



GOV. MSG. NO. 1343

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 11, 2016

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

Re: SB2559 SD1 HD1 CD1

SB2559 SD1 HD1 CD1, entitled "A BILL FOR AN ACT RELATING TO HOMELESSNESS" will become law without my signature, pursuant to Section 16 of Article III of the State Constitution.

Though the bill seeks to make shelters more appealing and responsive to the needs of homeless families and individuals, it may prove difficult to implement.

The Department of Human Services does not currently have the expertise or capacity to determine minimum health and safety standards laid out in the bill.

Given these limitations, it is difficult for the Department to determine how much it will cost for providers to become compliant. These yet-to-be-determined costs to become and stay compliant put stress and uncertainty on the providers. Additionally, there is no guarantee that the minimum provisions will actually result in a lower vacancy rate among homeless shelters.

Finally, the cost of the financial audits required of the providers will likely come out of homeless programs contract funds, thereby reducing the funds available for direct assistance to the population the providers serve.

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For the foregoing reasons, SB2559 SD1 HD1 CD1 will become law as ACT 234 (16), Session Laws of Hawaii 2016, effective July 11, 2016, without my signature.

Sincerely,

A handwritten signature in black ink, reading "David Y. Ige". The signature is written in a cursive style with a prominent loop at the end of the last name.

DAVID Y. IGE
Governor, State of Hawaii

A BILL FOR AN ACT

RELATING TO HOMELESSNESS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to address
2 homelessness.

3 The legislature finds that homeless families and
4 individuals deserve shelter and the general public deserves safe
5 and clean sidewalks, parks, schools, and other public
6 facilities. Achieving both objectives requires a strategy of
7 making available emergency and transitional shelters that appeal
8 to homeless families and individuals and enforcing state and
9 county trespass and anti-nuisance statutes and ordinances. The
10 shelters are intended to make space available to homeless
11 families and individuals displaced from public sidewalks, parks,
12 schools, and other public facilities by the enforcement of
13 statutes and ordinances that prohibit camping or habitation in
14 those areas.

15 This Act is intended to address the first part of the
16 strategy: to make available more emergency and transitional
17 shelter space funded in a cost-effective manner. More
18 specifically, this Act:



- 1 (1) Provides that emergency shelters shall comply with
2 certain minimum requirements that meet basic needs and
3 preferences of homeless families and individuals. By
4 doing so, the legislature intends that the shelters be
5 more appealing to homeless families and individuals;
- 6 (2) Requires homeless shelter stipend payments to be made
7 based on performance measures that are actually
8 achieved. The legislature intends that this
9 requirement incentivize emergency and transitional
10 shelter providers to actually provide shelter to more
11 homeless families and individuals;
- 12 (3) Repeals the automatic annual adjustment of the
13 homeless stipend amount. The legislature intends that
14 any adjustment of the stipend amount shall be subject
15 to the contract between the department of human
16 services and the provider agency;
- 17 (4) Revises existing provisions on the establishment and
18 collection of shelter and service payments by a
19 provider agency from homeless families and
20 individuals; and



1 (5) Requires each provider agency to submit a financial
2 audit to the department at least annually.

3 SECTION 2. Chapter 346, Hawaii Revised Statutes, is
4 amended by adding a new section to part XVII to be appropriately
5 designated and to read as follows:

6 "§346- Emergency shelter; minimum requirements. (a)
7 This section shall apply to every emergency shelter operated by
8 a provider agency that is under contract with the department to
9 receive homeless shelter stipends for providing shelter and
10 services to homeless families or individuals at the emergency
11 shelter.

12 (b) The department shall require an emergency shelter to
13 comply with the following:

14 (1) The shelter shall have the number of showers and
15 bathrooms that the department deems appropriate and
16 sufficient for the number of homeless families or
17 individuals that use the shelter and the capacity of
18 the shelter. The showers and bathrooms may be part of
19 the shelter building or portable and unattached to the
20 shelter building;



- 1 (2) The shelter shall have partitioned space for each
2 homeless family or individual that provides separation
3 from other homeless families or individuals in the
4 shelter. The minimum area of the partitioned space
5 and height of the partition shall be determined by the
6 department and may differ among transitional shelters,
7 according to the number of homeless families or
8 individuals that use the shelter and the capacity of
9 the shelter. A shelter that provides separate rooms
10 or portable dwelling units for homeless families or
11 individuals, including converted shipping containers
12 or school classrooms, shall be deemed to exceed this
13 minimum requirement; and
- 14 (3) The shelter shall provide storage for the personal
15 possessions of each homeless family or individual
16 served by the shelter. The storage shall be securable
17 by the homeless family or individual. The type and
18 number of the storage equipment, space, or area shall
19 be determined by the department.
- 20 (c) The department may require an emergency shelter to
21 comply with any other requirements that the department deems



1 appropriate or necessary. The requirements established by the
2 department may vary among emergency shelters.

3 (d) A provider agency contracted to operate or manage an
4 emergency shelter not owned by the department shall comply with
5 the minimum requirements of subsection (b). The provider agency
6 shall bear all costs of compliance, unless the department
7 provides or contributes state funding assistance; provided that
8 the state funding assistance shall be:

9 (1) In addition to homeless shelter stipends paid to the
10 provider agency under section 346-374;

11 (2) Subject to the availability of legislative
12 appropriations; and

13 (3) Recoverable, in whole or part, by the department if
14 the provider agency does not perform satisfactorily
15 under or for the duration of the term of its contract
16 with the department to operate or manage the shelter.

17 (e) Any emergency shelter owned by the department shall
18 comply with the minimum requirements under subsection (b),
19 regardless of whether the department contracts with a provider
20 agency to manage or operate the emergency shelter."



1 SECTION 3. Section 346-361, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending the definition of "emergency shelter" to
4 read:

5 "Emergency shelter" means a homeless facility designed to
6 provide temporary shelter and appropriate and available services
7 to homeless families or individuals for a specified period of
8 time ~~[]~~ who are not able to stay in a transitional shelter or
9 reside in a dwelling unit."

10 2. By amending the definition of "homeless shelter
11 stipend" to read:

12 "Homeless shelter stipend" means a payment to a provider
13 agency ~~[or to]~~ from the department ~~[on behalf of]~~ to provide
14 temporary shelter and appropriate services for a homeless family
15 or individual ~~[to assist with the costs of operating]~~ at a
16 homeless facility ~~[and providing appropriate services.]~~ operated
17 or managed by the provider agency."

18 3. By amending the definition of "transitional shelter" to
19 read:

20 "Transitional shelter" means a homeless facility designed
21 to provide temporary shelter and appropriate and available



1 services for a maximum of twenty-four months to homeless
2 families or individuals [~~for up to twenty-four months, pursuant~~
3 ~~to rule.~~] qualified by the pertinent provider agency or
4 department to stay in the transitional shelter."

5 SECTION 4. Section 346-371, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "[-]§346-371[+] Annual [~~performance audits.~~] financial
8 audit. (a) The department shall require any provider agency
9 that dispensed shelter or assistance for any homeless facility
10 or any other program for the homeless authorized by this part to
11 submit to the department a financial audit [~~and report~~] when
12 requested, but [~~no later than every three years.~~] at least
13 annually. The audit shall be conducted by a certified public
14 accounting firm. This audit [~~and report~~] shall contain
15 information specific to the funds received under state homeless
16 program contracts. The audit shall include recommendations to
17 address any problems found.

18 (b) Continuing contracts with provider agencies to
19 participate in any program for the homeless authorized by this
20 part shall require that the provider agency address the



1 recommendations made by the [~~auditing agency,~~] audit, subject to
2 exceptions as set by the department.

3 (c) Failure to carry out the recommendations made by the
4 [~~auditing agency~~] audit may be grounds for the department to bar
5 a provider agency from further contracts for programs authorized
6 by this part until the barred provider has addressed all
7 deficiencies."

8 SECTION 5. Section 346-374, Hawaii Revised Statutes, is
9 amended to read as follows:

10 " ~~[+]§346-374[+] Homeless shelter stipends. [(a) The~~
11 ~~stipend limits per shelter unit of zero bedrooms shall be~~
12 ~~adjusted by the department annually on the first day of July~~
13 ~~pursuant to standards established by rule, which may consider~~
14 ~~changes in the cost of operating homeless facilities, the fair~~
15 ~~market rents, the consumer price index, or other relevant~~
16 ~~factors. A "shelter unit of zero bedrooms" means a living unit~~
17 ~~that is a studio unit or a single room occupancy unit. The~~
18 ~~homeless shelter stipend at transitional shelters for larger~~
19 ~~shelter units shall be proportional to the difference in unit~~
20 ~~size.~~



1 ~~(b)~~ (a) The department may make or may contract to make
2 homeless shelter stipend payments ~~[on behalf of one or more~~
3 ~~homeless families or individuals]~~ to a provider agency operating
4 or managing an emergency or transitional shelter ~~[or, if the~~
5 ~~department itself operates and manages a homeless facility, to~~
6 ~~the department in amounts and under circumstances as provided by~~
7 ~~rule. The contract may specify a minimum total amount of~~
8 ~~homeless shelter stipends to be received by a provider agency~~
9 ~~for making its shelter and services available to eligible~~
10 ~~homeless families or individuals]~~. Under each contract, the
11 department shall pay homeless shelter stipends only for
12 performance measures actually achieved by the provider agency,
13 such as the number of homeless families or individuals actually
14 provided with shelter and appropriate services at the emergency
15 or transitional shelter. The contract also may include
16 provisions for the automatic adjustment of the homeless shelter
17 stipend amounts, depending on factors agreed to by the
18 department and provider agency.

19 ~~(e)~~ (b) In making homeless shelter stipend payments to a
20 provider agency, the department may establish minimum services
21 to be provided by the provider agency to homeless families or



1 individuals at the provider agency's shelter. The department
2 may also direct provider agencies to establish and manage a
3 savings account program as described in subsection ~~[(d)]~~ (c).
4 Additionally, the department may direct provider agencies to
5 subcontract for outreach services from other private agencies
6 specializing in programs for the unsheltered homeless.

7 ~~[(d) Provider agencies and]~~ (c) When authorized under a
8 contract with the department, a provider agency may establish
9 and collect shelter and services payments from homeless families
10 or individuals in addition to the amount received in homeless
11 shelter stipend payments [pursuant to rule]. To the extent
12 possible, the shelter and service payment amounts established
13 and collected by a homeless facility, other than an emergency
14 shelter, shall be based on the homeless families' and
15 individuals' ability to pay. If collection of payments based on
16 ability to pay is too difficult, costly, or inefficient for the
17 provider agency, the payment amounts may be based on other
18 criteria authorized under the contract or waived partially or
19 entirely.

20 Provider agencies and the department may also set aside a
21 portion of the payments in a savings account to be made

1 available to homeless families or individuals when these
2 families and individuals vacate the shelter.

3 (d) Any state funding assistance provided to a provider
4 agency for compliance with the minimum requirements under
5 section 346- (b) shall be in addition to homeless shelter
6 stipends paid to the provider agency."

7 SECTION 6. (a) For the purpose of this section,
8 "emergency shelter", "provider agency", and "transitional
9 shelter" mean the same as defined under section 346-361, Hawaii
10 Revised Statutes.

11 (b) Each contract that takes effect after June 30, 2017,
12 between the department of human services and a provider agency
13 for the operation or management of an emergency or transitional
14 shelter shall comply with this Act. This requirement shall
15 apply whether the contract is entered into, renewed, or extended
16 before or after June 30, 2017.

17 (c) Beginning July 1, 2016, the department of human
18 services shall work with provider agencies to implement this
19 Act.

20 SECTION 7. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 8. This Act shall take effect on July 1, 2017;
2 provided that section 6 shall take effect on July 1, 2016.

APPROVED this day of , 2016

GOVERNOR OF THE STATE OF HAWAII