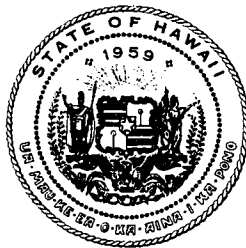


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DEPT. COMM. NO. 15

December 20, 2002

The Honorable Robert Bunda  
President of the Senate  
State Capitol, Room 003  
Honolulu, Hawaii 96813

Dear Mr. President:

I transmit to you a copy of our report, *Study To Determine the Appropriate State Agency To Oversee the Regulation of Adult Residential Care Homes and Adult Foster Homes*.

We found that maintaining the current regulatory scheme for adult residential care homes and adult foster homes appears most appropriate. We also found that adult foster home regulation by the Department of Human Services via case management agencies is inappropriate and poses a potential conflict of interest. In addition, the oversight mechanisms for the Department of Human Services' regulatory system are weak.

We hope that the report will assist you in reviewing the issues examined. The report will be available at our website, [www.state.hi.us/auditor](http://www.state.hi.us/auditor), and released to the public and press on Monday, December 23, 2002.

Sincerely,

Marion M. Higa  
State Auditor

Enclosure

c: ✓ Paul Kawaguchi, Senate Clerk