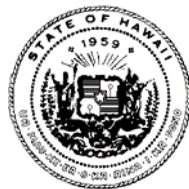


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



RYAN I. YAMANE
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
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'OKELE

March 17, 2026

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

FROM: Ryan I. Yamane, Director

SUBJECT: **HB 2115 HD1 – RELATING TO HUMAN SERVICES.**

Hearing: March 18, 2026, Time 1:00 p.m.
Conference Room 225 & Via Videoconference, State Capitol

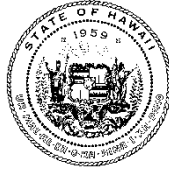
DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the bill and provides comments. DHS defers to the State Procurement Office.

DHS appreciates the intent of this measure to provide additional funds to support community-based organizations contracted by DHS to deliver benefits and services across the State. DHS is aware of the increasing costs related to maintaining a human services workforce such as rising health care insurance, general liability, and property insurance premiums, and other cost increases identified in the measure.

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 HAWAII | KA MOKU'ĀINA O HAWAII
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
MARCH 18, 2026, 1:00 PM

HOUSE BILL 2115, HD1
RELATING TO HUMAN SERVICES

Chair Marten, Vice Chair Olds, and members of the committee, thank you for the opportunity to submit testimony on House Bill 2115, HD1. The State Procurement Office (SPO) appreciates the intent of this bill to provide additional resources to organizations servicing the community, our comments focus on the method proposed to implement this intent.

The SPO has significant concerns with distributing newly appropriated funds through supplemental amendments to existing contracts. Issuing supplemental funding in this manner would bypass the competitive procurement processes required when entering into or materially modifying a contract. The additional funds were neither disclosed nor negotiated as part of the original solicitations or base contracts. Unilaterally increasing contract amounts under these circumstances constitutes a material change to the contract scope and value, which is inconsistent with established procurement requirements and safeguards.

From an industry fairness perspective, the original procurement environment was shaped by the funding limits known at the time. Providers that 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 providers creates an uneven playing field and diminishes confidence in the competitive process.

Moreover, implementing this bill through contract supplementals sets a concerning precedent by allowing new appropriations to be distributed without transparency, competition, or demonstrable best value to the State.

For these reasons, the SPO is concerned that implementing the bill as proposed would conflict with Hawaii Revised Statutes (HRS) Chapter 103F, the Hawaii Public Procurement Code, and its core principles of fairness, competition, and accountability. The SPO recommends that additional funds should be awarded through a procurement method that reflects the revised funding levels and affords all qualified providers an equal opportunity to compete. Funding should be allocated through mechanisms that preserve competition, transparency, and compliance with the procurement code.

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



CATHOLIC CHARITIES HAWAI'I

SUPPORT FOR HB 2115 HD1: RELATING TO HUMAN SERVICES

TO: Senate Committee on Health and Human Services
FROM: Shellie Niles, Vice President of Mission, Catholic Charities Hawai'i
Hearing: Thursday, 3/18/2026; 1:00 PM; 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 HB 2115 HD1**, which provides critically needed funding to Hawai'i's Community-Based Organizations (CBOs) that partner with the Department of Human Services (DHS) to deliver essential services to our communities.

Catholic Charities Hawai'i is a tax-exempt, community-based organization that has served Hawai'i for 78 years, providing essential services to more than 40,000 individuals statewide each year. Our programs support children, families, kūpuna, immigrants, and individuals experiencing homelessness. We are also a proud member of the Hawai'i True Cost Coalition (TCC), representing more than 70 nonprofit organizations collectively serving over 500,000 people across the state.

Despite the critical role CBOs play in Hawai'i's human services system, DHS contract rates have not kept pace with the true cost of service delivery. When contract rates fail to reflect true costs, nonprofit partners are forced to make impossible choices, including reducing administrative and program capacity, cutting staff positions or suppressing wages, limiting the number of individuals served, restricting geographic coverage, or—most concerning—considering whether they can continue accepting or maintaining state contracts at all.

In fact, in 2025, 27.2% of nonprofit providers reported that they “always” or “often” considered declining state contracts due to inadequate funding. This trend directly threatens the stability of essential services such as homelessness prevention, child welfare, employment and training programs, and supports for kūpuna and vulnerable families.

HB 2115 HD1 represents an important step toward strengthening Hawai'i's human services infrastructure by recognizing the true cost of delivering quality, accountable services. Adequate and sustainable funding ensures continuity of care, workforce stability, and long-term partnerships that benefit both the State and the communities we serve.

Catholic Charities Hawai'i respectfully urges your **strong support of HB 2115 HD1**. 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.



COMMUNITY ALLIANCE ON PRISONS

P.O. Box 37158, Honolulu, HI 96837-0158

Phone/E-Mail: [\(808\) 927-1214](tel:(808)927-1214) / kat.caphi@gmail.com

Today's Inmate; Tomorrow's Neighbor



COMMITTEE ON HUMAN SERVICES AND HOMELESSNESS

Senator Joy SanBuenaventura, Chair

Senator Angus McKelvey, Vice Chair

Wednesday, March 18, 2026

1:00 PM

Room 225 and VIDEOCONFERENCE

STRONG SUPPORT FOR HB 2115 HD1 - DHS FUNDING FOR CBOS FOR INCREASED COST OF PROVIDING VITAL SERVICES

Aloha e Chair SanBuenaventura, Vice Chair McKelvey, and Members of the Committee!

My name is Kat Brady and I am the Coordinator of Community Alliance on Prisons, a community initiative promoting smart justice policies in Hawai`i for almost three decades. This testimony is respectfully offered on behalf of the 3,646 Hawai`i individuals living behind bars¹ and under the “care and custody” of the Department of Corrections and Rehabilitation on March 2, 2026. We are always mindful that 797 of Hawai`i’s imprisoned male population are serving their sentences abroad -- thousands of miles away from their loved ones, their homes and, for the disproportionate number of incarcerated Kanaka Maoli, far, far from their ancestral lands.

Community Alliance on Prisons is a member of the True Cost Coalition and appreciates this opportunity to express our **STRONG SUPPORT for HB 2115 HD1** that appropriates funds to the Department of Human Services to issue supplemental contracts to community-based organizations. The appropriation is needed to address the increase in costs related to labor, insurance, utilities, rent and gas.

¹ DCR Weekly Population Report, March 2, 2026

[Pop-Reports-Weekly-2026-03-02.pdf](#)

The Hawai'i True Cost Coalition is 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 and the recent rain storms across our islands 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, child welfare and many other vital services. These organizations have and are diligently working to repair Hawai'i's tattered safety net.

As costs rise, these organizations, that are doing the government's work serving some of Hawai'i's most vulnerable populations, will be particularly at risk. HB 2115 HD1 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.

Mahalo nui for the opportunity to share our **STRONG SUPPORT** for HB 2115 HD1!



**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 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: March 18, 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.



HB2115 HD1 DHS Inflation Clause in Contracts (Sen)

COMMITTEE ON HEALTH AND HUMAN SERVICES

Sen. Joy San Buenaventura, Chair

Sen. Angus McKelvey, Vice Chair

Wednesday, Mar 18, 2026: 1:00: Room 225 Videoconference

Hawaii Substance Abuse Coalition Supports HB2115 HD!:

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.

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

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.

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.



HB2115,HD1 DHS Adjust for Inflation

COMMITTEE ON HEALTH AND HUMAN SERVICES

Sen. Joy San Buenaventura, Chair

Sen. Angus McKelvey, Vice Chair

Wednesday, Mar 18, 2026: 1:00: Room 225 Videoconference

Hina Mauka Supports HB2115,HD1:

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.



www.AlohaILHawaii.org

Mar 18, 2026

MISSION

Aloha Independent Living Hawaii (AILH) dedicated to providing independent living programs and services for persons with disabilities in Hawaii.

We work together with the community and consumers to improve the quality of life through individual choices and access to services.

EXECUTIVE DIRECTOR

Roxanne U. Bolden

BOARD OF DIRECTORS

Chair / Sec

Valerie Yamada

Vice Chair

Zora Shove

Treasurer

Jonathan Yap

Member

Scott Suzuki
Sheila Castaneda
Jennifer Hartssock

The Honorable Joy A. San Buenaventura, Chair
Senate Committee on Health and Human Services
The Thirty-Third Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

SUBJECT: HB2115 HD1 – Relating to Human Services (CBO Supplemental Contracts)

Chair and Members of the Committee:

Aloha Independent Living Hawaii (AILH) is a consumer-controlled, cross-disability Center for Independent Living (CIL) serving people with disabilities across Hawaii. We write **in strong support of HB2115 HD1**, which appropriates funds for the Department of Human Services to issue supplemental contracts to community-based organizations to address cost increases in labor, insurance, utilities, rent, and gas.

AILH speaks to this bill not only as an advocate for people with disabilities, but as a community-based organization that has directly experienced the conditions this bill describes. The legislature's own findings state the problem precisely: existing contract rates have remained stagnant for years while the true cost of delivering care has risen substantially. Hawaii's minimum wage has nearly doubled since 2010. Social worker salaries have increased 45 percent. Liability insurance premiums have more than doubled. And a 2022 survey found that 91 percent of nonprofits with government human service contracts had contracts that did not cover their full operating costs—with 79 percent having to cut administrative capacity just to maintain services. This is not a manageable gap. It is structural underfunding that is destabilizing the community-based services infrastructure that people with disabilities depend on to live in their communities.



www.AlohaILHawaii.org

MISSION

Aloha Independent Living Hawaii (AILH) dedicated to providing independent living programs and services for persons with disabilities in Hawaii.

We work together with the community and consumers to improve the quality of life through individual choices and access to services.

EXECUTIVE DIRECTOR

Roxanne U. Bolden

BOARD OF DIRECTORS

Chair / Sec

Valerie Yamada

Vice Chair

Zora Shove

Treasurer

Jonathan Yap

Member

Scott Suzuki
Sheila Castaneda
Jennifer Hartssock

The eight program areas funded through Section 2 of this bill have direct and profound relevance to people with disabilities. AILH highlights three:

1. **Adult Protective and Community Care Services (HMS 601):** This program area funds services that protect adults with disabilities from abuse, neglect, and exploitation, and provides community care services that allow people with disabilities to remain in their homes. When contract rates fail to keep pace with costs, these services are cut first—and the people most likely to lose services are those with the most complex needs. Adequate supplemental funding for HMS 601 directly supports community living for people with disabilities.
2. **Vocational Rehabilitation (HMS 802):** People with disabilities are chronically underemployed in Hawaii. Vocational rehabilitation services are one of the primary pathways to employment and economic self-sufficiency for people with disabilities. When VR-contracted CBOs cannot afford experienced staff, the quality and availability of job training, placement, and supported employment services declines. Supplemental funding for HMS 802 supports the workforce participation of people with disabilities.
3. **Homeless Services (HMS 224):** As AILH has testified in other hearings this session, 55 percent of Oahu's unhoused population reports one or more disabling conditions. The CBOs delivering homeless outreach, emergency shelter, and transitional housing services to people with disabilities have been absorbing cost increases for years. Without supplemental funding, these organizations face the impossible choice of cutting services or closing entirely—leaving the people with disabilities they serve without any pathway to stable housing.

The bill's findings note that service providers have indicated they may be forced to end their contracts with the State. For people with disabilities, the loss of a contracted CBO is not an inconvenience—it is often the loss of the only organization equipped to provide accessible, disability-competent services in their community. There is no market backup. When



www.AlohaILHawaii.org

MISSION

Aloha Independent Living Hawaii (AILH) dedicated to providing independent living programs and services for persons with disabilities in Hawaii.

We work together with the community and consumers to improve the quality of life through individual choices and access to services.

EXECUTIVE DIRECTOR

Roxanne U. Bolden

BOARD OF DIRECTORS

Chair / Sec

Valerie Yamada

Vice Chair

Zora Shove

Treasurer

Jonathan Yap

Member

Scott Suzuki
Sheila Castaneda
Jennifer Hartssock

underfunded organizations can no longer keep their doors open, the people they serve face institutionalization—not because community living failed, but because the State failed to fund it.

AILH urges the Committee to pass HB2115 HD1 without delay and to ensure the appropriation is fully funded. Supplemental contracts for community-based organizations are not a budget add-on —they are the investment required to keep Hawaii’s community-living infrastructure functional for the people who depend on it most.

Thank you for the opportunity to testify.

Aloha,

Roxanne Bolden

Executive Director



**Testimony to the Senate Committee on Health and Human Services
Wednesday, March 18, 2026; 1:00 p.m.
State Capitol, Conference Room 225
Via Videoconference**

RE: HOUSE BILL NO. 2115, HOUSE DRAFT 1, 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** House Bill No. 2115, House Draft 1, 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, 3000.

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

Testimony on House Bill No. 2115, House Draft 1
Wednesday, March 18, 2026; 1:00 p.m.
Page 2

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.

In light of this, the HPCA wholehearted supports this bill, 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

Testimony on House Bill No. 2115, House Draft 1
Wednesday, March 18, 2026; 1:00 p.m.
Page 3

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@hawaiipca.net.

Hawai'i Youth Services Network

677 Ala Moana Blvd
Suite 904
Honolulu, HI 96813
Phone 808.489.9549
Email info@hysn.org

Board of Directors
President
Cyd Hoffeld

Vice President
Jefferson Gourley

Treasurer
Paul Tonnessen

Secretary
Andre Fraticelli

Executive Director
Sonia Blackiston

Directors
Vonn Ramos
Chelene Arnold
Roxanne Costa
Laura Brucia Hamm
Susana Helm
Sione Ford Neata

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

Date: March 15, 2026

Hawai'i Youth Services Network (HYSN) **strongly supports** HB2115, HD 1, which aims to increase funding for the Department of Human Services to offer supplemental contracts to community-based organizations to address increases in costs, including labor, insurance, utilities and rent. Rising costs are having an adverse effect on CBOs across the state, with the majority unable to cover the full costs of providing services via contracts by the state. Organizations are faced with staffing shortages due to not being able to pay competitive wages for key positions that support some of our most vulnerable young people. This is not a sustainable structure and with the need for social services increasing, organizations need true cost support to keep social safety net services intact.

In 2025, over 25% of nonprofit providers reported they “always” or “often” considered declining state contracts due to inadequate funding. This is unacceptable and puts key programs and services at risk, especially for young people and families. To prevent essential services from shutting down, the state must invest in ensuring community-based providers are reimbursed by the true cost for the services and programs they provide, along with timely payments and efficient reporting requirements.

Mahalo for the opportunity to testify on this important and timely measure.

Sincerely,



Sonia Blackiston
Executive Director
808.489.9549

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 HB 2115 HD 1, Relating to Human Services

DATE: Wednesday, March 18, 2026 at 1:00 pm

LOCATION: Hearing Room 225

The Hawai'i Community Foundation (HCF) **supports HB 2115 HD 1**, 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 respectfully urge the legislature to advance HB 2115 HD 1.**

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



Senate Committee on Health and Human Services
March 18, 2026 at 1:00 PM
Room 225

Testimony in SUPPORT of HB2115 HD1

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 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.

The Hawai'i True Cost Coalition

March 18, 2026

Hawai'i State Legislature
Senate Committee on Health and Human Services

Re: Testimony in **STRONG SUPPORT** for HB2115 HD1, 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 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.

ⁱ 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 Applesseed | 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



Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.

To: Senate Committee on Health and Human Services
RE: **HB2115 HD1 – Relating to Human Services**
Hawaii State Capitol & Videoconference
March 18, 2026, 1:00 PM

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

On behalf of Hawai'i Children's Action Network (HCAN) Speaks!, I am submitting this testimony in **HB2115 HD1**, 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.

Children and families across Hawai'i rely on community-based organizations for essential services, including child protective services, youth programs, food assistance, and housing support. These organizations work closely with the Department of Human Services to ensure that keiki and their families receive the help they need during times of crisis or instability.

However, rising costs for staffing, rent, insurance, and utilities make it increasingly difficult for these organizations to continue providing these critical services. This bill helps address these challenges by providing additional funding so community partners can sustain and strengthen the programs that support children and families statewide.

Investing in these services means investing in the well-being of Hawai'i's keiki. When families have access to stable support systems—such as child care assistance, youth programs, and protective services—children are more likely to grow up safe, healthy, and ready to succeed.

Mahalo for this opportunity to provide this testimony. Please pass this bill.

Sincerely,

Nicole Woo
Director of Research and Economic Policy



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

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

Hearing: Wednesday, March 18, 2026, 1:00pm, Conference Room 225

RE: **HB2115 HD1 Relating to Human Services**

AlohaCare appreciates the opportunity to provide testimony in **support of HB2115 HD1**. This measure appropriates 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.

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. 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 HB2115 HD1**.

HB-2115-HD-1

Submitted on: 3/15/2026 5:50:15 AM

Testimony for HHS on 3/18/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support

2115 HB RELATING TO HUMAN SERVICES.

INCLUDING KUPUNA SUPPORT



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

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

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

DATE: March 17, 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. Many of Hawaii's 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 in federal funding for social service programs, Hawaii must take decisive action to ensure the stability of critical services provided by 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.

LATE

TESTIMONY IN SUPPORT OF HB 2115, HD 1



HAWAI'I HEALTH &
HARM REDUCTION CENTER

677 Ala Moana Blvd, Ste 226
Honolulu, HI 96813

(808) 521-2437

www.hhhrc.org

*"Reducing harm,
promoting health,
creating wellness, and
fighting stigma
in Hawai'i and
the Pacific."*

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

FROM: Nikos Leverenz, Policy & Advancement Manager

DATE: March 18, 2026 (1:00 P.M.)

Hawai'i Health & Harm Reduction Center (HHHRC) **strongly supports** HB 2115, HD 1, 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.