



The Judiciary, State of Hawai'i
Ka 'Oihana Ho'okolokolo, Moku'āina 'o Hawai'i

Testimony to the Thirty-Third Legislature, 2026 Regular Session

Senate Committee on Judiciary

Senator Karl Rhoads, Chair

Senator Mike Gabbard, Vice Chair

Tuesday, February 3, 2026, 9:00 a.m.

State Capitol, Conference Room 016 & Videoconference

By

Brandon M. Kimura
Administrative Director of the Courts

WRITTEN TESTIMONY ONLY

Bill No. and Title: Senate Bill No. 2442, Relating to Purchase of Service Contracts by the Judiciary.

Purpose: Beginning 1/1/2027, requires 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. Appropriates funds to the Judiciary to increase the contract price 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.

Judiciary's Position:

The Judiciary provides the following comments.

The Judiciary acknowledges and supports the intent of this measure, which includes the provision of additional resources and inflationary protections for community-based organizations and service providers. These partners are essential to the delivery of justice, and we share the Legislature's commitment to their stability.



Senate Bill No. 2442, Relating to Purchase of Service Contracts by the Judiciary
Senate Committee on Judiciary
Tuesday, February 3, 2026 at 9:00 a.m.
Page 2

However, the Judiciary is unable to commit to funding contracts with ongoing “protections against inflation” or “adjust[ment] on an annual basis based on increases in the Consumer Price Index ...” without corresponding increases in legislative appropriations to the Judiciary. While the Judiciary appreciates the potential in Section 3 of this measure for an appropriation necessary to implement this measure for fiscal year 2026–2027, the Judiciary is concerned with the ongoing funding necessary to continue increases in future years without corresponding increased appropriations.

In light of the measure’s proposed additional appropriation to the Judiciary for this purpose for FY26-27, the Judiciary supports an increase in the maximum for contracts according to the level of additional legislative appropriations.

We respectfully request that any appropriation provided for this purpose not supplant the Judiciary’s existing funding or budget requests. Thank you for the opportunity to testify on this measure.



TESTIMONY IN SUPPORT OF SB 2442 RELATING TO PURCHASE OF SERVICE CONTRACTS BY THE JUDICIARY

TO: Chair Rhoads, Vice-Chair Gabbard, & Members,
Senate Committee on Judiciary

FROM: Ben Naki, Executive Vice-President of Early Education Programs
Trisha Kajimura, Vice-President of Strategy and External Affairs

DATE: February 3, 2026 at 9:00 AM

Parents and Children Together (PACT) strongly supports SB 2442, which appropriates funds for the Judiciary to increase allocation for contracts with community-based organizations providing critical services in Hawaii and provide these contracts with protection from inflation.

PACT is contracted by the Judiciary to provide services related to domestic violence in three counties – Honolulu, Maui and Kaua’i. Through these contracts we help survivors and child witnesses cope through their trauma, heal from abuse, and rebuild safe and self-sufficient households. We also work with individuals who have committed crimes of domestic violence through classes and counseling. These services and the staff dedicated to providing them are specialized and essential to the safety and well-being of our community.

We submit this testimony as a member of the Hawai’i True Cost Coalition – over 70 community-based non-profit organizations fighting to sustain essential services for our communities. The people of our community are strong, resilient and capable yet challenged by systems of scarcity that are difficult to overcome without targeted support. They must be supported by high-quality organizations that are sustainable. When state contract amounts do not increase over time as operating costs do, this important service for the community becomes unsustainable.

Founded by residents of Kuhio Park Terrace in 1968, PACT is a statewide community-based organization providing a wide array of innovative and educational social services to families in need. Assisting more than 18,000 people across the state annually, we help identify, address, and successfully resolve challenges through our 20 programs. Among our services are early education programs, domestic violence prevention and intervention programs, child abuse prevention and intervention programs, childhood sexual abuse supportive group services, child and adolescent behavioral health programs, sex trafficking intervention, poverty prevention and community building programs.

Thank you for the opportunity to testify. Please contact Trisha Kajimura at (808) 847-3285 or tkajimura@pacthawaii.org if you have any questions.

THE SENATE
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

S.B. NO. 2442

JAN 22 2026

A BILL FOR AN ACT

RELATING TO PURCHASE OF SERVICE CONTRACTS BY THE JUDICIARY.

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

1 SECTION 1. The legislature finds that the judiciary
2 fulfills key components of its statutory mandate through
3 contracts with community-based organizations that provide
4 essential services to individuals and families involved in the
5 justice system. These organizations support access to justice
6 for victims of domestic violence, court-involved youth,
7 individuals navigating civil legal processes, and other
8 vulnerable populations who depend on programs connected to the
9 judiciary for safety, stability, and support.

10 The legislature further finds that the costs incurred by
11 community-based organizations to provide these services,
12 including wages, utilities, and administrative expenses, have
13 increased significantly during the past decade, while government
14 contract rates have remained stagnant. As a result, many
15 organizations providing judiciary-related services are unable to
16 cover their full cost of operations, threatening the continuity
17 and effectiveness of critical services statewide.



1 Accordingly, the purpose of this bill is to ensure the
2 continued delivery of essential services supporting the
3 judiciary's statutory mandate by:

4 (1) Requiring contracts for services awarded by the
5 judiciary to community-based organizations to include
6 protections against inflation; and
7 (2) Appropriating funds to the judiciary to increase the
8 contract price in existing contracts for services
9 provided by community-based organizations in support
10 of fulfilling its statutory mandate to individuals,
11 families, and communities in the State.

12 SECTION 2. Beginning January 1, 2027, contracts awarded to
13 community-based organizations by the judiciary for services in
14 support of fulfilling its statutory mandate to individuals,
15 families, and communities in the State, including supporting
16 access to justice, shall:

17 (1) Be for a term of multiple years; and
18 (2) Include a provision that requires the contract price
19 to be adjusted on an annual basis based on increases
20 in the Consumer Price Index for All Urban Consumers,



1 or a successor index, as reported by the United States
2 Bureau of Labor Statistics.

3 SECTION 3. There is appropriated out of the general
4 revenues of the State the sum of \$ or so much thereof
5 as may be necessary for fiscal year 2026-2027 to increase the
6 contract price under existing contracts for services provided by
7 community-based organizations in support of fulfilling the
8 judiciary's statutory mandate toward individuals, families, and
9 communities.

10 The sum appropriated shall be expended by the judiciary for
11 the purposes of this Act.

12 SECTION 4. This Act shall take effect on July 1, 2026.

13

INTRODUCED BY: Karl Rhoads



S.B. NO. 2442

Report Title:

Judiciary; Community-Based Organizations; Contract for Services; Access to Justice; Appropriation

Description:

Beginning 1/1/2027, requires 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. Appropriates funds to the Judiciary to increase the contract price 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.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.





February 2, 2026

The Honorable Senator Karl Rhoads, Chair
The Honorable Senator Mike Gabbard, Vice Chair
Senate Committee on Judiciary
State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: Hearing on Tuesday, February 3, 2026 at 9:00 a.m.,
Via VideoConference, Conference Room #016
Regarding SB No. 2442, "Relating to Purchase of Service Contracts by the Judiciary"

Dear Chair Rhoads and Vice Chair Gabbard and Members of the Senate Committee on Judiciary,

We ask that you **strongly support SB 2442** to appropriate funds to the Judiciary to increase the contract price 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.

Partners in Development Foundation is a 501(c)(3) nonprofit that inspires and equips families and communities for success and service, using timeless Native Hawaiian values and traditions. Since 1997, PIDF has served more than 171,000 people in over 75 communities across the state (www.pidf.org). PIDF has a strong record of managing complex, multi-year federal and state grants with measurable results in early childhood education, family engagement, and youth justice. PIDF continues to step to the frontline to meet the ever-changing needs of our low-income, remote, and rural families and communities, including operating a COVID quarantine hotel to keep families safe and healthy during the pandemic, to supporting families displaced by the Maui wildfires to heal and rebuild, to continuing to support and strengthen our most vulnerable children, youth and families as they navigate increasing living costs, unemployment, and loss of federal resources.

It is vital that this critical work provided by not only Partners in Development Foundation but the many other nonprofit organizations in our state continue to be supported through sufficient resources to sustainably operate and SB 2442 will accomplish this by increasing the level of funding available to these nonprofit organizations who are stepping in the gap to meet the needs that government entities cannot fully address. **We ask that you support SB 2442 to equip nonprofit organizations to meet our rising expenses to enable us to continue serving the people of Hawai'i.**

On behalf of Partners in Development Foundation and our many nonprofit partners serving tirelessly in our state, mahalo nui loa for your consideration of this request.

Shawn M. Kana'iaupuni, PhD
President and Chief Executive Officer

SB-2442

Submitted on: 1/30/2026 10:21:39 PM
Testimony for JDC on 2/3/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Marsh	Testifying for Responsive Caregivers of Hawaii	Support	Written Testimony Only

Comments:

Support



**TESTIMONY IN STRONG SUPPORT OF SB2442
RELATING TO PURCHASE OF SERVICE CONTRACTS BY THE JUDICIARY**

Aloha Chair, Vice Chair, and Members of the Committee,

My name is **Venus Kau'iokawēkiu Rosete-Medeiros**, and I respectfully submit this testimony in **strong support of SB2442**.

I serve as the President and CEO of **Hale Kipa**, a community-based organization that for more than 55 years has partnered with the State to serve youth, families, and individuals who are deeply impacted by trauma, court involvement, and system involvement. Our work and the work of many community-based organizations across Hawai'i is essential to helping the Judiciary fulfill its statutory mandate to promote access to justice, accountability, and healing for our communities.

Community-based organizations are not ancillary to the justice system, we are a core part of it. We provide services that courts rely on every day: supervision, intervention, treatment, family support, stabilization, and prevention. Yet for far too long, the contracts that fund this work have failed to keep pace with the rising cost of doing business in Hawai'i.

Inflation has significantly increased the cost of labor, insurance, rent, utilities, and transportation. At the same time, many Judiciary purchase-of-service contracts have remained flat for years. This disconnect places community-based organizations in an unsustainable position, forcing us to absorb rising costs, struggle to retain qualified staff, and stretch already-limited resources to meet court-ordered and court-referred obligations.

SB2442 is an important and long-overdue step toward addressing this structural imbalance. By requiring inflationary protections in future contracts and appropriating funds to adjust existing contracts, this measure recognizes a fundamental truth: **the Judiciary's ability to deliver justice is directly tied to the stability of the community-based organizations that carry out this work.**

Without these protections, organizations face staff turnover, program instability, and the real risk of reducing or discontinuing services. When that happens, the impact ripples outward, cases are delayed, families lose support, and individuals who need intervention and guidance are left without meaningful options. This ultimately undermines the very outcomes the Judiciary seeks to achieve.

SB2442 reflects sound policy, fiscal responsibility, and respect for partnership. It acknowledges that contracts must be responsive to economic realities if we expect consistent, high-quality services and accountability. Most importantly, it helps ensure that justice in Hawai'i remains accessible, humane, and effective.

I respectfully urge you to pass SB2442 and affirm the State's commitment to sustaining the community-based organizations that are critical to our justice system and the well-being of our communities.

Mahalo nui loa for the opportunity to submit this testimony and for your thoughtful consideration.

Me ka ha'aha'a,

A handwritten signature in black ink, appearing to read "Venus Kau'iokawēkiu Rosete-Medeiros".

Venus Kau'iokawēkiu Rosete-Medeiros
President & CEO, Hale Kipa



SB2442 Judiciary Adjust for Inflation

COMMITTEE ON JUDICIARY

Sen. Karl Rhoads, Chair

Sen. Mike Gabbard, Vice Chair

Tuesday, Feb 3, 2026: 9:00: Room 016 Videoconference

Hawaii Substance Abuse Coalition Supports SB2442:

ALOHA CHAIR, VICE CHAIR, AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the ad hoc leader of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization for substance use disorder and co-occurring mental health disorder prevention and treatment agencies and recovery-oriented services.

Community-based organizations are essential partners in delivering critical human services across our state. They provide food assistance, housing stability, behavioral health services, disability support, family services, and culturally responsive care that government alone cannot provide.

Over the past several years, **nonprofit providers have experienced sharp and sustained cost increases** in:

- Labor, driven by workforce shortages and rising wages, needed to retain qualified staff
- Insurance, including liability and workers' compensation
- Utilities and fuel, which directly affect service delivery and transportation
- Rent and facility costs, particularly for organizations serving high-need communities

Non-profits operate on thin margins and are often contractually obligated to deliver services at fixed reimbursement rates that have not kept pace with current economic conditions.

Non-profits have limited ability to absorb cost increases unlike all other sectors because they cannot raise prices, reduce demand, or quickly restructure services without harming vulnerable populations.

**PROVIDERS ARE NOW FACING DIFFICULT DECISIONS –
REDUCE SERVICES, FREEZING PROGRAMS, DECREASE
OUTCOMES FROM STAFF BURNOUT, OR CLOSE ENTIRELY.**

This would shift costs back to the state through increased emergency services, institutional care, homelessness, and unmet behavioral health needs.

This bill provides a practical and responsible solution. By allowing the Judiciary to issue supplemental contracts, the legislature ensures:

- Continuity of essential services
- Stability in the human services workforce
- Protection of prior state investments
- Stronger community-based infrastructure statewide

Importantly, **these funds do not expand programs unnecessarily**—they simply allow existing services to continue operating as intended under current economic realities.

Investing in non-profits is a corner stone of American policies. It is a more cost-effective way to serve residents and ensure that families receive help earlier, crises are prevented, and long-term public interests are met.

For these reasons, we respectfully **urge your support for this bill and thank you** for recognizing the vital role community-based organizations play in the health, safety, and well-being of our communities.



Senate Committee on Judiciary
February 3, 2026 at 9:00 AM
Room 016

Testimony in SUPPORT for SB2442

Aloha Chair Rhoads, Vice Chair Gabbard, and members of the Committee:

On behalf of the Hawai'i Alliance of Nonprofit Organizations (HANO), we respectfully submit comments in **support of SB2442**, which seeks to increase funding for the Judiciary to strengthen and expand its partnerships with nonprofit organizations.

HANO is a statewide, sector-wide professional association representing Hawai'i's nonprofit community. Since 2006, HANO has worked to strengthen and unite the nonprofit sector as a collective force to improve the quality of life across the state by leveraging resources, educating leaders, and advocating for policies that promote the professionalism, sustainability, and effectiveness of nonprofits and the communities they serve.

Hawai'i relies heavily on nonprofit and community-based organizations to deliver essential services such as legal aid, case management, mediation, and behavioral and family support. These organizations assist community members—including low-income families, immigrants, individuals in crisis, and others navigating complex legal challenges—in accessing justice and understanding judicial processes. Their ability to deliver these services effectively depends on stable funding and strong, collaborative partnerships with the Judiciary.

The need to invest in these partnerships has become increasingly urgent due to reductions in federal funding for critical social services and broader uncertainty affecting access to constitutional and civil rights protections. As federal resources become less reliable, nonprofit organizations that work in and alongside the judicial system are experiencing increased demand while facing growing capacity constraints. Strengthening state funding for Judiciary–nonprofit partnerships is therefore critical to maintaining continuity of services and ensuring that community-based supports remain available to those who rely on them.

HANO supports this bill as a crucial step in securing state funding and ensuring continued access to vital legal services for our most vulnerable residents. Given the ongoing uncertainty and shifts in federal policy, it is critical for our legislature to act swiftly and protect the stability of community-based organizations providing essential legal services in Hawai'i.

Thank you for the opportunity to testify in support of this important measure.

SB-2442

Submitted on: 2/1/2026 3:33:53 PM
Testimony for JDC on 2/3/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Laurie Tochiki	Testifying for Domestic Violence Action Center	Support	Written Testimony Only

Comments:

TESTIMONY IN STRONG SUPPORT

Aloha Chair Rhoads, Vice Chair Gabbard, and Members of the Committee,

The community-based organizations that provide services to the judiciary are essential to its day-to-day function, and to the people of Hawai‘i. I write today wearing two hats: as Chair of the Board of Directors of the Mediation Centers of Hawai‘i and as Interim CEO of the Domestic Violence Action Center.

The Mediation Centers of Hawai‘i has had a contract with the state judiciary to provide mediation services directly in courthouses and to litigants in court cases. Across the state, thousands of disputes are resolved every year under our contract. The result is both better outcomes for litigants who can resolve disputes amicably, and huge cost savings to the state judiciary.

Similarly, the Domestic Violence Action Center provides critical legal advocacy services to survivors of domestic violence through our judiciary contract. Our attorneys and advocates work directly with survivors navigating the court system — helping them obtain protective orders, represent themselves in family court, and access the justice system safely. These services are not optional extras; they are essential to ensuring access to justice for some of our most vulnerable community members.

Both organizations face the same challenge: our contracts do not cover the true cost of the services we provide, and these contracts have not been increased for more than a decade. Meanwhile, the cost of operating has increased significantly — wages, utilities, and administrative expenses have all risen substantially. As a result, many organizations providing court-related services are unable to cover their full costs and maintain stable operations. This jeopardizes the continuity and effectiveness of critical services that the judiciary depends upon.

Without adequate funding, we cannot:

- Maintain competitive salaries to retain experienced staff
- Meet the growing demand for services
- Cover basic operational costs
- Continue providing the quality of services the judiciary and the community depend upon

SB 2442 addresses this critical need by mandating statutory support for the continued delivery of these essential services. This bill recognizes that community-based organizations providing court-related services are integral components of our justice system and deserve sustainable, adequate funding.

I strongly urge you to support SB 2442. The cost of not adequately funding these services will be far greater — both in terms of overburdened courts and diminished access to justice for Hawai‘i’s families and communities.

Mahalo for your consideration.

Respectfully submitted,

Laurie Tochiki, JD, Ph.D.

Chair, Board of Directors, Mediation Centers of Hawai‘i

Interim CEO, Domestic Violence Action Center

SB-2442

Submitted on: 2/1/2026 10:20:00 PM
Testimony for JDC on 2/3/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Greg Tjapkes	Testifying for Coalition for a Drug-Free Hawaii	Support	Written Testimony Only

Comments:

The Coalition for a Drug-Free Hawaii is in STRONG SUPPORT of SB2442 as it protects access to justice by ensuring community-based organizations that serve the Judiciary can keep pace with rising costs and continue delivering essential services statewide. By requiring multi-year contracts with inflation adjustments and funding existing agreements, this bill strengthens service stability for victims, families, and court-involved individuals across Hawai‘i.

Mahalo,

Greg Tjapkes

Executive Director

Coalition for a Drug-Free Hawaii



SB2442 Judiciary Adjust for Inflation

COMMITTEE ON JUDICIARY

Sen. Karl Rhoads, Chair

Sen. Mike Gabbard, Vice Chair

Tuesday, Feb 3, 2026: 9:00: Room 016 Videoconference

Hina Mauka Supports SB2442:

ALOHA CHAIR, VICE CHAIR, AND DISTINGUISHED COMMITTEE MEMBERS. My name is Brian Baker. I am the President and CEO for Hina Mauka, a mental health and substance use disorder treatment and prevention agency for thousands of adults and adolescents on Oahu and Kauai, including recovery-oriented services and housing transitional living programs.

Community-based organizations are essential partners in delivering critical human services across our state. They provide food assistance, housing stability, behavioral health services, disability support, family services, and culturally responsive care that government alone cannot provide. **Non-profits** are part of the overall government support plan for our most vulnerable citizens, but are funded well below sustainability.

Over the past several years, **nonprofit providers have experienced sharp and sustained cost increases** in:

- **Labor**, driven by workforce shortages and rising wages, needed to retain qualified staff
- **Insurance**, including liability and workers' compensation
- **Utilities and fuel**, which directly affect service delivery and transportation
- **Rent and facility costs**, particularly for organizations serving high-need communities



Non-profits have limited ability to absorb cost increases unlike all other sectors because they cannot raise prices, reduce demand, or quickly restructure services without harming vulnerable populations



Failing to support this bill will shift costs back to the state through increased emergency services, institutional care, homelessness, and unmet behavioral health needs.

This bill provides a practical and responsible solution. By allowing the Judiciary to issue supplemental contracts, the legislature ensures:

- Continuity of essential services
- Stability in the human services workforce
- Protection of prior state investments
- Stronger community-based infrastructure statewide

Importantly, **these funds do not expand programs unnecessarily**—they simply allow existing services to continue operating as intended under current economic realities.

Investing in non-profits is a corner stone of American policies. It is a more cost-effective way to serve residents and ensure that families receive help earlier, crises are prevented, and long-term public interests are met.

For these reasons, we respectfully **urge your support for this bill and thank you** for recognizing the vital role community-based organizations play in the health, safety, and well-being of our communities.

Despite years of inflation, labor, insurance, and other rising costs, many of our most vulnerable providers are making decisions about potentially shutting down or cutting programs, due to rates that have not been updated in more than a decade.



CATHOLIC CHARITIES HAWAII

SUPPORT FOR SB 2442: RELATING TO PURCHASE OF SERVICE CONTRACTS BY THE JUDICIARY

TO: Senate Committee on Judiciary
FROM: Tina Andrade, President and CEO, Catholic Charities Hawai'i
Hearing: **Tuesday, February 3, 2025, 9:00 AM; CR 016 or Videoconference**

Chair Rhoads, Vice Chair Gabbard, and Members of the Committee on Judiciary:

Thank you for the opportunity to testify in **strong support of SB 2442**, which seeks additional funding for the Judiciary to increase contract prices in existing contracts and to include essential protections against inflation. My name is **Tina Andrade**, and I am submitting this testimony on behalf of **Catholic Charities Hawai'i**.

Catholic Charities Hawai'i (CCH) is a tax-exempt Community-Based Organization that has provided social services in Hawai'i for more than **78 years**, now serving **over 40,000 individuals statewide each year**. We offer a broad range of programs supporting children, families, older adults, immigrants, and individuals experiencing homelessness. Our mission is to provide compassionate services and strong advocacy for Hawai'i's most vulnerable people, and we have a long-standing history of leadership in affordable housing, homelessness solutions, and child welfare.

We are also a proud member of the **Hawai'i True Cost Coalition**, a network of Community-Based Organizations collectively serving more than **500,000 people across the state**. Our organizations work directly with Hawai'i's most vulnerable populations and partner closely with the Judiciary to deliver life-changing and often life-stabilizing services. However, organizations providing contracted services for the Judiciary have experienced dramatically rising operating costs, while contract funding has remained stagnant for years. The added pressures of recent crises—including the Maui wildfires—have pushed many organizations to the brink, threatening the continuity of critical community services.

With ongoing uncertainty surrounding federal funding streams, it is more important than ever that Hawai'i act decisively to sustain these essential programs. We strongly support the bill's proposed **inflation protections**, including contract price adjustments tied to the Consumer Price Index and multi-year contracts. These measures would provide the stability necessary for organizations to plan, retain staff, and continue offering high-quality services through challenging economic conditions.

Catholic Charities Hawai'i respectfully urges your **strong support for SB 2442** as an urgently needed investment in the long-term health and resilience of our judicial system and the community organizations that support it.

Thank you for considering this important legislation. If you have any questions, please contact our Vice President of Mission, **Shellie Niles**, at **(808) 527-4813**.



February 1, 2026

Testimony in Support of SB 2442 Relating to the Judiciary

Dear Chair Rhoads, Vice Chair Gabbard, and Members of the Committee,

On behalf of Aloha United Way and as a member of the True Cost Coalition, I write in **strong support of SB 2442**, to provide critical funding for the Judiciary to enhance access to justice for Hawaii's vulnerable populations.

Many of Hawaii's residents face significant barriers in navigating the legal system, particularly low-income families, individuals in crisis, and those requiring behavioral interventions. Community-Based Organizations (CBOs) are essential partners in delivering legal aid, case management, and mediation services that support these individuals and streamline judicial processes.

The unpredictability of federal funding for legal services and justice programs creates additional challenges for Hawaii's judiciary and the CBOs that support it. Federal resources are often subject to shifting priorities. By committing state funding through this bill, Hawaii can proactively address these uncertainties and ensure consistent support for vulnerable residents navigating the legal system.

Without adequate funding, the CBOs the State depends on for services cannot sustain operations or meet a growing demand. The True Cost Coalition believes this bill is crucial to ensuring justice for all residents, regardless of their economic status or personal circumstances.

We respectfully urge you to pass SB 2442

Thank you for your time and dedication to this important issue.

Michelle Bartell
President & CEO
Aloha United Way

SB-2442

Submitted on: 2/2/2026 5:28:45 AM
Testimony for JDC on 2/3/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Darcy	Testifying for HITrueCost	Support	Written Testimony Only

Comments:

Aloha Committee Members,

As a Maui County resident and provider to those who are in unsafe living conditions, we must implement changes which support the health of all community members. SB2442 is a step in the right direction.

Please support SB2442 and the work of HITrueCost team members who are focused on the increased health of all in our communities and who are based in fundamental and critical needs.

Mahalo plenty,

Lisa Darcy, Founder, Share Your Mana

HITrueCost member

SB-2442

Submitted on: 2/2/2026 7:38:34 AM
Testimony for JDC on 2/3/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sonia Blackiston	Testifying for Hawaii Youth Services Network	Support	Written Testimony Only

Comments:

Aloha Committee Chairs,

Hawai‘i Youth services Network Strongly supports SB 2442. We urge you to support this important measure.

Mahalo.



The Hawai‘i True Cost Coalition

Tuesday, February 3, 2026

Hawai‘i State Legislature
Senate Committee on Judiciary

Re: Testimony in STRONG SUPPORT of SB 2442, Relating to Purchase of Service Contracts by the Judiciary

Aloha Chair Rhoads, Vice Chair Gabbard, and esteemed members of the committee,

The Hawai‘i True Cost Coalition is writing in strong support of SB 2442, relating to purchase of service contracts by the Judiciary. This bill requires contracts for services awarded by the Judiciary to community-based organizations to include protections against inflation and appropriates funds to increase the prices of certain existing contracts. It is intended to ensure that organizations providing services to individuals, families, and communities across the State can continue operating sustainably while fulfilling the Judiciary’s statutory mandate.

Hawai‘i’s safety net often goes unnoticed—until it begins to fray. It is built on community-based organizations that deliver essential services state agencies cannot provide alone, including shelter for at-risk youth, meals for seniors, behavioral health care, housing assistance, and crisis response for families in need. Yet decades of chronic underfunding have forced many organizations to reduce services, underpay staff, and rely heavily on private fundraising simply to remain operational. Members of the True Cost Coalition report working under contracts that have not received meaningful budget increases for more than ten years, despite rising costs for labor, facilities, and compliance. Without swift action, these pressures will continue to erode programs and leave Hawai‘i’s most vulnerable residents without the support systems they depend on.

The Hawai‘i True Cost Coalition is an alliance of more than 70 community-based nonprofit organizations serving over 500,000 residents statewide. Since its formation in 2020, the coalition has worked to strengthen partnerships between nonprofits and the State of Hawai‘i to ensure public funds are allocated equitably, efficiently, and sustainably. By advocating for fair and realistic funding, the coalition helps safeguard critical programs for children,

Achieve Zero | Adult Friends for Youth | Aloha Care | Aloha Harvest | Arc of Kona | AUW | Big Brothers Big Sisters | Blueprint for Change | Boys and Girls Clubs of Hawaii | Catholic Charities | Child and Family Service | Coalition for a Drug-Free Hawaii | Community Alliance on Prisons | Community First Hawaii | Connecting Community LLC | DVAC | Easter Seals | Epic Ohana | Family Programs Hawaii | Full Life | Going Home Hawaii | Goodwill Hawaii | Hale Kipa | Hale Na‘au Pono | Hale Opio Kauai, Inc. | HANO | Hawaii Afterschool Alliance | Hawaii Children’s Action Network | Hawaii Community Benefit Consultants | Hawaii Community Foundation | Hawaii Data Collaborative | Hawaii Foodbank | Hawaii Housing Affordability Coalition | Hawaii Appleseed | Hawaii Public Health Institute | Healthy Mothers Healthy Babies | Helping Hands Hawaii | Hawaii State Coalition for Domestic Violence | Ho‘ola Na Pua | Honolulu Habitat for Humanity | Honolulu International Film Festival | IHS | Imua Family Services | Cameron Center | Ka Po‘e o Kaka‘ako | Kamehameha Schools | Kinai ‘Eha | Kui‘kahi Mediation Center | Kumukahi Health and Wellness | Lanakila Pacific | Maui Economic Opportunity | Maui Family Support Services, Inc. | Maui United Way | Mediation Center of the Pacific | Mental Health Kokua | Metro YMCA | Mindful Living Group | Na Hale O Maui | Na Maka Haloa O Waipio | Nurturing Wahine | Olelo Community Media | PACT | Care | People Attentive to Children | PIC | PID Foundation | Responsive Caregivers of Hawaii | RYSE | Samaritan Counseling Center | Starting Over in Recovery | Susannah Wesley | The Spirit Horse Ranch Inc. | Transform Hawaii Government | U.S. Vets | Volunteer Legal Services of Hawaii | Women Helping Women | YMCA Honolulu | YWCA of Kauai | YWCA of Oahu

kupuna, individuals experiencing homelessness, people with disabilities, veterans, and survivors of domestic violence—ensuring that nonprofits can continue providing the vital care and support on which so many residents rely.

SB 2442 would further these goals by strengthening the Judiciary’s partnerships with the organizations that support access to justice and assist individuals navigating court-connected services. Requiring multi-year contracts with annual inflation adjustments and increasing current contract rates would allow providers to better manage rising operational costs—such as wages, utilities, and administrative expenses—while maintaining essential services for victims of domestic violence, court-involved youth, and families in crisis. This targeted investment would promote stability, expand access to justice, and sustain the community-based infrastructure that underpins effective court-connected services across Hawai‘i.

Mahalo for the opportunity to testify on this important measure.

¹ **Hawai‘i Human Services Nonprofits - Ten Year Comparison of Operating Expenses**

Category	Years compared	Absolute Change	Average Annual Change
Electricity (cents/kWh)	2015-2024	41.8%	4.5%
Insurance (annual total of relevant premiums)	2014-2023	46.3%	4.5%
Payroll (annual average/employee)	2013-2022	44.1%	4.2%
Inflation (CPI All Items)	2015-2024	30.8%	3.0%

**Estimated office rent increased 7.8 percent over ten years, variable based on island/location.*

Source: Hawaii Data Collaborative in cooperation with the True Cost Coalition January, 2026

Achieve Zero | Adult Friends for Youth | Aloha Care | Aloha Harvest | Arc of Kona | AUW | Big Brothers Big Sisters | Blueprint for Change | Boys and Girls Clubs of Hawaii | Catholic Charities | Child and Family Service | Coalition for a Drug-Free Hawaii | Community Alliance on Prisons | Community First Hawaii | Connecting Community LLC | DVAC | Easter Seals | Epic Ohana | Family Programs Hawaii | Full Life | Going Home Hawaii | Goodwill Hawaii | Hale Kipa | Hale Na‘au Pono | Hale Opio Kauai, Inc. | HANO | Hawaii Afterschool Alliance | Hawaii Children’s Action Network | Hawaii Community Benefit Consultants | Hawaii Community Foundation | Hawaii Data Collaborative | Hawaii Foodbank | Hawaii Housing Affordability Coalition | Hawaii Appleseed | Hawaii Public Health Institute | Healthy Mothers Healthy Babies | Helping Hands Hawaii | Hawaii State Coalition for Domestic Violence | Ho‘ola Na Pua | Honolulu Habitat for Humanity | Honolulu International Film Festival | IHS | Imua Family Services | Cameron Center | Ka Po‘e o Kaka‘ako | Kamehameha Schools | Kinai ‘Eha | Kui‘kahi Mediation Center | Kumukahi Health and Wellness | Lanakila Pacific | Maui Economic Opportunity | Maui Family Support Services, Inc. | Maui United Way | Mediation Center of the Pacific | Mental Health Kokua | Metro YMCA | Mindful Living Group | Na Hale O Maui | Na Maka Haloa O Waipio | Nurturing Wahine | Olelo Community Media | PACT | Care | People Attentive to Children | PIC | PID Foundation | Responsive Caregivers of Hawaii | RYSE | Samaritan Counseling Center | Starting Over in Recovery | Susannah Wesley | The Spirit Horse Ranch Inc. | Transform Hawaii Government | U.S. Vets | Volunteer Legal Services of Hawaii | Women Helping Women | YMCA Honolulu | YWCA of Kauai | YWCA of Oahu



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We empower people to come together—to talk and to listen, to explore options, and to find their own best solutions.

LATE

Testimony to the Senate Committee on Judiciary
Tuesday, January 3, 2026, 9:00 a.m.
Conference Room 016 & Videoconference

RE: Support of SB 2442, Relating to Purchase of Service Contracts by the Judiciary

Dear Chair Rhoads, Vice Chair Gabbard, and Members of the Committee:

Ku'ikahi Mediation is submitting testimony to strongly support SB 2442, which requires 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 beginning 7/1/2027. This bill appropriates funds to the Judiciary to increase the contract price 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.

Hawai'i's families depend on a network of community-based nonprofit organizations that serve as a critical safety net. Unfortunately, this safety net is fraying due to insufficient government funding.

The Judiciary relies on its non-profit partners to provide legal aid, case management, and mediation services. Local court self-help centers receive more inquiries than they can process. Mediation is integral to Hawai'i's "Access to Justice" framework, which strives to ensure that all people have access to civil processes.

Approximately 50% of Ku'ikahi Mediation Center's clients have annual incomes under \$20,000. Census data shows that the Ka'u and Puna districts, which are among those we serve, house some of the poorest populations in the state. Sample opportunities include: 1) domestic mediations to help parents put kids first after separations and divorces, 2) debt mediations for credit cards or medical bills to negotiate debt reduction, payment plans, or forgiveness due to hardship, and 3) landlord/tenant mediations to prevent eviction and homelessness.

Our agency provides a vital service to the community, especially in domestic (divorce, paternity, family), consumer/merchant, landlord/tenant, and restraining order cases. Our mediation services are provided either free of charge or on an affordable sliding scale, and no one is turned away for lack of funds.

According to the report "The Social Economic Impact and Return on Investment: Mediation services delivered by the Mediation Centers of Hawaii during Fiscal Year 2023-2024," for every \$1 spent in providing mediation services, they delivered \$15.92 in immediate and long-term consequential financial benefits. (This analysis was conducted by the accredited Community Services Analysis LLC in Arizona.)



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Government contract rates remain below actual service costs and haven't kept up with inflation. For example, The Mediation Centers of Hawaii—of which Ku'ikahi is a member—had its Judiciary contract restored in December 2023 to funding rates from FY 2009-2010. While the nominal increase was appreciated, these rates are now a decade-and-a-half old and do not reflect the cost of doing business in a post-COVID island economy.

Community-based nonprofit organizations like ours fill funding gaps through private fundraising, staff reductions, loans and lines of credit, and non-government grants. However, these methods are no longer viable, and organizations may soon face hard decisions to decline contracts, reduce services, or even shut down entirely.

Without adequate funding, Hawai'i's safety net for vulnerable families will unravel. Urgent legislative action is needed to ensure the sustainability of community-based nonprofit organizations and the services we provide.

We strongly urge you to pass this legislation. Thank you for reading this testimony.

Mahalo,

Julie Mitchell
Executive Director

a partner agency of the



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February 2, 2026

LATE

Support for SB2442 & HB2115 – Inflationary Adjustments for Nonprofit Contract

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Dr. Hannah Preston-Pita, and I serve as the Chief Executive Officer of the Big Island Substance Abuse Council (BISAC), a nonprofit organization providing comprehensive substance use disorder treatment, mental health services, and prevention programs across Hawai'i Island. I am writing in strong support of SB2442 and HB2115, which would add inflationary adjustment clauses to state contracts with nonprofit service providers.

Nonprofit organizations across Hawai'i deliver essential, front-line services on behalf of the State often to the most vulnerable populations. However, many of our contracts have remained financially stagnant for years while operating costs have continued to rise. Inflationary pressures related to staffing, utilities, insurance, transportation, supplies, and compliance requirements have significantly impacted our ability to sustain services at current funding levels.

Without inflationary adjustments, nonprofits are forced to absorb increasing costs while being held to the same or higher performance and compliance standards. This imbalance threatens workforce retention, program stability, and long-term sustainability, particularly for rural and neighbor island providers.

SB2442 and HB2115 represent a practical, responsible step toward ensuring that state-funded nonprofit services remain viable, effective, and accountable. Incorporating inflationary adjustments into contracts helps preserve continuity of care, supports a stable workforce, and protects the State's investment in critical health and human services. We respectfully urge the Committee to support SB2442 and HB2115 and advance these measures forward. Mahalo for your consideration and for your continued commitment to strengthening Hawai'i's nonprofit service system.

Mahalo nui loa,

Hannah Preston-Pita Psy, D. Ed, D. CSAC
Chief Executive Officer



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Hawai'i Island United Way

LATE

SB-2442

Submitted on: 2/2/2026 12:36:35 PM
Testimony for JDC on 2/3/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ellie Tsuchiya	Testifying for True Cost Coalition	Support	Written Testimony Only

Comments:

Aloha to Chair Rhoads, Vice Chair Gabbard and Members of the Committee,

I urge you to support SB 2442, relating to purchase of service contracts by the Judiciary. CBO's provide essential services to our community's most vulnerable people, especially those in the justice system. The state cannot always cover every need or reach every person but CBO's can act quickly and fill the gap.

As someone who works in non-profit fundraising, I understand the harsh reality that not every organization has the capacity to fundraise to cover their costs. Winning contracts with terms of multiple years can be a huge relief to an organization because it allows them to have some flexibility and stability for the duration of the contract. Our CBO's deserve to be justly compensated for the essential services they provide to our community.

Mahalo for the opportunity to testify,

Ellie Tsuchiya, Ewa Beach

91-1841 Fort Weaver Road
Ewa Beach, Hawaii 96706
Phone 808.681.3500
Fax 808.681.5280
www.childandfamilyservice.org

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Child & Family
SERVICE

A Hawai'i-born nonprofit since 1899



Dear Chair Rhoads, Vice-Chair Gabbard, and Members of the Committee,

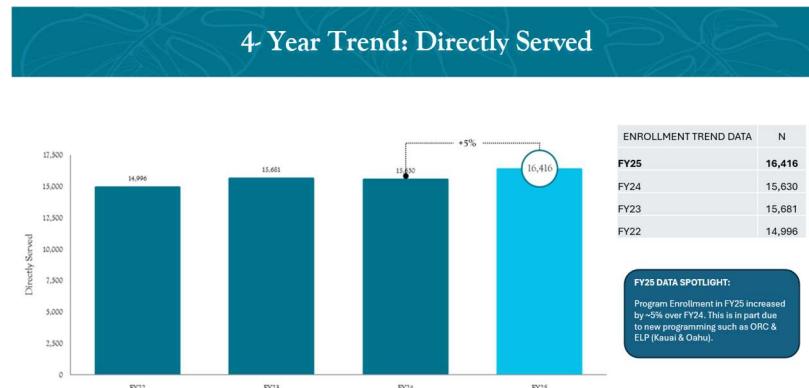
On behalf of Child and Family Service (CFS), I am writing to express our **strong support for SB 2442**. This legislation is critical to ensuring that contracts and funding for community-based programs under the Judiciary reflect the true costs of providing services, allowing organizations to continue delivering high-quality, timely, and effective interventions to children and families across the state.

CFS is a statewide, community-based organization dedicated to supporting children and families through prevention, intervention, and treatment services. Each year, CFS **directly serves approximately 625 individuals** and impacts **3,000 families statewide**.

Rising workforce, compliance, administrative, and insurance costs, particularly **tripling of professional liability insurance in the past year**, are creating significant sustainability and challenges. Without contract funding that reflects these realities, service quality and workforce stability are at risk, along with the well-being of the children and families served.

In FY 2025–2026, CFS experienced a **1% increase in individuals directly served**, and over the past four years, our service volume has grown by **30%**. Additionally, in the last year alone, CFS impacted **117,000 families**, representing a **5% increase** compared to prior years.

SB 2442 is a critical step toward aligning Judiciary contract rates with the true costs of delivering services at a time of growing demand and escalating operational expenses. By recognizing these cost realities, the bill helps preserve service quality, stabilize the workforce, and ensure children and families continue to receive timely, effective care.



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Investing in these services improves public safety and reduces long-term costs for the state. CFS's Developing Options to Violence (DOV) program provides court-mandated domestic violence interventions to more than 250 individuals annually. It achieved a recidivism rate of approximately 12.7%, compared to 53.8% statewide for the FY 2016 offender cohort and roughly 60% nationally. By preventing repeat offenses, DOV reduces downstream costs to the criminal justice system, law enforcement, and healthcare. DOV alone is estimated to save the State of Hawai'i approximately \$1.5 million each year.

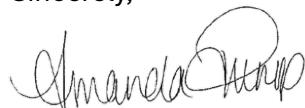
SB 2442 is a critical step toward aligning Judiciary contract funding with the true cost delivering these effective interventions, ensuring organizations like CFS can continue serving children and families while maintaining a stable, capable workforce. Here is one story of many in action:

We first met this family shortly after both parents were released from prison. Living with relatives and caring for a six-month-old baby, they quickly became homeless due to felony records and ineligibility for low-income housing. With weekly visits from a CFS Home Visitor, the family set goals for themselves and their child. Over the course of a year, both parents gained full-time employment, secured a three-bedroom home, were reunified with their other children, and enrolled their children in quality educational programs. This transformation demonstrates how targeted support, consistent home visiting, and community resources can create lasting change from homelessness and unemployment to stability, reunification, and opportunity.

CFS strongly urges the committee to support SB 2442, recognizing that these investments protect children, support families, enhance public safety, and deliver meaningful cost savings for the state.

Thank you for your time, consideration, and continued commitment to children and families across our state.

Sincerely,



Amanda Pump

President and CEO



“We’re all about FAMILY”

Mission: Strengthening Families and Fostering the Healthy Development of Children

LATE

SB-2442

Submitted on: 2/2/2026 2:47:50 PM
Testimony for JDC on 2/3/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Brad Ishimaru	Testifying for Child and Family Service	Support	Remotely Via Zoom

Comments:

Written testimony already submitted

February 2, 2026

**Testimony in STRONG SUPPORT of SB 2442,
RELATING TO THE PURCHASE OF
SERVICE CONTRACTS BY THE JUDICIARY**

Senate Committee on Judiciary
Tuesday, February 3, 2026
Via Video conference and CR 016

Dear Chair Rhoads, Vice Chair Gabbard and Committee Members,

My name is Shannon Alivado and I am writing in strong support of SB 2442, Relating to the Purchase of Service Contracts by the Judiciary, which proposes to ensure the continued delivery of essential services supporting the judiciary's statutory mandate by recognizing the costs of these important services that are necessary for our most vulnerable population and keiki.

SB 2442 proposes an important solution to align Judiciary contract rates for community-based organizations with the true costs of delivering services to meet continuously growing demands and escalating operational expenses. By recognizing the cost of these services, SB 2442 will help preserve service quality, stabilize the workforce, and ensure children and families continue to receive timely, effective care.

More attention is necessary to address the pressures being felt by our community based organizations as they are not receiving the appropriate resources for the services they provide. If they are unable to sustain their services, the threat of them walking away from a contract is too big of a risk to consider. Thank you for your attention to this matter. Please pass SB 2442.

SB-2442

Submitted on: 1/30/2026 10:03:49 PM
Testimony for JDC on 2/3/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Karen L Worthington	Individual	Support	Written Testimony Only

Comments:

Aloha,

I strongly support SB2442, which provides funding to the judiciary to appropriately pay for contracted services, and which includes specific requirements for service contracts to ensure that nonprofit service providers can continue to provide services to the judiciary without experiencing undue financial burdens.

Please pass SB 2442.

Best regards,

Karen Worthington, Kula, Hawaii

SB-2442

Submitted on: 1/30/2026 5:37:14 PM
Testimony for JDC on 2/3/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sarah Fairchild	Individual	Support	Written Testimony Only

Comments:

I support this measure so that nonprofits can retain talent and pay a living wage.

Judith F. Clark
48-218 Kamehameha Highway
808-499-9966
Judithforceclark@gmail.com
Kaneohe, Hawaii 96744

February 1, 2026

To: Senator Karl Rhoads, Chair,
And members of the Committee on Judiciary

Testimony in Support of SB 2442 Relating to Purchase of Service Contracts by the Judiciary

As a community advocate and the former Executive Director of Hawaii Youth Services Network who worked for non-profit organizations for 50 years, I strongly support SB 2442 which aims to increase funding for the Judiciary to enhance its partnership with Community-Based Organizations (CBOs).

Hawaii's most vulnerable populations including children, youth, and young adults, need mental health, domestic violence, family strengthening, and other services provided by CBOs. It takes a network of trauma-informed, culturally relevant, and accessible services to children, youth, families, and seniors.

CBOs struggle to attract and retain qualified staff. When contracts and grants do not pay the full cost of providing services, CBOs are not able to pay competitive wages. Workers choose higher paying jobs or places with a lower cost of living. It is shameful that too many of our CBO staff qualify for public assistance benefits. Staff working with homeless persons are often concerned about becoming homeless themselves. One outreach worker shared with me, "If my landlord raises my rent, I won't be able to afford my housing."

Non-profits cannot take on state contracts and provide high quality services when the amount of funding is insufficient to provide the mandated services. Some contracts run for as long as 6 years with no increases. This is exacerbated by recent cuts in and restrictions on federal funding to non-profits.

Thank you for this opportunity to testify.

Sincerely,



Judith F. Clark, MPH

TESTIMONY IN SUPPORT OF SB 2442
RELATING TO PURCHASE OF SERVICE CONTRACTS BY THE JUDICIARY
BEFORE THE COMMITTEE ON JUDICIARY
February 3, 2026 9:00 A.M. State Capitol, Room 016

Dear Chair Rhoads, Vice-Chair Gabbard, and Members of the Committee,

As a Board Member of Child & Family Service (CFS), I am writing to express my **strong support for SB 2442**.

This legislation is critical to ensuring that contracts and funding for community-based programs under the Judiciary reflect the true costs of providing services, allowing organizations to continue delivering high-quality, timely, and effective interventions to children and families across the State.

Rising costs, particularly the tripling of professional liability insurance in the past year, has threatened the sustainability of much-needed quality services. Without contract funding that reflects these realities, service quality and workforce stability are at risk, along with the well-being of the children and families served.

So far this fiscal year, CFS experienced a 1% increase in individuals directly served, and over the past four years, service volume has increased 30%. Last year alone, CFS impacted 117,000 families statewide, a 5% year-over-year increase, underscoring both Hawai‘i’s growing need for services and CFS’s essential role in Hawai‘i’s safety-net system.

SB 2442 is a critical step toward aligning Judiciary contract rates with the true costs of delivering services at a time of growing demand and increasing operational expenses. This bill helps preserve service quality, stabilize the workforce, and ensure children and families continue to receive timely, effective care.

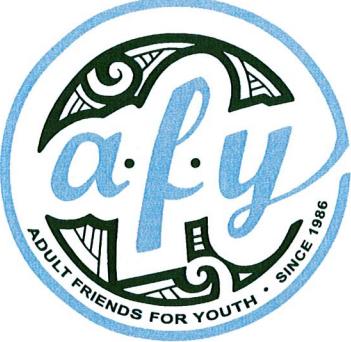
On behalf of Child & Family Service, **I urge your support SB 2442**.

Mahalo for the opportunity to submit my testimony and for your continued commitment to Hawai‘i’s children and families across our state.

Respectfully,



Lisa Rapp



Adult Friends for Youth

"Redirecting lives to stop Violence"

LATE

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*Deborah LK. Spencer-Chun,
M.S.W.*

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**Past Chair of the Board*

Testimony on SB2442

Submitted to: Committee on Judiciary
Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

From: Debbie Spencer-Chun, President and CEO of Adult Friends for Youth (AFY).
In support of SB2442.

Mahalo nui loa for allowing me to testify.

As the President and CEO of Adult Friends for Youth for the past 18 years and having worked directly with high-risk youth for over 20 years, it comes as no surprise that the needs have grown despite the great work that many Community-Based Organizations deliver to our society.

For many years, CBOs have had to deliver services at the same rate. We often don't get paid the full amount and have to offset our budgets with other funding, making it a balancing act to stay afloat. Some key concerns, according to a 2022 survey conducted by True Cost Coalition of Community-Based Organizations, are

- "79% had to cut administrative costs." (Noting that some private funders are not allowing this cost either.)
Examples:
 1. Salaries: It takes people to conduct the services, so salaries are critical. Our staff has to wear dual hats as administrators and direct service roles, which means that we can only charge percentages of their time. In turn, our staff must submit timesheets/salary worksheets to the government, which means more paperwork and the need to provide statistics on their daily duties. Do government workers have to do this?
 2. Rent: This is not seen as critical. Yet, our staff needs a safe space to write reports, prepare sessions, conduct mediation, conduct group sessions with high-risk youth (especially during violent crisis situations), provide individual and family counseling sessions, and so much more.
 3. Insurance: The government has a threshold that we must meet for insurance coverage, but it does not consider the rising costs. (Note: According to TCC, "Insurance expenses rose by 40.8% (adjusted for 2022 dollars).")

There are many more examples, but for the sake of this testimony, I will limit them to these three points.

As times have become increasingly challenging, our reliance on community-based organizations has grown stronger than ever. These organizations are on the front lines providing essential services — from housing support to crisis intervention — often on behalf of state agencies. Yet government contract rates have not kept pace with the true cost of delivering these services, leaving a widening gap between funding and need that threatens the stability of the social safety net our communities rely on. Senate Bill 2442 recognizes this critical issue.

In these uncertain times, we need our local government to stand with our community partners — not only in words but in meaningful, sustained investment — so that CBOs can continue delivering the vital services that strengthen neighborhoods and safeguard the well-being of our most vulnerable residents.

Mahalo for your time. I appreciate you allowing me to share my mana’o.

Respectfully submitted, Deborah Spencer-Chun

LATE

TESTIMONY IN SUPPORT OF SB 2442
RELATING TO PURCHASE OF SERVICE CONTRACTS BY THE JUDICIARY

To: Chair Rhoads, Vice Chair Gabbard & Members of the Senate Committee on Judiciary

From: Rona Yagi Fukumoto, President and CEO

Date: Tuesday, February 3, 2026

On behalf of Lanakila Pacific, I am testifying in **strong support of SB 2442**, which appropriates funds to the Judiciary to increase contracts with Community-Based Organizations and address rising operating expenses. As a member of the Hawaii True Cost Coalition, a network of more than 70 community-based organizations, Lanakila Pacific supports the request to increase critical funding for essential services. Without parity to increasing operating expenses this safety net of services and the jobs of staff dedicated to providing them are in jeopardy.

At Lanakila Pacific, our mission is to build independence and an improved quality of life for individuals with cognitive, physical, social or age-related challenges. Throughout our 86-year history, we provided job training, work experience, and support for jobseekers as well as nutrition programs to allow people to live independently. Our organization understands the needs of Hawaii's business community, and we hope that the Legislature recognizes community-based organizations are also businesses with operating, labor, insurance, and facility costs. The bill's proposed inflation protections and multi-year contracts are critical. If state contracts do not increase over time to align with true costs, the non-profit businesses that create the safety net will become unsustainable.

SB2442 is a step toward ensuring the safety net remains strong now and into the future. Instability of service providers impacts the effectiveness of the justice system and creates barriers to accessing justice for individuals and families in Hawaii.

Thank you for the opportunity to provide testimony. Please contact me at 808-356-8569 or rfukumoto@lanakilapacific.org if you have any questions.