



**Parents And
Children Together**

**BUILDING THE RELATIONSHIPS
THAT MATTER MOST**

ParentsAndChildrenTogether.org

TESTIMONY IN SUPPORT OF HB 2115 HD1 RELATING TO HUMAN SERVICES

TO: Chair Todd, Vice-Chair Takenouchi, & Members,
House Committee on Finance

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

DATE: March 5, 2026

Parents and Children Together (PACT) strongly supports HB 2115 HD1, 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.



The Institute for Human Services, Inc.
Ending the Cycle of Homelessness

TO: Honorable Representative Chris Todd,
Chair, House Committee on Finance

Honorable Representative Jenna Takenouchi,
Vice Chair, House Committee on Finance

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

DATE: March 5, 2026

POSITION: IHS supports HB2115 HD1 - Relating to Human Services

IHS, The Institute for Human Services, **strongly supports** HB2115 HD1, 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.



CATHOLIC CHARITIES HAWAI'I

SUPPORT FOR HB 2115: RELATING TO HUMAN SERVICES

TO: House Committee on Finance
FROM: Shellie Niles, Vice President of Mission, Catholic Charities Hawai'i
Hearing: Thursday, March 5, 2026; 2:00 PM; CR 308 or Videoconference

Dear Chair Todd, Vice Chair Takenouchi, and Members of the Committee on Finance,

Thank you for the opportunity to testify in **strong support of HB 2115 HD1**, which provides critically needed funding for Hawai'i's Community-Based Organizations (CBOs) that partner with the Department of Human Services (DHS). My name is Shellie Niles, Vice President of Mission with Catholic Charities Hawai'i (CCH).

Catholic Charities Hawai'i is a tax-exempt CBO serving more than 40,000 individuals statewide each year. For 78 years, we have provided essential services to children, families, older adults, immigrants, and individuals experiencing homelessness. We also proudly serve as a member of the Hawai'i True Cost Coalition (TCC), representing more than 70 nonprofit organizations serving over 500,000 people statewide.

Contract rates for CBOs have not kept pace with actual service delivery costs. According to the True Cost Coalition:

- Over 90% of nonprofits report contract budgets that fall short of actual operating costs.
- Many DHS contract rates have not been increased in a decade.
- In 2025, 70% of nonprofit respondents reported needing more than \$100,000 annually to close the gap between contract funding and actual costs.
- Program costs have increased 40%, while nonprofit contract funding has only seen minimal or no increases.

When contract rates do not reflect true costs, nonprofit partners are forced to: reduce administrative and program capacity; cut positions or reduce salaries; limit the number of people served; restrict geographic coverage or—most concerning—consider declining or ending contracts for essential programs.

In 2025, 27.2% of nonprofit providers reported they “always” or “often” considered declining state contracts due to inadequate funding. This puts at risk core services such as: homelessness prevention; child welfare; employment and training; and services for kūpuna and vulnerable families.

Thank you for the opportunity to testify in strong support of HB 2115 HD1. If you have any questions, please contact our Vice President of Mission, Shellie Niles, at 808-527-4813.

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On behalf of Child and Family Service (CFS), I am writing to express our **strong support for HB 2115** and to respectfully urge the committee to advance this essential legislation.

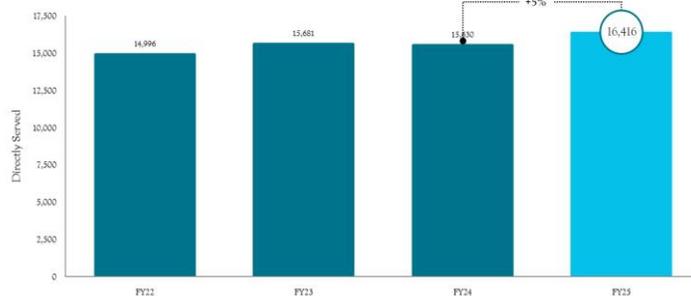
CFS is a community-based provider delivering critical services to children and families through Department of Human Services contracts. Our ability to provide timely, effective, and ethically responsible interventions is directly tied to whether contract rates reflect the true and increasing costs of service delivery.

Provisional and operational costs, including workforce expenses, compliance requirements, administrative demands, and service complexity have continued to increase significantly over time, while contract funding has remained largely stagnant. These pressures are compounded by steep increases in required operating expenses; notably, professional liability insurance costs have **tripled since last year alone**. This growing gap presents not only a sustainability challenge for providers, but an ethical concern, as it becomes increasingly difficult to provide appropriate, high-quality interventions to a growing number of families without funding that reflects real-world conditions.

This fiscal year alone, CFS has already supported more than **3,229 children and families**. In a typical year, we serve **over 7,000 children and families** through DHS-contracted programs. Demand continues to rise. For example, service volume has increased 30% over the past four years, with an additional 1% increase in individuals served in FY 2025-26.

Beyond direct services, CFS reached **117,000 families** statewide last year, a **5% year-over-year increase**, underscoring both growing need and CFS's role as a cornerstone of Hawai'i's safety-net system. (See four-year trend chart).

4 Year Trend: Directly Served



ENROLLMENT TREND DATA	N
FY25	16,416
FY24	15,630
FY23	15,681
FY22	14,996

FY25 DATA SPOTLIGHT:
Program Enrollment in FY25 increased by ~5% over FY24. This is in part due to new programming such as OHC & ELP (Kauai & Oahu).



“We’re all about FAMILY”

Mission: Strengthening Families and Fostering the Healthy Development of Children

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HB 2115 addresses the growing gap between DHS contract rates with the true costs of service delivery. Doing so helps maintain service quality, reduce workforce strain, and ensure continuity of care for children and families who rely on these essential programs.

Of the approximately 4,000 children and 7,000 families we serve each year, nearly 90% experience positive outcomes through CFS. While healing and success look different for every family, progress often follows a path similar to the one outlined below.

A survivor arrived at our shelter with her two young children; they had fled in the middle of the night with only a small bag. For years, her abuser controlled every aspect of their lives, including her SNAP benefits and access to money. He would often withhold food as punishment, forcing her and the children to go hungry. Upon entering our shelter, she broke down in tears when staff offered her family a warm meal and access to our food pantry. For the first time in months, she was able to feed her children without fear. Through funding, our shelter is able to maintain stocked pantries, purchase fresh produce, and offer nutritious meals daily. This access to food did more than fill their stomachs, it gave her a sense of dignity and stability. She shared that being able to feed her children “made her feel like a mother again.” With consistent meals and a safe environment, she was able to focus on rebuilding her life, securing employment, and transitioning into stable housing.

Child and Family Service **strongly supports HB 2115** and appreciates the committee’s leadership in addressing the sustainability of our human services system. We respectfully urge your support as this bill moves forward.

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

Sincerely,

Amanda Pump

Amanda Pump

President and CEO



Aloha United Way

“We’re all about FAMILY”

Mission: Strengthening Families and Fostering the Healthy Development of Children

The Hawai'i True Cost Coalition

March 5, 2026

Hawai'i State Legislature
House Committee on Finance

Re: Testimony in **STRONG SUPPORT** for HB2115 HD1, Relating to Human Services

Aloha Chair Todd, Vice Chair Takenouchi, and esteemed members of the committee,

The Hawai'i True Cost Coalition is writing its strong support of HB2115 HD1, 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 | Aloha United Way | 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

HB2115 HD1 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.*

Souce: 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 | Aloha United Way | 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



House Committee on Finance
March 5, 2026 at 2:00 PM
Room 308

Testimony in SUPPORT of HB2115 HD1

Aloha Chair Todd, Vice Chair Takenouchi, and members of the Committee:

On behalf of the Hawai'i Alliance of Nonprofit Organizations (HANO), I am writing **support of HB2115 HD1**, which aims to increase funding for the Department of Human Services to enhance its partnership with nonprofit 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.

Judith F. Clark
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March 5, 2026

Representative Chris Todd, Chair,
And members of the Committee on Finance

Testimony in Support of HB 2115 HD 1 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 HB 2115 HD 1 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