

Honolulu, Hawaii

FEB 19 , 2026

RE: H.B. No. 1785
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Education, to which was referred H.B. No. 1785 entitled:

"A BILL FOR AN ACT RELATING TO STUDENT TRANSPORTATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Authorize the Department of Education to hire a new contractor if a contractor under a student transportation contract fails to provide service on a contracted route for five or more consecutive instructional days;
- (2) Require the Department to assess a penalty, to be deposited into the School Bus Fare Revolving Fund, if a contractor fails to provide service on a contracted route without an approved justification; and
- (3) Authorize the use of the School Bus Fare Revolving Fund to offset costs associated with procuring replacement services.

Your Committee received testimony in support of this measure from the Hoaloha Project and six individuals. Your Committee received comments on this measure from the Department of



Education; Department of the Attorney General; and State Procurement Office.

Your Committee finds that, even though the number of school bus drivers has grown since the Governor's August 2, 2024, emergency proclamation regarding school bus services, the Department of Education is still facing a shortage of drivers. Your Committee further finds that some school bus contractors sign contracts to provide bus services but later fail to provide the transportation for all of their contracted routes.

Your Committee notes that the existing laws do not allow the Department of Education to cancel or reassign the portions of contracts that are not being fulfilled, resulting in lack of access for students to school transportation. This measure provides the Department of Education with flexibility to remove or suspend portions of school bus contracts if the contractor is unable to meet its contracted obligations.

Your Committee has amended this measure by:

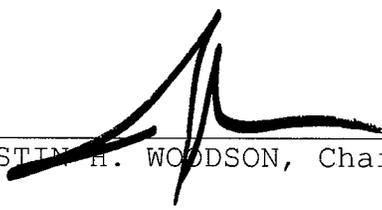
- (1) Deleting language that would have required the Department of Education to assess a penalty if a contractor fails to provide service on a contracted route without an approved justification and deposit the assessed penalty into the School Bus Fare Revolving Fund;
- (2) Inserting language clarifying that all requests for proposals issued and all contracts executed by the Department of Education shall specifically reference the new statutory language regarding student transportation contracts and failure to provide service after the effective date of this measure;
- (3) Changing the effective date to July 1, 3000; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1785, as amended herein, and recommends that it pass Second



Reading in the form attached hereto as H.B. No. 1785, H.D. 1, and
be referred to your Committee on Finance.

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



JUSTIN H. WOODSON, Chair



