

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



RYAN I. YAMANE
DIRECTOR
KA LUNA HO'OKALE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKALE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKALE

January 31, 2026

TO: The Honorable Senator San Buenaventura, Chair
Senate Committee on Health and Human Services

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 2668 – RELATING TO HUMAN SERVICES.**

Hearing: February 4, 2026, Time 1:01 p.m.
Conference Room 225 & Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the Legislature's continued support for community-based organizations contracted by DHS to deliver benefits and services across the State and provides comments.

DHS is aware of the increasing costs related to attracting and retaining an experienced human services workforce, rising health care, general liability, and property insurance premiums, and other cost increases identified in the measure. The bill would help to preserve the community's capacity to deliver essential human services to Hawaii's residents.

DHS respectfully requests that any appropriation not reduce or replace budget priorities identified in the executive budget.

Thank you for the opportunity to provide testimony on this measure.

JOSH B. GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



BONNIE KAHAKUI
ADMINISTRATOR
DAYNA OMIYA
ASSISTANT ADMINISTRATOR

**STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state.procurement.office@hawaii.gov
<http://spo.hawaii.gov>

**TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE**

**TO THE SENATE COMMITTEE
ON
HEALTH AND HUMAN SERVICES**
February 4, 2026, 1:01 pm

**SENATE BILL 2668
RELATING TO HUMAN SERVICES**

Chair San Buenaventura, Vice Chair McKelvey and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 2668. The State Procurement Office (SPO) appreciates the Legislature's commitment to provide additional resources to organizations serving the community.

The bill suggests distributing newly appropriated funds through supplemental amendments to existing contracts. While expedient, this approach would circumvent the competitive procurement processes that safeguard fairness, transparency, and accountability in the expenditure of public funds. These principles are statutory requirements designed to ensure integrity and public trust.

Supplemental funding issued in this manner would constitute a material modification to contract scope and value, without actually changing the scope of work. The additional funds were neither disclosed nor negotiated during the original solicitation or award process. Unilateral increases under these circumstances undermine the procurement code and erode the protections it provides against favoritism and inequity.

From an industry perspective, the original procurement environment was shaped by funding limits known at the time. Providers who declined to bid – or were unable to submit competitive offers – did so based on those constraints. Had the availability of additional funds been disclosed, more providers may have participated, potentially yielding greater competition, improved pricing, and innovative service models. Awarding supplemental funds exclusively to existing contractors creates an uneven playing field and diminishes confidence in the competitive process.

Moreover, implementing this measure through contract amendments sets a troubling precedent. It would allow new appropriations to be distributed without the transparency and rigor of solicitation, evaluation, and award – contrary to statutory procurement controls and best practices. Such an approach risks compromising the State's ability to demonstrate best value for taxpayer dollars.

For these reasons, the SPO strongly recommends that any additional funds be allocated through a procurement method that reflects revised funding levels and affords all qualified providers an equal opportunity to compete. Doing so will uphold the core principles of fairness, competition, and accountability that are fundamental to public procurement.

Thank you for considering our comments and for your continued commitment to transparent and equitable procurement practices.



**Parents And
Children Together**

BUILDING THE RELATIONSHIPS
THAT MATTER MOST

ParentsAndChildrenTogether.org

TESTIMONY IN SUPPORT OF SB 2668 RELATING TO HUMAN SERVICES

TO: Chair San Buenaventura, Vice-Chair McKelvey, & Members,
Senate Committee on Health & Human Services

FROM: Trisha Kajimura, PACT Vice-President of Strategy and External Affairs
Ryan Kusumoto, PACT President & CEO

DATE: February 4, 2026, at 1:01 PM

Parents and Children Together (PACT) strongly supports SB 2668, which appropriates funds for the Department of Human Services to issue supplemental contracts to community-based organizations to address increase in costs related to labor, insurance, utilities, rent, and gas.

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 social 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, with employees paid adequately to meet community needs. State contracts that have not increased over time as operating costs increase make this important work unsustainable. We support increases to these contracts because the need for social services in our state is higher than ever.

Community-based organizations like PACT have always been willing to raise private funds to supplement the revenue of government contracts but the lack of increases in contract revenue has made this fundraising load impossible to keep up with. The current financial model is reaching a breaking point.

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 me at (808) 847-3285 or tkajimura@pacthawaii.org if you have any questions.



TESTIMONY IN STRONG SUPPORT OF SB2668 RELATING TO HUMAN SERVICES

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 SB2668**, which would appropriate funds to the Department of Human Services to issue supplemental contracts to community-based organizations to address increased costs related to labor, insurance, utilities, rent, and gas.

I currently serve as President & CEO of **Hale Kipa**, a Hawai'i-based nonprofit that has served vulnerable youth and families for over 55 years. Every day, our organization—and many like us across the state, stands in the gap for children, youth, and 'ohana who are navigating trauma, instability, and crisis. We do this work not for profit, but out of deep kuleana to our communities.

However, the reality is this: **the cost of doing business in Hawai'i has risen dramatically, while state contract funding has not kept pace.**

Community-based organizations are facing unprecedented increases in:

- **Labor costs**, as we strive to pay our staff fair, livable wages in one of the most expensive states in the nation
- **Insurance premiums**, which have risen sharply and threaten the viability of essential programs
- **Utilities, rent, and fuel**, all of which are unavoidable costs tied directly to keeping programs open and accessible

These are not optional expenses. They are the basic costs of keeping our doors open, our facilities safe, our staff supported, and our services uninterrupted.

When contracts remain flat while costs rise, nonprofits are forced into impossible choices to cut services, leave positions unfilled, reduce hours, or absorb deficits that weaken long-term sustainability. **Ultimately, it is the people we collectively serve...our most vulnerable keiki, youth, and families who pay the price.**

SB2668 is a practical, responsive, and much-needed measure. It recognizes that community-based organizations are true partners of the State and that sustaining these partnerships requires funding structures that reflect today's economic realities. Supplemental contracts tied

to real cost increases are not a luxury, they are a necessity to ensure continuity, quality, and stability of care.

Investing in community-based organizations is an investment in prevention, healing, and long-term outcomes. When nonprofits are adequately supported, we can retain experienced staff, maintain safe facilities, and remain focused on what matters most: **helping people heal, stabilize, and thrive.**

I urge you to pass **SB2668** and send a clear message that Hawai'i values its nonprofit partners and understands that strong human services require sustainable funding.

Mahalo nui loa for the opportunity to submit this testimony and for your continued commitment to the people of Hawai'i.

Me ka ha'aha'a,



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



The Hawai‘i True Cost Coalition

February 4, 2026

Hawai‘i State Legislature
Senate Committee on Health & Human Services

Re: Testimony in **STRONG SUPPORT** for SB2668, Relating to Human Services

Aloha Chair San Buenaventura, Vice Chair McKelvey, and esteemed members of the committee,

The Hawai‘i True Cost Coalition is writing in strong support of SB2668, relating to human services. This bill appropriates funds to the Department of Human Services to issue supplemental contracts to community-based organizations to address increases in costs related to labor, insurance, utilities, rent, and gas.

Hawai‘i’s safety net often goes unnoticed—until it begins to fray. This safety net is built on community-based organizations that provide essential services state agencies cannot deliver 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 just to keep their doors open. Without swift action, these pressures could lead to further program cuts, leaving Hawai‘i’s most vulnerable residents without the support systems they depend on. As a point of reference, we have examined the costs¹ that go into providing services that government would otherwise have to provide. The True Cost Coalition members report working under contracts without budget increases for over ten years.

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, particularly as inflation and stagnant contract rates have strained service delivery. By advocating for fair and realistic funding, the coalition helps safeguard critical programs for children, 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.

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

SB2668 addresses critical funding gaps for the Department of Human Services, strengthening partnerships with community providers and sustaining core safety-net programs. Increased DHS funding would bolster housing stability, food security, youth services, and support for low-income households, while helping to stabilize the nonprofit workforce that delivers these programs on the ground. This measure represents a necessary investment in Hawai‘i’s social infrastructure—one that promotes community well-being today and secures essential services for years to come.

Mahalo for the opportunity to testify on this important measure.

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

SB-2668

Submitted on: 2/2/2026 5:36:54 AM
Testimony for HHS on 2/4/2026 1:01:00 PM

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

Comments:

Aloha Committee Members,

Please support SB 2668. As a HITrueCost member and devoted Maui County community member for healthy change, this Bill will positively affect those in need through recognizing the realities of increased costs and offsetting these hardships.

Those in poverty are disproportionately affected by even the slightest cost increases and it is incumbent upon those who understand and can make these adjustments to do so.

We are counting on our leadership to provide need supports as life becomes more complicated and costly to those with fewer resources.

Mahalo plenty,

Lisa Darcy, Founder, Share Your Mana

HITrueCost member



SB2668 Paramedics Administer Suboxone

COMMITTEE ON HEALTH AND HUMAN SERVICES

Sen. Joy San Buenaventura, Chair

Sen. Angus McKelvey, Vice Chair

Wednesday, Feb 4, 2026: 1:01: Room 225 Videoconference

Hawaii Substance Abuse Coalition Supports SB2668:

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.

We appreciate the opportunity to provide testimony and are available for questions.



SB2668 DHS Adjust for Inflation

Committee on Health and Human Services

Sen. Joy San Buenaventura, Chair

Sen. Angus McKelvey, Vice Chair

Wednesday, Feb 4, 2026: 1:01: Room 225 Videoconference

Hina Mauka Supports SB2668:

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.



Senate Committee Health and Human Services
February 4, 2026 at 1:01 PM
Room 225

Testimony in SUPPORT for SB2668

Aloha Chair San Buenaventura, Vice Chair McKelvey, and members of the Committee:

On behalf of the Hawai'i Alliance of Nonprofit Organizations (HANO), I am writing **support of SB2668**, which aims to increase funding for the Department of Human Services to enhance its partnership with Community-Based Organizations.

The Hawai'i Alliance of Nonprofit Organizations (HANO) is a statewide, sector-wide professional association of nonprofits that works to strengthen and unite the nonprofit sector as a collective force to improve the quality of life in Hawai'i. Since 2006, HANO has been a leading voice for the nonprofit sector, leveraging resources, educating and advocating for policies and practices that promote the professionalism, sustainability, and effectiveness of nonprofits and the communities they serve.

Hawai'i relies on nonprofit and community-based organizations to provide vital social services to its most vulnerable residents. However, the ability of these organizations to deliver these critical services effectively depends on fair funding and strong partnerships between the government and nonprofit providers.

HANO supports this bill as an essential step in addressing Hawai'i's increasing social service needs. By closing the current funding gap in nonprofit contracts, Hawai'i can enhance access to critical services like benefits, childcare, workforce training, and homelessness support, all while strengthening community stability and well-being.

In addition, with the ongoing uncertainty around federal funding for social services, Hawai'i must act quickly to protect the stability of essential programs through the Department of Human Services. Federal funding can be inconsistent, and any reductions could disproportionately affect key services. This bill is crucial for ensuring that Hawai'i's residents continue to receive the services they rely on, regardless of changes in federal programs and funding availability.

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



HPCA

HAWAII PRIMARY CARE ASSOCIATION

Testimony to the Senate Community on Health and Human Services

Tuesday, February 4, 2026; 1:01 p.m.

State Capitol, Conference Room 225

Via Videoconference

RE: SENATE BILL NO. 2668, RELATING TO HUMAN SERVICES.

Chair San Buenaventura, Vice Chair McKelvey, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 2668, RELATING TO HUMAN SERVICES."

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

The measure, as received by your Committee, would appropriate an unspecified amount of general funds for fiscal year 2026-2027, for the Department of Human Services (DHS) to issue supplemental contracts to community-based organizations to address increases in costs related to labor, insurance, utilities, rent, and gas so long as the funds are equitably distributed and allocated for child protective services (HMS301), adult protective and community care services (HMS601), vocational rehabilitation (HMS802), homeless services (HMS224), general support for child care (HMS302), general support for self-sufficiency services (HMS903), general support for health care payments (HMS902), and in-community youth programs (HMS501).

This measure would take effect on July 1, 2026.

The HPCA notes that the House Committee on Human Services and Homelessness heard the companion to this measure, House Bill No. 2115, on Tuesday, February 9, 2025, at 9:00 a.m.

Testimony on Senate Bill No. 2668
Wednesday, February 4, 2026; 1:01 p.m.
Page 2

During the interim following the Adjournment Sine Die of the 2025 Regular Session, three events took place that have enormous ramifications on Hawaii's social safety net. These were: the enactment of House Resolution No. 1 (H.R. 1), the "One Big Beautiful Bill" Act, which was signed into law on July 4, 2026; the reversal of interpretation of "federal public benefit" under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, or "PRWORA", by the United States Department of Health and Human Services; and the announcement that the Center for Medicare and Medicaid Services will share personal data of Medicaid enrollees to Immigration and Customs Enforcement officials.

In tandem, these three developments will fundamentally alter Hawaii's Medicaid Program by shifting current Medicaid recipients to the uninsured population. Among other things, H.R. 1 will:

- (1) Prohibit the use of federal matching funds for health care services to immigrants not lawfully present under federal law, effective October 1, 2026;
- (2) Establish work or volunteer requirements for all Medicaid recipients of at least 80 hours per month (or 20 hours per week), effective December 31, 2026; and
- (3) Require redeterminations for every Medicaid recipient every six-months, also effective December 31, 2026.

Currently, Hawaii's uninsured population is estimated to be 38,400 or 2.8% of the total population. Based on research provided by the Kaiser Family Foundation as well as our review of Medicaid enrollment historically in Hawaii, we believe the uninsured population will at least double within two to three years if nothing is done.

Without health insurance coverage, citizens will no longer be able to manage chronic disease such as diabetes, high blood pressure, and other maladies. When they become ill, they will not get treated until the situation becomes so bad that they will need to go to a provider for emergency treatment. By then, the illness has become much more severe and costly to remedy. Also, by law, the emergency provider will have to provide stabilizing treatment to the patient regardless of the patient's ability to pay. These costs will subsequently be borne by the provider, creating additional stress to the safety net that is already facing reduced funding and reimbursement.

In the worst-case scenario, hospitals and FQHCs will not be able to treat the increase in indigent patients. While federal law requires FQHCs to provide services to all patients who are not eligible for Medicaid or private insurance on a sliding fee scale based on their ability to pay, federal grant funding to offset these costs were not adjusted to address the increase that will occur. As such, should Hawaii experience the largest projected increase in uninsured (and assuming the level of services currently provided remains the same), FQHCs will run out of funds within two to three months.

Testimony on Senate Bill No. 2668
Wednesday, February 4, 2026; 1:01 p.m.
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In light of this, the HPCA wholeheartedly supports Senate Bill No. 2668, which would, among other things, provide DHS with additional resources for "general support for health care payments (HMS902)". Line Item HMS902 provides support for the implementation of the Medicaid Program (HMS401). Given the enormous changes impacting Hawaii's Medicaid population and the reduction of federal funds, it will be vital for the State to develop additional funding mechanisms to continue essential services.

Accordingly, the HPCA respectfully urges your favorable consideration of this measure.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiipcainet.

TESTIMONY ON SB 2668

RELATING TO APPROPRIATIONS TO THE DEPARTMENT OF HUMAN SERVICES

COMMITTEE ON HEALTH AND HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair

Senator Angus L.K. McKelvey, Vice Chair

Aloha Chair San Buenaventura, Vice Chair McKelvey, and Members of the Committee:

I am submitting testimony as Interim CEO of the Domestic Violence Action Center (DVAC) and as Co-Chair of the Mālama ‘Ohana Working Group that completed its work in 2024 in STRONG SUPPORT of SB 2668, which appropriates critical funding to the Department of Human Services for supplemental contracts to community-based organizations addressing increased operational costs.

DVAC has proudly served Hawai‘i’s survivors of domestic violence for 35 years, providing comprehensive legal services, advocacy, and support. Among our key programs is TAP 808, our teen dating violence prevention initiative that reaches youth across the state with life-saving education and intervention services. Through this work and our broader mission, we witness daily the essential role that community-based organizations play in supporting vulnerable individuals and families. TAP 808 serves through a contract with DHS.

THE FINANCIAL CRISIS FACING COMMUNITY-BASED ORGANIZATIONS

The landscape for community-based service providers has fundamentally shifted. As detailed in SB 2668, organizations like ours face mounting operational costs that existing contracts simply do not cover:

- Labor costs have increased significantly, with organizations struggling to compete with state positions that offer better wages and benefits
- Insurance premiums have escalated dramatically
- Utility costs continue to rise in one of the nation's most expensive states
- Rent and facility costs have reached crisis levels, particularly in urban areas

These increases are not hypothetical—they represent real financial pressures that force difficult choices: reduce services, cut staff positions, or operate at a deficit. For organizations serving those experiencing domestic violence, homelessness, or other crises, none of these options is acceptable, yet all have become increasingly necessary.

THE IMPACT ON SERVICE DELIVERY

DVAC's TAP 808 program exemplifies the challenge. Our program staff work directly with teens experiencing dating violence, providing prevention education, crisis intervention, and connections to resources. The importance of this work cannot be overstated—research consistently shows that patterns of violence established in adolescence often continue into adulthood. Early intervention literally saves lives and breaks cycles of abuse.

Yet maintaining this program has become increasingly difficult as our contracted rates fail to keep pace with actual costs. When we cannot offer competitive salaries, we lose experienced staff to positions that can.

THE BROADER SYSTEMIC IMPLICATIONS

As Co-Chair of the Mālama ‘Ohana Working Group, I see these challenges extend far beyond any single organization. The Working Group brought together stakeholders committed to strengthening Hawai‘i’s child welfare and family support systems through culturally responsive, community-based approaches.

This bill recognizes a fundamental truth: sustainable funding for community-based organizations is not a luxury—it is essential infrastructure for Hawai‘i’s health and human services system.

MĀLAMA—CARING FOR THOSE WHO CARE FOR OUR COMMUNITY

This is not about expanding bureaucracy or creating new programs. This is about ensuring that existing, proven, essential services can continue to operate sustainably. It is about recognizing that the community-based organizations contracting with the Department of Human Services are genuine partners in the state's health and human services infrastructure and deserve to be funded accordingly.

CONCLUSION AND RECOMMENDATIONS

We respectfully urge this Committee to PASS SB 2668. This bill is an essential step toward:

- Stabilizing Hawai‘i's community-based service infrastructure
- Ensuring continued access to culturally responsive services
- Supporting the retention of experienced staff in critical positions
- Preventing service reductions that would place greater burden on already strained state systems
- Honoring the aloha spirit by caring for the organizations that care for our most vulnerable community members

The appropriations in this bill are not merely line items in a budget—they represent our collective commitment to maintaining a strong, responsive network of services for Hawai‘i's families. For survivors of domestic violence, for youth at risk, for families in crisis, and for all those who depend on community-based organizations, this funding is essential.

Mahalo for the opportunity to provide testimony in strong support of SB 2668.

Respectfully submitted,

Laurie Tochiki, Esq., Ph.D.
Interim Chief Executive Officer
Domestic Violence Action Center

Co-Chair, Mālama ‘Ohana Working Group

To: State of Hawaii, Senate Committee on Health and Human Services

From: Emily Lau, Vice President of Human Services, Goodwill Hawaii

Date: February 1, 2026

RE: Testimony in Support of SB 2668

Aloha Chair Buenaventura, Vice Chair McKelvey, and members of the Health and Human Services Committee,

My name is Emily Lau, and I am submitting testimony on behalf of Goodwill Hawaii in strong support of SB 2668, relating to the appropriation of funding to Department of Human Services to increase funds to community-based organizations to address increases in cost.

Goodwill Hawaii serves some of Hawaii's most vulnerable populations—at risks youths, people with disabilities, individuals experiencing homelessness, people receiving public assistance such as TANF or SNAP benefits etc. These individuals and families rely heavily on the safety net provided by CBOs like Goodwill. However, stagnant funding levels and rising operational costs have significantly impacted the financial sustainability of these community-based organizations. Goodwill Hawaii, as one of the leading CBOs in Hawaii, has to continuously look for other sources of funding to supplement costs associated with Government contracts, and to support our continuous operations.

Goodwill Hawaii has been providing employment, training, and case management services to Hawaii's vulnerable populations since 1959. Our mission is to help people with employment barriers to reach their full potential and become self-sufficient. We have been receiving funding from the Department of Human Services for over 20 years to provide essential services to adults and youths. For most of the contracts we have with DHS, the contract amount has not increased for years. Despite the stagnant contract fund, we still have to increase staff wages and pay the increase in cost of other expenses such as rent and supplies. The increase in cost has intensified in recent years after the pandemic. As a result, it is harder and harder to operate the programs effectively without enough funding to cover the true cost of operations. We often need to compensate by not paying our staff a competitive wage, which resulted in difficulty in recruitment and high staff turnover due to staff finding better paying positions with for profit companies. Many of our staff moved on to work for the state because of higher wage and better benefits. An increase in contract price is essential for us to operate the program well and to continue providing quality services to the most vulnerable populations in Hawaii. This bill is a necessary step toward addressing Hawaii's growing social service needs. By strengthening collaborations with agencies like Goodwill, we can improve access to benefits, childcare, workforce training, and homelessness services while promoting stability and well-being in our communities.

Given the ongoing uncertainty of federal spending on social service programs, Hawaii must take decisive action to ensure the stability of critical services provided through the Department of Human Services. Federal resources often fluctuate, and possible reductions in funding could disproportionately impact programs supporting homelessness, employment support, and child welfare. This bill is a necessary safeguard to guarantee that Hawaii's most vulnerable populations continue receiving the assistance they need.

Goodwill Hawaii supports SB 2668 because it directly addresses an urgent funding gap that, if left unchecked, would jeopardize the critical services Hawaii families depend on.

We urge you to pass this measure and invest in the future of Hawaii's most vulnerable residents.

Thank you for the opportunity to testify.

Mahalo,
Emily Lau
Vice President of Human Services
Goodwill Hawaii

SB-2668

Submitted on: 2/2/2026 12:29:14 PM
Testimony for HHS on 2/4/2026 1:01:00 PM

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

Comments:

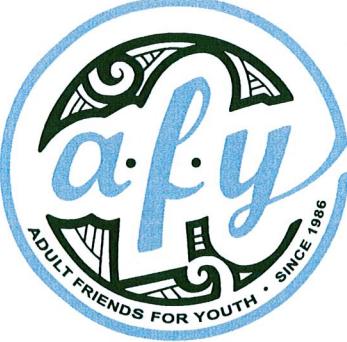
Aloha Chair Buenaventura, Vice Chair McKelvey and Members of the Committee,

I urge you to support SB2668 which will appropriate funds to the Department of Human Services to issue supplemental contracts to community-based organizations to address increases in costs related to labor, insurance, utilities, rent, and gas. CBO's provide essential services to our community's most vulnerable people. The state cannot always cover every need or reach every person but CBO's can act quickly and fill the gap.

The True Cost Coalition reports that most nonprofits who have government human service contracts could not cover the full operating costs required to provide the contracted services. 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. 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



Adult Friends for Youth

"Redirecting lives to stop Violence"

PRESIDENT AND CEO
*Deborah LK. Spencer-Chun,
M.S.W.*

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**Past Chair of the Board*

Testimony on SB2668

Submitted to: Committee on Health and Human Services
Senator Joy A. San Buenaventura, Chair
Senator Angus L.K. McKelvey, Vice Chair

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

In support of SB2668.

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 2668 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



February 3, 2026

The Honorable Senator Joy A. San Buenaventura, Chair
The Honorable Senator Angus L.K. McKelvey, Vice Chair
Senate Committee on Health and Human Services
State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: Hearing on Wednesday, February 4, 2026 at 1:01 p.m.,
Via VideoConference, Conference Room #225
Regarding SB No. 2668, "Relating to Human Services"

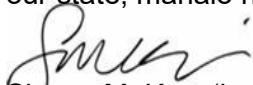
Dear Chair San Buenaventura and Vice Chair McKelvey and Members of the Senate Committee on Health and Human Services,

We ask that you **strongly support SB 2668** to appropriate funds to the Department of Human Services to increase supplemental contracts to community-based organizations to address increases in costs related to labor, insurance, utilities, rent, and gas.

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 2668 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 2668 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



CATHOLIC CHARITIES HAWAII

SUPPORT FOR SB 2668: RELATING TO HUMAN SERVICES

TO: Senate Committee on Health and Human Services
FROM: Tina Andrade, President and CEO, Catholic Charities Hawai'i
Hearing: Wednesday, February 4, 2026, 1:01PM; CR 225 or Videoconference

Dear Chair San Buenaventura, Vice Chair McKelvey, and Members of the Committee on Health and Human Services:

Thank you for the opportunity to testify in **strong support of SB 2668**, which seeks additional funding for the Department of Human Services to address rising labor, insurance, utilities, rent, and fuel costs for contracted Community-Based Organizations (CBOs).

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. CCH offers a wide range of programs supporting children, families, older adults, immigrants, and individuals experiencing homelessness. Our mission is to provide services and advocacy for Hawai'i's most vulnerable, and we have a long-standing history of leadership in affordable housing, homelessness solutions, and child welfare.

We are also a member of the **Hawai'i True Cost Coalition**, a network of CBOs collectively serving more than 500,000 people across the state. Hawai'i's most vulnerable populations—including children, individuals experiencing homelessness, and those requiring critical social services—depend heavily on the infrastructure provided by CBOs. Unfortunately, while operating costs have continued to rise, funding has remained stagnant. The impacts of recent crises, including the Maui wildfires, have pushed many organizations to a breaking point.

With the ongoing uncertainty surrounding federal funding, it is essential that Hawai'i act decisively to protect the continuity of services delivered in partnership with the Department of Human Services. Over the past decade, program costs have increased dramatically, but contract payments have not kept pace. Agencies are now facing difficult decisions that could result in reduced services—or even program closures—if this funding gap is not addressed.

Without additional support, programs related to homelessness prevention, employment services, and child welfare will be particularly at risk. SB 2668 is a vital measure to stabilize these essential programs and ensure that Hawai'i's most vulnerable residents continue to receive the assistance they rely on.

Catholic Charities Hawaii strongly supports SB 2668 as an urgently needed investment in the long-term health and resilience of our social service system. We respectfully urge the Committee to pass this measure. 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.



HAWAII HEALTH &
HARM REDUCTION CENTER

677 Ala Moana Blvd, Ste 226
Honolulu, HI 96813

(808) 521-2437
www.hhrc.org

*“Reducing harm,
promoting health,
creating wellness, and
fighting stigma
in Hawai‘i and
the Pacific.”*

TESTIMONY IN SUPPORT OF SB 2668

TO: Chair San Buenaventura, Vice Chair McKelvey, & HHS Committee

FROM: Nikos Leverenz, Policy & Advancement Manager

DATE: February 4, 2026 (1:01 PM)

Hawai‘i Health & Harm Reduction Center (HHHRC) strongly supports SB 2668, which appropriates funds to the Department of Human Services to issue supplemental contracts to community-based organizations to address increases in costs related to labor, insurance, utilities, rent, and gas .

HHHRC is a member of [Partners in Care \(PIC\)](#), a planning, coordinating, and advocacy alliance that develops recommendations for programs and services to fill needs within O‘ahu’s continuum of care for homeless persons. In alignment with PIC and other non-profit members of the [True Cost Coalition](#), we have been meeting with legislators and departments in recent years to increase funding for work that it outlined in multi-year service contracts.

Service providers across the state have been struggling to meet the significant increases in costs related to business operations, including increases to insurance premiums, rent, equipment procurement and maintenance, and energy. Recruiting and retaining frontline staff continues to be increasingly difficult given the lack of flexibility in salary structures. Many employees, including those with valuable lived expertise with homelessness, behavioral health issues, and criminal legal system involvement, have taken additional part-time jobs in the service sector or have departed from our agency for full-time service sector employment.

HHHRC’s mission is to reduce harm, promote health, create wellness, and fight stigma in Hawai‘i and the Pacific. We work with many individuals impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems, including those related to substance use and mental health conditions, and have also been deeply impacted by trauma related to histories of physical, sexual, and psychological abuse.

Mahalo for the opportunity to provide testimony.

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

February 1, 2026

To: Senator Joy San Buenaventura, Chair,
And members of the Committee on Health and Human Services

Testimony in Support of SB 2668 Relating to Human Services

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 2668 which aims to increase funding for the Department of Human Services to enhance its partnership with Community-Based Organizations (CBOs).

Hawaii's most vulnerable populations including children, youth, and young adults, need mental health, developmental disability, maternal and child health, family strengthening, and other services provided by CBOs. It takes a network of trauma-informed, culturally relevant, and accessible services to enable our young people to make successful transitions to adulthood and support our families and kupuna.

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

SB-2668

Submitted on: 2/2/2026 11:02:16 AM
Testimony for HHS on 2/4/2026 1:01:00 PM

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

Comments:

I support this bill.

Bill Number: SB 2668

Position: Support with Comments

Name: Christina Mendonza

Location: Oahu

Affiliation: Individual

I support SB 2668 because community based organizations in Hawaii are struggling to survive under rising costs, and they are the ones doing the real frontline work that the State has failed to do for decades. I am submitting strong comments because mental health organizations must be prioritized, and the funding must actually reach the people doing the work, not just management, not just executives, and not the administrative layers that never touch the community.

I want to speak directly on something I know from lived experience. Mental health counselors in Hawaii are not being paid enough to survive, and the State knows this. I have worked for Care Hawaii, IHS, and RYSE, all frontline community based organizations that carry the weight of Hawaii's mental health crisis on their backs. I watched the same thing happen at every single one of them. The turnover rate is out of control because nonprofits prioritize their management and executive salaries while the frontline workers, the ones actually dealing with crisis, trauma, addiction, and psychosis, are barely making enough to pay rent.

People quit not because they do not care, but because they cannot afford to stay. They burn out. They break down. They leave the field entirely. Every time a counselor leaves, the clients suffer. The community suffers. Families suffer. The whole system collapses a little more. You cannot run a mental health system on poverty wage workers. You cannot expect people to carry trauma every day and then go home wondering how they are going to pay their bills.

I am speaking from both sides of this system. From age eleven, I was in and out of jail, mental institutions, and drug treatment facilities. I lived the reality of absolutely no support, no follow through, and no proper care. Now at forty two, by God's grace and with my aumakua and kupuna watching over me, not because of the State, I have overcome my past. I am speaking today for the people who are still trapped in the system that failed me.

My brother, Neil Hanawahine, suffers from schizophrenia and drug use. He has been arrested twenty seven times and released within hours from hospitals and cell block. He has been found naked in public, yelling to himself, even filmed and posted on social media by bystanders. This is what happens when mental health services are underfunded, understaffed, and overwhelmed. This is what happens when community organizations, the ones who actually show up, cannot afford rent, utilities, insurance, or even gas to reach the people who need them.

SB 2668 is necessary, but it must be intentional. If DHS is issuing supplemental contracts, then mental health crisis teams, outreach workers, treatment providers, and community based mental health organizations must be at the top of the list. The funding must go directly to the frontline workers, the people who are holding this entire mental health system together with their bare hands.

Supporting this bill without prioritizing mental health would be another missed opportunity. Hawaii cannot keep ignoring the people who are suffering the most, and we cannot keep pretending the system is working when the workers holding it up cannot even afford to live here.

For these reasons, I support SB 2668 with strong comments urging the Legislature to prioritize mental health organizations and ensure that frontline workers receive the support they deserve.

Mahalo for the opportunity to testify.

To: House Committee on Health and Human Services
Re: SB 2668 – Relating to Human Services
Hawai'i State Capitol room 225 & Via Videoconference
Wednesday, February 4, 2026, 1:01 PM

LATE

Dear Chair San Buenaventura, Vice Chair McKelvey, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **STRONG SUPPORT of SB 2668**, which would appropriate funds to the Department of Human Services to issue supplemental contracts to community-based organizations to address increases in costs.

HCAN supports this measure because it directly addresses the increasing operational costs faced by community-based organizations that deliver essential services to Hawai'i's children and families. As an advocate for child welfare, early learning, and access to critical supports, HCAN recognizes the vital role these organizations play in ensuring children's health, safety, and development.

Rising expenses for labor, insurance, utilities, rent, and transportation have placed significant strain on the sustainability of community-based programs. Without adequate funding to offset these costs, organizations are forced to make difficult decisions that may reduce service capacity, limit program quality, or increase fees for families; outcomes that undermine efforts to expand access to affordable care and support for keiki.

By appropriating supplemental funds through the Department of Human Services, this bill helps stabilize the provider network and supports children and families, particularly those from low-income or underserved communities. This approach aligns with best practices that recognize the importance of investing in the infrastructure to prevent disruptions and improve outcomes for children and families.

HCAN respectfully encourages the Legislature to ensure that the distribution of supplemental contracts prioritizes organizations serving high-need populations and marginalized communities. This measure is an important step toward sustaining the community-based services that Hawai'i's children and families rely on.

Thank you for the opportunity to provide testimony. Please **SUPPORT SB 2668**.



TO: Honorable Senator Joy A. San Buenaventura
Chair, Senate Committee on Health and Human Services

Honorable Senator Angus L.K. McKelvey
Vice Chair, Senate Committee on Health and Human Services

FROM: Connie Mitchell, Executive Director
IHS, The Institute for Human Services, Inc.

DATE: February 3, 2026

POSITION: IHS supports SB2668 Relating to Human Services

IHS, The Institute for Human Services, **strongly supports** SB2668, which aims to increase funding for the Department of Human Services to enhance its partnership with Community-Based Organizations (CBOs) who sustain our State's Safety Net. Hawaii's most vulnerable populations—children, individuals experiencing homelessness, and those in need of social services—rely heavily on these organizations to sustain stable housing and maintain independence. Stagnant funding levels and rising operational costs, especially following crises like the Maui wildfires, have pushed these vital CBOs to the brink. We continue to see homeless service providers close their doors, case management programs sunset, and organizations take out risky lines of credit to cover operational costs. Some, like IHS, have broadened core services to integrate fee-for-service contracts to keep critical services available, but even those rates have failed to keep pace with the cost of providing clinical case management in our shelters or pre-housing navigation.

For nearly 48 years, IHS has offered critical support to those experiencing homelessness, from emergency shelter and meals to healthcare, job training, and housing. Such services come at a cost that often cannot be passed on to our clients, so we rely on government contracts supplemented by private donations from individuals, businesses, and foundations.

This bill is a crucial step to address Hawaii's expanding social service needs. By strengthening collaborations with CBOs, we can improve access to benefits, childcare, workforce training, and homelessness services while promoting stability and well-being in our communities. Given the ongoing uncertainty of federal spending on social service programs, Hawaii must take decisive action to ensure the stability of critical services provided through the Department of Human Services. Federal resources fluctuate—we saw much of this in 2026—funding reductions often disproportionately affect programs supporting homelessness, employment, and child welfare. To truly end cycles of homelessness, wraparound, holistic solutions are needed.

IHS' services are rooted in a mission to equip individuals with the skills and resources to live independently in long-term permanent housing. To fill the gap left by current State contracts, we do our best to secure funding through billable services via insurance and rely heavily on private donors and philanthropic foundations, all of which allow us to continue operating. However, the administrative burden of doing so requires building greater capacity, which entails more costs and needed funding. Mahalo for your leadership in addressing this critical issue and for this opportunity to testify.

TO: SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES
The Honorable Joy A. San Buenaventura, Chair
The Honorable Angus L.K. McKelvey, Vice Chair, and
Members of the Committee

FROM: Michelle Kauhane, Chief Operating Officer & Executive Vice President

RE: Testimony in Support for SB 2668, Relating to Human Services

DATE: Wednesday, February 4, 2026 at 1:01 pm

LOCATION: Hearing Room 225

The Hawai'i Community Foundation (HCF) **supports** SB 2668, Relating to Human Services. HCF believes that critical basic needs and services are delivered by organizations that can sustain operations and cover the cost of delivering those services in Hawai'i. Human services are a priority under HCF's CHANGE Framework within the Community Centered Economy and Health and Wellness sectors. Philanthropy does not have sufficient resources to address the funding gap that nonprofit organizations face when delivering critical human services.

Adequate funding for DHS-partnered social services is essential to protect Hawai'i's social safety net that provides for residents—people experiencing homelessness, children, and those needing mental health and social supports. Hawai'i nonprofits make up 12% of the state's private workforce and generate 60,000 jobs.¹ HCF grantee partners share with us the demand for services rising while funding lags behind true costs, including paying for insurance and staff expenses. This is a perfect storm of historic demand for services, uncertain federal funding, and chronic underfunding of true costs of services within state contracts.

With federal uncertainty ahead, underfunding will force service cuts and job losses. Strategic investment now will sustain critical services and expand DHS's impact statewide. Supporting this bill has the potential for adding to the longevity of much needed human services in Hawai'i. We urge the legislature to advance SB 2668.

¹ Nonprofit Finance Fund, [Hawai'i Nonprofit Sector in 2025](#) report

To: The Honorable Joy San Buenaventura, Chair
The Honorable Angus McKelvey, Vice Chair
Senate Committee on Health and Human Services

From: Paula Arcena, External Affairs Vice President
Mike Nguyen, Director of Public Policy
Maria Rallojay, Public Policy Specialist

Hearing: Wednesday, February 4, 2026, 1:01pm, Conference Room 225

RE: **SB2668 Relating to Human Services**

AlohaCare appreciates the opportunity to provide testimony in **support** of **SB2668**. This measure appropriates funds to the Department of Human Services (DHS) to issue supplemental contracts to community-based organizations (CBOs) to address increased costs related to labor, insurance, utilities, rent, and gas.

AlohaCare is a community-rooted, non-profit health plan founded by Hawai'i's Community Health Centers and the Queen Emma Clinics. We serve over 66,000 Medicaid and Medicaid-Medicare dual-eligible residents on all islands. Since 1994, AlohaCare has partnered with providers, government entities, and community-based organizations to meet the evolving needs of our safety net community as Hawai'i's only health plan focused solely on Medicaid-eligible individuals. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating for equitable access to quality, whole-person care for all.

AlohaCare's commitment to whole-person care and health equity includes addressing various social determinants of health (SDOH). As part of the safety net, we understand that health outcomes are shaped by far more than traditional care. Many of the services CBOs provide under contract with DHS (such as housing supports, food security programs, services for individuals facing homelessness or crisis, etc.) directly address core SDOH needs that determine whether people can stay healthy, safe, and stable. When these services are underfunded, families experience preventable crises that impact their health. For these reasons, we support this measure to stabilize our CBOs infrastructure to prevent service disruptions, strengthen continuity, and reduce downstream harms.

Mahalo for this opportunity to testify in **support** of **SB2668**.

LATE

SB-2668

Submitted on: 2/3/2026 1:51:34 PM
Testimony for HHS on 2/4/2026 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Suzanne Skjold	Individual	Support	Written Testimony Only

Comments:

Dear Chair San Buenaventura, Vice Chair McKelvey, and members of the Health and Human Services Committee,

I strongly urge you to **support SB2668**, which appropriates funds to the Department of Human Services to issue supplemental contracts to community-based organizations to address increases in costs, particularly labor. We as community members depend on many agencies to help us and our neighbors in hard times, and we know that the people who work at community organizations that provide these direct services are often underpaid for doing very important work.

SB2668 is needed so that the community organizations that provide these critical direct services can pay and keep their employees- so that they can continue to provide the services we all need and provide their employees a living wage, and in general, contracts from the State must find a way to address and cover the realities of increasing costs to do the same work each year, as gas, rent, and other basic expenses rise.

Thank you for your support for SB2668 and for addressing the need for contracts to cover the true cost of the services we need in our State.

Sincerely,
Suzanne Skjold

Kaimuki, HI

LATE



TESTIMONY IN SUPPORT OF SB 2668
RELATING TO HUMAN SERVICES

To: Chair San Buenaventura, Vice Chair McKelvey, & Members of the Senate Committee on Health and Human Services

From: Rona Yagi Fukumoto, President and CEO

Date: Wednesday, February 4, 2026

On behalf of Lanakila Pacific, I am testifying in **strong support of SB 2668**, which appropriates funds to the Department of Human Services to issue supplemental contracts to Community-Based Organizations to 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 people 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. We have watched costs rise for our vocational rehabilitation programs, in particular with the increase in minimum wage. Without the supplemental contracts to align service delivery with true costs, programs will become unsustainable.

SB 2668 is a step toward ensuring the safety net remains strong now and into the future. Thank you for the opportunity to provide testimony. Please contact me at 808-356-8569 or rfukumoto@lanakilapacific.org if you have any questions.



February 2, 2026

Testimony in Support of S.B.2668

Relating to Human Services

Aloha Chair San Buenaventura, Vice Chair McKelvey, and members of the Committee,

Aloha United Way stands in **strong support of S.B. 2668**. Aloha United Way is a proud member of the True Cost Coalition, a statewide group of community-based organizations advocating for contracts that reflect the real cost of delivering essential public services.

Across Hawai'i, community-based organizations are the ones caring for our keiki, providing family stability, helping neighbors exit homelessness, and ensuring families have access to food and other basic needs. These are not optional services; they are essential lifelines that keep households safe, housed, and healthy

Yet contract rates have not kept pace with rising wages, rent, insurance, and transportation costs. Many providers are subsidizing government services through fundraising and reserves just to keep programs open. This model is unsustainable and is contributing to staff burnout, workforce shortages, and reduced services for the very families who need help most.

If providers cannot sustain these contracts, the State loses critical capacity that cannot easily be rebuilt. S.B. 2668 is a practical, common-sense investment to stabilize the nonprofit workforce, protect essential services, and ensure community partners can continue delivering high-quality care.

For these reasons, we respectfully urge your support and passage of this measure.

Mahalo for the opportunity to testify.

Mahalo,
Michelle Bartell
President & CEO
Aloha United Way