



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

March 18, 2016

TO: The Honorable Representative Dee Morikawa, Chair
House Committee on Human Services

FROM: Rachael Wong, DrPH, Director

SUBJECT: **SB 2559 SD1 – RELATING TO HOMELESSNESS**

Hearing: Tuesday, March 22, 2016, 10:00 a.m.
Conference Room 329, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this proposed bill and offers comments and additional information about the possible implications of the proposed changes to the existing system of care.

PURPOSE: The purpose of this measure is to establish minimum requirements for emergency shelters, and require homeless shelter stipends to be paid for achievement of performance measures; repeal automatic annual adjustments of stipend amounts, and revises existing provision on the establishment and collection of shelter service payments from homeless individuals and families; require homeless service providers to submit annual financial audits to the state; establish 2.0 FTE to assist in the implementation of the shelter program; and appropriate 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 2014-15.

DHS is aware that our existing homeless shelter inventory must be better utilized. Our current contracts with providers are based on a set contract amount in order to ensure that shelter spaces are available when needed. Changes to payment formulas based on achievement of performance measures (versus set or guaranteed payments) can be implemented via contract, and DHS is exploring mechanisms to operationalize these changes. It should be noted that due to

budget constraints, the Homeless Programs Office has not increased shelter stipends on an annual basis since approximately 2010.

One possible unintended consequence of basing shelter stipends solely on performance measure/outcome is that shelters may feel the need to "cherry pick" clients to increase the odds of achieving positive permanent housing discharges (for example). This would be detrimental to the homeless individuals and families whose needs are more complex and challenging. Those with more complex needs may be overlooked for service in favor of clients with fewer or less complicated needs.

The collection of shelter fees or payments by clients is a substantial form of operational income for provider agencies. DHS does its best to ensure that fees remain reasonable and fair. The Department has no objection to re-examining the issue of shelter fees paid by clients.

DHS and our State's two Continua of Care (Partners in Care on Oahu and Bridging the Gap for the neighbor islands) have been working diligently to create a Coordinated Entry System that is capable of addressing the needs of homeless individuals and families that might range from permanent supportive housing (Housing First level of care), to Rapid Rehousing, and mainstream benefits. Collectively, our shelter inventory has been added to our Coordinated Entry resources, and we expect that the integration will be complete within the next year. This means that our coordinated system will be better able to help clients that need Housing First level of care to be admitted to permanent supportive housing.

Those that need shelter services (for example while awaiting Rapid Rehousing assistance) will be matched with an appropriate shelter placement, all with the long term goal of achieving permanent housing. Those individuals and families that require only mainstream resources will be assisted through improved employment or other eligible benefit programs. It is anticipated that the Coordinated Entry System will mitigate some of the potential "cherry picking" as noted above, and will promote the more efficient use of existing shelter inventory.

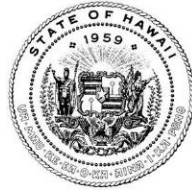
Additionally, the Governor has requested \$3 million for the Housing First program, \$2 million for additional homeless outreach efforts, and \$2 million for a Rapid Re-Housing Program. However, those amounts were deleted from HB1700 HD1. The Department asks for the Legislature's support of the Executive Budget as requested funding/programs will assist in achieving the objectives detailed in the proposed SD1.

Additional outreach resources will engage more unsheltered homeless individuals and families. Rapid rehousing funds will help those who are in shelters move more quickly and efficiently from shelter to permanent housing, thereby creating "flow" to allow others to benefit from shelter services.

The continuation of the Housing First program will ensure that those clients who need more long term help (housing and supportive services) than is provided in shelter, are housed as quickly as possible. The Executive budget also includes a request for 2.0 FTE for the Homeless Programs Office, and the Department asks that the Legislature support the Executive Budget request.

Regarding Section II, the Department notes that minimum requirements for emergency shelters as detailed in the proposed bill may be challenging to achieve. DHS appreciates the Legislature authorizing DHS to use discretion in establishing standards for emergency shelters.

Thank you for the opportunity to testify on this bill.



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

March 22, 2016

TO: The Honorable Representative Dee Morikawa, Chair
House Committee on Human Services

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: SB 2559 SD1– RELATING TO HOMELESSNESS

Hearing: Tuesday, March 22, 2016, 10:00 a.m.
Conference Room 329, State Capitol

POSITION: The Governor's Coordinator on Homelessness appreciates the intent of this measure, as it addresses key components of the state's efforts to address homelessness, and supports Section 9, as a similar request for two FTE positions within the Department of Human Services (DHS) Homeless Programs Office is in the Executive Budget. The Coordinator asks the Legislature to support the Executive Budget request for the positions to become part of the DHS base budget to promote program continuity and capacity.

The Coordinator defers to DHS in regard to issues relating to the administration and oversight of homeless programs, including shelters. While the Coordinator establishes and coordinates state policy to address homelessness, the DHS Homeless Programs Office is responsible for the administration and implementation of homeless programs.

PURPOSE: The purpose of the measure is to establish minimum requirements for emergency shelters, require homeless shelter stipends to be paid for achievement of performance measures, repeal the automatic annual adjustment of homeless shelter stipend amounts, revise 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 DHS at least annually, and establish 2.0 FTE positions to assist in the implementation of the homeless shelter program. The bill would also appropriate 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.

The Coordinator notes that the 2015 Point in Time (PIT) count estimated that there are 7,620 homeless individuals statewide on any given night, including an estimated 3,777 (49.5%) who are sheltered. However, according to the 2015 Housing Inventory Count (HIC) issued by the U.S. Department of Housing & Urban Development (HUD), there are a total of 4,363 shelter beds statewide. Based upon 2015 PIT and HIC estimates, there may be as many as 586 shelter beds that are empty on a given night, despite the fact that the number of unsheltered homeless individuals statewide has increased by 23% between 2014 and 2015.

According to feedback from homeless service providers and individuals experiencing homelessness, the lack of privacy and lack of amenities (i.e. showers or lockers, etc.) are sometimes disincentives for shelter entry. Other disincentives identified by homeless individuals include shelter fees, and the inability of shelters to accept pets. The Coordinator notes that HPO regularly monitors shelter performance across all contracted providers, and is in the process of preparing a new Request for Proposals (RFP) for shelter services, which is expected to be released later this spring. The RFP is intended to encourage greater efficiency throughout the shelter system, and is expected to result in the maximization of shelter spaces to better serve Hawaii's growing number of unsheltered individuals and families.

The Coordinator notes that the administration and DHS are in the process of transitioning Hawaii's system of care to a 'Housing First' oriented system, which emphasizes permanent housing, the use of evidence-based practices, and the removal of barriers that prevent homeless individuals from accessing services. This movement towards a new system of care will be reflected in the upcoming RFP, but is also reflected in the Governor's Executive Budget request, which includes funding for Housing First, Rapid Re-Housing, and increased funding for homeless outreach. Another example of the state's movement to a new system of care is the recent execution of a \$5 million contract with Aloha United Way to implement a Coordinated Statewide Homelessness Initiative (CSHI). The CSHI will address the immediate need for services by directing \$4.67 million for evidence-based Rapid Re-Housing services that will assist an estimated 1,390 households statewide over the next 12-months. In addition, the

CSHI will strengthen the capacity of Aloha United Way's 2-1-1 system to connect homeless individuals more quickly to permanent housing, and will include long-term strategic planning and research around the needs of specific vulnerable homeless sub-populations, such as unaccompanied youth and individuals with chronic medical conditions. Through this comprehensive approach, the administration aims to reduce the number of unsheltered homeless families, and to increase the percentage of homeless households that transition out of shelter to permanent housing.

Thank you for the opportunity to testify on this bill.

TESTIMONY AGAINST SENATE BILL 2559 : RELATING TO HOMELESS SHELTERS

TO: Representative Mark J. Hashem, Chair, and Representative Justin H. Woodson, Vice Chair, and Members, Committee on Housing

FROM: Maude Cumming, Executive Director, Family Life Center (Maui)

Hearing: Tuesday

Sen. Jill Tokuda; Sen. Donovan Cruz; Sen. Kalani English; Sen. Brickwood Galuteria; Sen. Lorraine Inouye; Sen. Michelle Kidani; Sen. Ron Kouchi; Sen. Rosalyn Baker; Sen. Clarence Nishihara

Thank you for the opportunity to provide testimony on SB 2559. I am Maude Cumming, Executive Director of Family Life Center on the island of Maui. Family Life Center **does not** support this bill.

On Maui, Family Life Center provides Emergency Shelter services to up to 50 individuals daily. Of particular concern is Section 2 (2) “the shelter shall have partitioned space for each homeless family or individual that provides separation from other homeless families or individuals.” Family Life Center offers the only low barrier emergency shelter on Maui. Individuals are often active substance users, have severe mental illness and other conditions that make it difficult to access the other shelter on Maui. Family Life Center provides shelter in two separate areas – one area for males (capacity 15 individuals), and one area for women and children (capacity 35 individuals.) If partitioned space were to be required, due to limited space, ventilation and other concerns, Family Life Center would have to reduce the daily numbers served by 50% - to only 25 individuals daily. Essentially the male shelter space would be closed as the space does dual duty as a dining area. On a daily basis a lottery is held if there are more individuals than the space can accommodate.

Family Life Center also could not underwrite the cost of installing partitions. The current level of funding provided by State of Hawaii funds is insufficient to support shelter operations. FLC regularly seeks funding from other sources in order to provide essential services.

We urge you to reconsider this bill and study each shelter before making unilateral decisions that would adversely affect shelter operations and reduce services to homeless individuals.



PARTNERS IN CARE
Oahu's Coalition of Homeless Providers

TESTIMONY Commenting on SB 2559 SD1: RELATING TO ESTABLISHING MINIMUM STANDARDS FOR SHELTERS

TO: Senator Tokuda, Senator Dela Cruz, Senator English, Senator Galuteria, Senator Inouye, Senator Kidani, Senator Kouchi, Senator Baker, Senator Nishihara

FROM: Greg Payton, Chair of Advocacy Committee Partners In Care

Hearing: Tuesday, 03-22-16 10:00AM in House conference room 329

Thank you for the opportunity to provide written testimony **in commenting on SB 2559 SD1**, which establishes minimum requirements for emergency shelters, including: the requirement for 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; and requires homeless service provider agencies to submit a financial audit to the department of human services at least annually. I am Greg Payton, Chair of the Legislative Advocacy Committee for Partners in Care, Oahu's Continuum of Care.

Partners In Care understands the intent of SB 2559 SD1, which is to maximize homeless shelter occupancy as well as to standardize the management of homeless shelters. There are two main concerns that Partners In Care wants to address. First, Partners In Care urges the understanding of the difference between emergency shelter and transitional shelters. Emergency shelters, as the name suggests, are intended for families with children, and individuals needing emergent medical or other care. Transitional shelters have been discouraged by the HUD Hearth Act (funding source for Continuums of Care such as Partners In Care), with the focus toward "bridge" housing that results in permanent housing.

Second, Partners In Care suggests that for SB2559, SD1, the funding be used to improve the physical infrastructure of shelters, and additional staffing. Reason: Partners In Care (and neighbor islands' Bridging the Gap) is already expected to begin monitoring as part of HUD Hearth Act funding. The State's two Continuums of Care service providers will collaborate to publish a routine report to stakeholders, such as the Legislature, delineating outcomes and impact that resulted from the investment of funds to support the delivery and evaluation of homeless services throughout the State. The routine reports will include the following information:

- 1) Establish reporting capacity from data extracted from the Homeless Management of Information system (HMIS).
- 2) Provide cost utilization reports from DHS, DOH and DPS data for the purposes of evaluating impact of all permanent supportive housing programs, including but not limited to Housing First; homeless prevention and Rapid Rehousing programs.
- 3) Establishing capacity to facilitate broad coordinated entry into the homeless service system, using the new HMIS to monitor bed capacity and occupancy data.
- 4) Coordinate triage, intake and assessment, outreach, shelter and housing services by integrating existing efforts through the HMIS, including: database enhancements to produce day-to-day coordination of all contracted outreach teams; training for those team and community volunteers; management of "by-name lists" of homeless persons screened with the VISPDAT or F-SPDAT; and eligibility determination for appropriate housing and employment resources.

Thank you for hearing and considering this important bill to help end homelessness. Please contact me at (808) 529-4554 if you have any questions.



The Institute for Human Services
Ending the Cycle of Homelessness

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March 22, 2016

Kimo K. Carvalho
546 Kaaahi Street
Honolulu, HI 96817

RE: IHS TESTIMONY REQUESTING REVISIONS TO SB2559-SD1
RELATING TO HOMELESS SHELTERS

Honorable Chair Dee Morikawa and Bertrand Kobayashi,

While we support the bill's intent, as it currently stands, IHS is opposed to several parts of this bill due to unintended consequences. We propose the following amendments be made:

1. Ref. Page 4, lines 6-18: RE: Emergency Shelter; Minimum Requirements, Section (2) – IHS proposes the committee remove the language about requirements for partitions and substitute this language to state "The shelter shall provide for privacy consistent with intent and type of shelter, and invite guests input to improve the habitable environment as appropriate and to which it can be afforded."

The language proposed on page 4, section (2), and lines 6-18 proposes partitions throughout our emergency shelters that would reduce the capacity of people needing emergency shelter by at least 50%. At our current maximum capacity, IHS emergency shelters are able to host 208 single men, 80 single women, 102 family individuals and 14 infant cribs.

- Under the bill's language, partitions would require IHS to reduce its capacity from a total 404 individuals to 145 across all dormitories.
- Under public enforcement statutes and ordinances, IHS would not be able to accommodate both the City and State to take in as many people as we have, such as the Kakaako effort where we took in nearly half the encampment totaling 48 individuals during that 3-week period, and have continued to accommodate more individuals from Kakaako since.
- It does not allow IHS to accommodate individuals in emergency crisis situations when they simply need a safe place to stay temporarily.
- It would affect our neighbor island partners, such the Maui Family Life Center, where reducing their capacity by 50% would result in closing their men's shelter since it would not be sufficient to pay for their supervising staff.

2. Ref. Section (5) Page 9, lines 12-20 RE: Homeless Shelter Stipends – IHS proposes the committee take a more collaborative approach. PIC shelter providers are in the process of developing performance standards which have been informed by our experience in the Hawaii Community Foundation Housing ASAP initiative for homeless families. IHS proposes this section be replaced with the following language:

"With the Legislature's funding support for homeless initiatives the State Homeless Programs Office, and the State's two Continuums of Care service providers will collaborate to publish a

Report to the Legislature delineating outcomes and impact that resulted from the investment of funds for infrastructure development to support the delivery and evaluation of homeless services throughout the State. Such investments will include contracting for the capacity to:

- 1) Establish reporting capacity from data extracted from the Homeless Management of Information system (HMIS)
- 2) Provide cost utilization reports from DHS, DoH and DPS data for the purposes of evaluating impact of all permanent supportive housing programs, including but not limited to Housing First; homeless prevention and Rapid Rehousing programs
- 3) Establishing capacity to facilitate broad coordinated entry into the homeless service system
- 4) Coordinate triage, intake and assessment, outreach, shelter and housing services by integrating existing efforts. These might include database enhancements to produce day-to-day coordination of all contracted outreach teams, training for those team and community volunteers, and management of "by-name lists" of homeless persons screened with the VISPDAT or F SPDAT and eligibility determination for appropriate housing and employment resources."

Monitoring should be thoughtful and based on acuity and complexity of individuals and families served. Monitors shall develop tools that take into consideration these assessment measures and case management needs vs. only body counts.

Those of us who must meet quality standards because we are accredited and undergo an annual external audit should be given deemed status with satisfactory reports annually. Furthermore, if the right data is being collected ongoing and information is readily available, there is little need for comprehensive onsite monitoring for such operations.

3. Section 9, starting Page 12 RE: funding for facility renovation costs – IHS proposes this \$5,000,000 be better utilized to build out the HMIS database system at the cost of \$700,000. This information would better allow homeless service providers the ability to generate a more robust reporting standard in order to provide the legislature and other stakeholders with reports that account for the complexity and fairness of our work.

Any questions, please feel free to contact me at 808-447-2845 or email KimoC@IHS-Hawaii.org

Mahalo,

Kimo K. Carvalho
Director of Community Relations
IHS, The Institute for Human Services, Inc.

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