effective date of March 22, 2075, to encourage further discussion; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

Your Committee notes that this measure, as amended, contains unspecified appropriation amounts. Should your Committee on Ways and Means choose to deliberate on this measure, your Committee respectfully requests that it consider an appropriation amount of \$4,260,000. Your Committee further notes that this amount, recommended by the True Cost Coalition, correlates to a thirty



percent increase in the current amount of the Judiciary's Purchase of Service contracts because, according to the True Cost Coalition, the cost for contracted community-based organizations to administer their contracts with the Judiciary has risen approximately forty percent over the past ten years.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2442, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2442, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



The Senate
Thirty-Third Legislature
State of Hawai‘i

**Record of Votes
Committee on Judiciary
JDC**

*Only one measure per Record of Votes