
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;



- 1 (5) Requires each provider agency to submit a financial
2 audit to the department at least annually;
- 3 (6) Establishes and funds positions for the department of
4 human services to assist in the operation of the
5 homeless program; and
- 6 (7) Appropriates general funds for the establishment or
7 improvement of homeless shelter space or expenditure
8 on other non-recurring costs.

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

12 "§346- Emergency shelter; minimum requirements. (a)
13 This section shall apply to every emergency shelter operated by
14 a provider agency that is under contract with the department to
15 receive homeless shelter stipends for providing shelter and
16 services to homeless families or individuals at the emergency
17 shelter.

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

20 (1) The shelter shall have the number of showers and
21 bathrooms that the department deems appropriate and



1 sufficient for the number of homeless families or
2 individuals that use the shelter and the capacity of
3 the shelter. The showers and bathrooms may be part of
4 the shelter building or portable and unattached to the
5 shelter building;

6 (2) The shelter shall have partitioned space for each
7 homeless family or individual that provides separation
8 from other homeless families or individuals in the
9 shelter. The minimum area of the partitioned space
10 and height of the partition shall be determined by the
11 department and may differ among transitional shelters,
12 according to the number of homeless families or
13 individuals that use the shelter and the capacity of
14 the shelter. A shelter that provides separate rooms
15 or portable dwelling units for homeless families or
16 individuals, including converted shipping containers
17 or school classrooms, shall be deemed to exceed this
18 minimum requirement; and

19 (3) The shelter shall provide storage for the personal
20 possessions of each homeless family or individual
21 served by the shelter. The storage shall be securable



1 by the homeless family or individual. The type and
2 number of the storage equipment, space, or area shall
3 be determined by the department.

4 (c) The department may require an emergency shelter to
5 comply with any other requirements that the department deems
6 appropriate or necessary. The requirements established by the
7 department may vary among emergency shelters.

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

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

16 (2) Subject to the availability of legislative
17 appropriations; and

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



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

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

7 1. By amending the definition of "emergency shelter" to
8 read:

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

14 2. By amending the definition of "homeless shelter
15 stipend" to read:

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



1 3. By amending the definition of "transitional shelter" to
2 read:

3 "Transitional shelter" means a homeless facility designed
4 to provide temporary shelter and appropriate and available
5 services for a maximum of twenty-four months to homeless
6 families or individuals [~~for up to twenty four months, pursuant~~
7 ~~to rule.~~] qualified by the pertinent provider agency or
8 department to stay in the transitional shelter."

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

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



1 (b) Continuing contracts with provider agencies to
2 participate in any program for the homeless authorized by this
3 part shall require that the provider agency address the
4 recommendations made by the ~~[auditing agency,]~~ audit, subject to
5 exceptions as set by the department.

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

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

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



1 ~~shelter units shall be proportional to the difference in unit~~
2 ~~size.~~

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



1 ~~[(e)]~~ (b) In making homeless shelter stipend payments to a
2 provider agency, the department may establish minimum services
3 to be provided by the provider agency to homeless families or
4 individuals at the provider agency's shelter. The department
5 may also direct provider agencies to establish and manage a
6 savings account program as described in subsection ~~[(d)-]~~ (c).
7 Additionally, the department may direct provider agencies to
8 subcontract for outreach services from other private agencies
9 specializing in programs for the unsheltered homeless.

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



1 criteria authorized under the contract or waived partially or
2 entirely.

3 Provider agencies and the department may also set aside a
4 portion of the payments in a savings account to be made
5 available to homeless families or individuals when these
6 families and individuals vacate the shelter.

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

11 SECTION 6. (a) For the purpose of this section,
12 "emergency shelter", "provider agency", and "transitional
13 shelter" mean the same as defined under section 346-361, Hawaii
14 Revised Statutes.

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



1 (c) From the effective date of this section, the
2 department of human services shall work with provider agencies
3 to implement this Act.

4 SECTION 7. There is established in the department of human
5 services 2.0 permanent full-time equivalent (2.0 FTE) program
6 specialist IV positions to assist in the operation of the
7 homeless program.

8 SECTION 8. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$117,471 or so much
10 thereof as may be necessary for fiscal year 2016-2017 for the
11 personal services costs of the program specialist IV positions
12 established under section 7.

13 The sum appropriated shall be expended by the department of
14 human services for the purposes of this Act

15 SECTION 9. (a) Subject to subsection (b), there is
16 appropriated out of the general revenues of the State of Hawaii
17 the sum of \$5,000,000 or so much thereof as may be necessary for
18 fiscal year 2016-2017 for the establishment or improvement of
19 emergency and transitional shelters for the homeless and funding
20 of other non-recurring costs for projects or programs to assist
21 homeless families and individuals.



1 The sum appropriated shall be expended by the department of
2 human services for the purposes of this Act.

3 (b) The appropriation under subsection (a) shall be
4 effective only if Senate Bill No. 2558 of the Regular Session of
5 2016 or other legislation is enacted to reduce the general fund
6 appropriation in section 3 of Act 202, Session Laws of Hawaii
7 2015, by at least \$5,000,000.

8 (c) Notwithstanding any law to the contrary, the
9 appropriation under this section shall not lapse at the end of
10 fiscal year 2016-2017; provided that any unexpended and
11 unencumbered balance of the appropriation under this section
12 shall lapse on June 30, 2020.

13 (d) The department of human services shall submit an
14 interim report to the legislature and governor on the actual and
15 planned expenditures of the appropriation under this section.
16 The report shall list the projects, programs, and expenditures
17 that are planned or have been made as of December 31, 2016. The
18 report shall be submitted by no later than January 30, 2017.

19 (e) The department of human services shall submit a final
20 report to the legislature and governor on the expenditures of
21 the appropriation under this section. The report shall list the



1 projects, programs, expenditures, and encumbrances that are
2 planned or have been made as of June 30, 2017. If any amount of
3 the appropriation is lapsed on June 30, 2017, the department
4 shall provide the reason for allowing the portion of the
5 appropriation to lapse. The department shall submit the report
6 by no later than September 30, 2017.

7 SECTION 10. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 11. This Act shall take effect on July 1, 2017;
10 provided that sections 6, 7, 8, and 9 shall take effect on July
11 1, 2016.



Report Title:

Homeless Shelters; Requirements; Appropriation

Description:

Establishes minimum requirements for emergency shelters. Requires homeless shelter stipends to be paid for achievement of performance measures. Repeals the automatic annual adjustment of homeless shelter stipend amounts. Revises existing provisions on the establishment and collection of shelter and service payments from homeless families and individuals. Requires homeless service provider agencies to submit a financial audit to the department of human services at least annually. Establishes and funds 2.0 FTE positions to assist in the implementation of the homeless shelter program. Appropriates general funds for homeless shelters and other non-recurring costs, contingent upon the reduction of an appropriation to the emergency and budget reserve fund in fiscal year 2014-2015. (SD1 Proposed)

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