



EXECUTIVE CHAMBERS
HONOLULU

February 11, 2021

TO: The Honorable Representative Ryan I. Yamane, Chair
House Committee on Health, Human Services, and Homelessness

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

SUBJECT: **HB 729 – RELATING TO HOMELESSNESS**

Hearing: Thursday, February 11, 2021, 9:30 a.m.
VIA VIDEO CONFERENCE
Conference Room 329, State Capitol

POSITION: The Governor's Coordinator appreciates the intent of this bill and offers comments. The Coordinator defers to DHS regarding the impact of this measure on the Medicaid program.

PURPOSE: The purpose of this bill is to reallocate moneys to fund and administer core homelessness services (HMS 224), including the housing first program, rapid re-housing program, family assessment centers, and homeless outreach and civil legal services.

The need to sustain core homeless programs in light of the COVID-19 pandemic is critical. After several years of steady increases between 2009 and 2016, the statewide implementation of housing first, rapid rehousing, and other core homeless services contributed to an over 18% decrease in the statewide Point in Time (PIT) count over the past five years. In addition, over the past five years, core homeless services contributed to an increase in the rate of individuals exiting homeless services to permanent housing – from one-third in 2017 and prior to over-half in 2018, 2019, and 2020.

The core homeless services are currently included in the executive budget and had previously been funded year to year. The funding levels that had been requested for these programs is as follows:

- Housing First: \$3,750,000.00
- Rapid Re-Housing: \$3,750,000.00
- Family Assessment Centers: \$1,550,000.00
- Homeless Outreach and Civil Legal Services: \$1,750,000.00

The Coordinator appreciates the Legislature's efforts to sustain core homeless services using Medicaid funds, and notes that DHS recently obtained a waiver to provide certain supportive housing services through the QUEST integration health plans. The five QUEST integration health plans have established Housing Coordinator positions to coordinate supportive housing services and are actively participating with the Continua of Care (CoCs) for homeless services.

A key limitation of the waiver for supportive services is that Medicaid funds cannot fund rent payment or shelter. As a result, Medicaid funds will likely not be able to support the family assessment centers, or programs such as housing first or rapid rehousing. In addition, many homeless service providers may not currently be credentialed or have procedures in place to bill Medicaid for services. Due to these limitations, DHS and homeless service providers may need more time for implementation, and the bill may have unintended adverse impacts as currently drafted.

If this measure proceeds, the Coordinator suggests that the effective date be extended to provide further time for DHS to implement the Medicaid waiver, and to assess potential adverse impacts on funding for homeless services.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES, &
HOMELESSNESS
ON
HOUSE BILL NO. 729

February 11, 2021
9:30 a.m.
Via Videoconference

RELATING TO HOMELESSNESS

The Department of Budget and Finance (B&F) offers comments on House Bill (H.B.) No. 729.

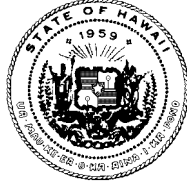
H.B. No. 729 reallocates an undetermined amount of general revenues appropriated for an unidentified program ID of Medicaid in FY 22 in the General Appropriations Act of 2021 to HMS 224, Homeless Services, in undetermined amounts to be used for the Housing First Program, the Rapid Re-Housing Program, family assessment centers, and homeless outreach and legal services.

B&F has concerns with the broad reallocation of general funds appropriated by the General Appropriations Act of 2021. We believe it would be more appropriate to make an adjustment to the Executive Budget instead. Furthermore, the Executive Budget bill for FB 2021-23 (H.B. No. 200) already includes funding in HMS 224's base budget for the referenced items in both FY 22 and FY 23 in the following amounts:

- \$3,750,000 for the Housing First Program.
- \$3,750,000 for the Rapid Re-Housing Program.
- \$1,550,000 for family assessment centers.
- \$1,750,000 for homeless outreach and legal services.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

February 10, 2021

TO: The Honorable Representative Ryan I. Yamane, Chair
House Committee on Health, Human Services, & Homelessness

FROM: Cathy Betts, Director

SUBJECT: **HB 729 – RELATING TO HOMELESSNESS.**

Hearing: Thursday, February 11, 2021, 9:30 a.m.
Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill and offers comments. Appropriations for these services are currently within the Executive Budget bill HB 200 for program ID HMS 224. DHS appreciates the forethought that if these appropriations are deleted from the budget bill that a vehicle exist to maintain appropriations for these important homeless services.

PURPOSE: The purpose of this bill is to reallocate moneys to fund and administer core homelessness services (HMS 224), including the housing first program, rapid re-housing program, family assessment centers, and homeless outreach and civil legal services.

DHS appreciates the need to sustain homeless programs and homeless services. Since implementing Housing First, Rapid Re-housing, and other critical homeless services, there has been a decrease in the statewide homelessness as indicated by the last 5 Point in Time counts.

However, the demand for homeless services is expected to significantly increase due to the economic impact of the COVID-19 pandemic, and it will be critical to preserve existing homeless services as well as necessary staff positions to administer contracts and services during state fiscal years 2021-2022 and 2022-2023.

Following the economic recession of 2009, there were measurable increases in the number of homeless individuals and homeless students attending Department of Education schools. A key factor contributing to the increase between 2009 and 2016 was a reduction in funding for social services and state staff to administer homeless programs. It is critical to sustain both current funding and staffing levels to minimize adverse impacts of the pandemic on homelessness.

A larger increase is projected following the COVID-19 pandemic given the increased rates of unemployment and the uncertain timeframe for economic recovery. The increase in homelessness is expected to impact both single adults and families with minor children, and the increase is expected to occur over a period of several years as opposed to a one-time spike.

The State's approach to homeless services is founded on the Housing First model as codified in section 346-378, Hawaii Revised Statutes. The Housing First model emphasizes placement in permanent housing first, and then addressing the other needs of the individual and family to maintain housing stability, through access to public services, employment, civil legal services, and appropriate healthcare.

DHS also appreciates the strong connection between health and housing. Indeed, recognizing that connection, Med-QUEST Division (MQD) applied for and received a waiver in 2019 to provide housing supports for individuals facing homelessness or at risk for homelessness. In the waiver submission, MQD requested broad flexibility to fund a wide range of homeless services; however, ultimately, not all such funding flexibilities were approved by the Centers for Medicare and Medicaid Services (CMS). The waiver flexibilities that were granted do allow Medicaid funding for tenancy-supports that help people obtain and retain housing. Implementation of the approved waiver is already underway with the QUEST Integration health plans hiring housing coordinators and engaging with the Continua of Care for homeless services.

As noted above, the Medicaid waiver has several limitations regarding the funding of homeless services. Most notably, neither rent payments nor shelter are allowable Medicaid

expenditures. For these reasons, no federal Medicaid match can be used for Housing First, Rapid Re-housing the Family Assessment Centers, or similar programs.

If, per the bill, Medicaid general funds (HMS 401) are allocated to homeless programs, Medicaid's general fund budget need would be increased by the equivalent amount allocated to the homeless programs. For example, currently Med-QUEST is projecting a \$12,000,000 shortfall for next state fiscal year largely due to the more than 20 percent growth in Medicaid enrollment over the past year. If \$10,000,000 were taken from the Medicaid budget and allocated to homeless programs, the Medicaid budget shortfall would increase to \$22,000,000. While MQD has proposed using the sustainability programs to address the projected shortfall, those would be insufficient to cover the homeless programs' funding in addition to the Medicaid program shortfall.

State-funded homeless services programs include the Housing First Program, Rapid Re-Housing Program, Family Assessment Centers, Homeless Outreach and Civil Legal Services, and Stored Property and Debris Removal Services.

The Housing First Program requires \$3,750,000 for each fiscal year 2021-2022 and 2022-2023 to maintain the current number of individuals and families in permanent supportive housing. Without continued funding for the Housing First program, as of November 20, 2020, 217 households, including 291 of the most vulnerable individuals and their families, are at high risk of becoming homeless.

The purpose of the State Rapid Re-Housing Program is to minimize the duration of homelessness and move homeless individuals and families quickly out of homelessness and into permanent housing while also providing supportive services to assist a family in maintaining their housing. If an individual or family experiences difficulty paying rent shortly after moving to permanent housing, the Rapid Re-Housing Program connects them with appropriate resources to stabilize and maintain the permanent housing.

By targeting homeless individuals and families who are currently in shelter, the Rapid Re-Housing Program allows more efficient use of existing shelter inventory. Rapid Re-Housing

assistance to individuals and families minimizes housing instability and disruptions to school attendance, employment, and medical care.

By providing housing stability, the Rapid Re-Housing Program supports community health and well-being. The Rapid Re-Housing Program requires an appropriation of \$3,750,000 for fiscal year 2021-2022 and the same sum for fiscal year 2022-2023.

Family Assessment Centers are low barrier shelters utilizing a Housing First approach to quickly move families with minor children off the streets and into permanent housing. As part of the array of services of the Housing First approach, housing stability supports children's health, school attendance and improved educational outcomes, as well as parents' ability to seek and maintain employment or other activities that increase income and give parents the opportunity to address their overall health needs. Funds are required to continue two state-funded family assessment centers.

The Family Assessment Centers require an appropriation of \$1,550,000 for fiscal year 2021-2022 and the same sum for fiscal year 2022-2023.

Homeless Outreach and Civil Legal Services are services that engage directly with unsheltered homeless individuals. Homeless outreach requires outreach staff to build a strong rapport with unsheltered homeless persons and use this rapport to engage homeless persons who may have declined shelter or services in the past. Building rapport takes time and multiple contacts with an individual.

Homeless Outreach Services and Civil Legal Services are services to assist homeless individuals with obtaining identification documents and other vital records (e.g., birth certificates, and marriage or divorce certificates that document name changes) – basic documentation required for housing and employment. Outreach staff assist homeless individuals identify and locate suitable housing, provide support to individuals and families through the housing location and move-in process, and assist with job search and the completion of applications for public benefits.

Homeless Outreach Services and Civil Legal Services requires an appropriation of \$1,750,000 for fiscal year 2021-2022 and the same sum for fiscal year 2022-2023.

To ensure that homeless persons are not simply displaced from one area to another, homeless outreach providers work with state and county law enforcement, the Department of Transportation, or the Department of Land and Natural Resources to transition unsheltered persons into longer-term housing options. Homeless outreach also works with state and county law enforcement efforts to address highly visible homeless encampments on public lands.

The State's framework addressing homelessness includes provisions to ensure public safety, especially related to unauthorized encampments located on state lands. The State needs to address personal property left on state lands after a homeless encampment is vacated or when individuals trespassing on state land leave personal property. State agencies require support to prevent unauthorized encampments from becoming established, such as placing appropriate signage and installing fencing on state lands where appropriate.

The Department of Human Services currently has a memorandum of agreement with the Department of Transportation that provides funding and enables the Department of Transportation to oversee property storage and debris removal activities statewide for all state lands.

Funds are needed to contract a vendor who will maintain a stored property program statewide, purchase necessary supplies and equipment to support property storage and debris removal activities, and install signage and fencing to prevent unauthorized encampments from becoming established on state lands.

Stored property and debris removal services require \$3,500,000 for fiscal year 2022-2023. Act 209 (Session Laws of Hawaii 2020) appropriated a sufficient amount of funds that only one year of funding is requested here.

Continuing these State-funded homeless services will address the health and safety needs of individuals and families experiencing homelessness across the State and will provide services to maintain health and safety on public lands. DHS will continue to procure for homeless services and the Department of Transportation will continue to be able to store and remove personal property of homeless individuals left on public lands.

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

HB-729

Submitted on: 2/10/2021 5:41:31 PM

Testimony for HHH on 2/11/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Judy Mohr Peterson	Med-QUEST, DHS	Comments	No

DHS

Comments:

Department of Human Services - MQD HB 729: I will be available to answer questions regarding DHS written testimony on HB 729. Written testimony was submitted separately.

TESTIMONY IN SUPPORT OF HB 729

TO: House Committee on Health, Human Services, & Homelessness

FROM: Nikos Leverenz
Grants, Development & Policy Manager

DATE: February 11, 2021 (9:30 AM)

Chair Yamane, Vice-Chair Tam, and Members of the Committee:

Hawai'i Health & Harm Reduction Center (HHRC) **supports** HB 729, which would reallocate money to fund and administer core homelessness services, including the Housing First program, rapid re-housing program, family assessment centers, and homeless outreach and civil legal services.

HHRC works with many individuals who are impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems, including those relating to substance use and underlying mental health conditions. HHRC is member of [Partners in Care](#), a coalition of more than sixty non-profit homeless providers and allied organizations.

The COVID-19 pandemic will have significant long-term impacts on those with little or no economic means and households that are having increasing difficulty meeting month-to-month costs of housing due to loss of employment. The ranks of those who are homeless or at risk of homelessness are likely to grow, and Hawai'i must maintain a range of services for those struggling with housing instability. This includes Housing First, which prioritizes the provision of permanent housing to better facilitate subsequent access to services, including those addressing behavioral health issues.

[As noted by the Corporation for Supportive Housing](#), "Access to safe, quality, affordable housing – and the supports necessary to maintain that housing – constitute one of the most basic and powerful social determinants of health. ***[For] individuals and families trapped in a cycle of crisis and housing instability due to extreme poverty, trauma, violence, mental illness, addiction or other chronic health conditions, housing can entirely dictate their health and health trajectory. For these populations, housing is a necessary precursor of health.***" (emphasis added)

Thank you for the opportunity to testify on this measure.



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TESTIMONY IN SUPPORT OF HB 729: RELATING TO HOMELESSNESS

TO: Committee Chair, Vice-Chair and Committee Members
FROM: Brandee Menino, CEO, Hope Services Hawaii, Inc.
Hearing: Tuesday, 2/11/21; 9:30

Thank you for the opportunity to provide testimony **in support** of HB 729, to reallocate moneys to fund and administer core homelessness services, including the housing first program, rapid re-housing program, family assessment centers, and homeless outreach and civil legal services.

I cannot stress this enough--these funds are critical. **If there is any cut, we will be required to reduce services.** Hawai'i social services are already stretched thin, and it has never been so important to increase, or at the bare minimum, maintain the level of funding to serve our most vulnerable residents.


This past winter, our team helped a young family move into permanent housing. "Jolie" and "Kenny" had welcomed their second child just before COVID struck, and found themselves crammed into a home with extended family. Every day, the young couple faced the frustration of being unable to find employment, and the fear of contracting COVID as they doubled up in an overcrowded home. One day they received the news they'd dreaded: it had been discovered that too many people were living in their home, and because they were not on the lease, they were asked to leave.

Jolie and Kenny had nowhere to turn, and moved their one and two year old children into the only place that stood between them and the street--their family car. Because you funded our operations last year, our team was able to connect with Jolie and Kenny, and offer them a place in our family shelter. My colleague who worked with the family recalled that they were kind, appreciative, and most of all, determined to overcome homelessness for their children's sake. Our staff and other social service providers offered them guidance, and soon they both began working! But the best was yet to come. Just before Thanksgiving, the family moved into their own permanent home.

Jolie and Kenny's story was a success, and with appropriate funding, Hope and the other homeless service organizations throughout the state will continue to help families like theirs. But imagine if our homeless outreach program wasn't able to connect with them. What would have happened? Would they still be in their car? On the street? It's not a picture any of us want to see, but it is one of the many short- and long-term consequences our people will face if homeless programs funding is cut. We must do everything in our power to ensure that we can continue to offer these services, and I strongly urge you to **support HB 729.**

Mahalo nui for your consideration.

Sincerely,


Brandee Menino,
Chief Executive Officer

JOIN OUR COMMUNITY



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HB-729

Submitted on: 2/9/2021 9:30:27 PM

Testimony for HHH on 2/11/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Christy MacPherson	Individual	Support	No

Comments:

As a former homeless service provider for over a decade, I strongly support this bill. It is imperative that we maintain our core services. In fact, we really need to INCREASE funding for these critical services.

HB-729

Submitted on: 2/11/2021 8:33:16 AM

Testimony for HHH on 2/11/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kristen Alice	Individual	Support	No

Comments:

I work in homeless services but am testifying in my personal capacity. Our social service agencies already have to make do without enough resources to serve all those in need. The programs funded by this bill, like Housing First and homeless outreach *work*, but we simple don't have the funding to serve everyone who needs help. Cuts to funding will mean cuts to services, and will *prolong the suffering of the growing number of people who don't have the means to overcome homelessness*. Mahalo to Representative Yamane for introducing this measure. Please vote to advance this bill.

Kristen Alice