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# 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



1 shelter space funded in a cost-effective manner. More  
2 specifically, this Act:

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



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

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

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

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



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



1       (3) The shelter shall provide storage for the personal  
2       possessions of each homeless family or individual  
3       served by the shelter. The storage shall be securable  
4       by the homeless family or individual. The type and  
5       number of the storage equipment, space, or area shall  
6       be determined by the department.

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

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

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

19      (2) Subject to the availability of legislative  
20      appropriations; and



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

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

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

11       1. By amending the definition of "emergency shelter" to  
12      read:

13        "Emergency shelter" means a homeless facility designed to  
14      provide temporary shelter and appropriate and available services  
15      to homeless families or individuals for a specified period of  
16      time[-] who are not able to stay in a transitional shelter or  
17      reside in a dwelling unit."

18       2. By amending the definition of "homeless shelter  
19      stipend" to read:

20        "Homeless shelter stipend" means a payment to a provider  
21      agency [~~or to~~] from the department [~~on behalf of~~] to provide



1 temporary shelter and appropriate services for a homeless family  
2 or individual [~~to assist with the costs of operating~~] at a  
3 homeless facility [~~and providing appropriate services.~~] operated  
4 or managed by the provider agency."

5 3. By amending the definition of "transitional shelter" to  
6 read:

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

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

15 "[+]§346-371[+] Annual [~~performance audits.~~] financial  
16 audit. (a) The department shall require any provider agency  
17 that dispensed shelter or assistance for any homeless facility  
18 or any other program for the homeless authorized by this part to  
19 submit to the department a financial audit [~~and report~~] when  
20 requested, but [~~no later than every three years.~~] at least  
21 annually. The audit shall be conducted by a certified public



1 accounting firm. This audit [~~and report~~] shall contain  
2 information specific to the funds received under state homeless  
3 program contracts. The audit shall include recommendations to  
4 address any problems found.

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

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

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

17 "[~~§~~] §346-374 [~~§~~] Homeless shelter stipends. [~~(a)~~]—The  
18 stipend limits per shelter unit of zero bedrooms shall be  
19 adjusted by the department annually on the first day of July  
20 pursuant to standards established by rule, which may consider  
21 changes in the cost of operating homeless facilities, the fair





1 ~~market rents, the consumer price index, or other relevant~~  
2 ~~factors. A "shelter unit of zero bedrooms" means a living unit~~  
3 ~~that is a studio unit or a single room occupancy unit. The~~  
4 ~~homeless shelter stipend at transitional shelters for larger~~  
5 ~~shelter units shall be proportional to the difference in unit~~  
6 ~~size.~~

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



1 provisions for the automatic adjustment of the homeless shelter  
2 stipend amounts, depending on factors agreed to by the  
3 department and provider agency.

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

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



1 ability to pay is too difficult, costly, or inefficient for the  
2 provider agency, the payment amounts may be based on other  
3 criteria authorized under the contract or waived partially or  
4 entirely.

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

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

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

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



1 apply whether the contract is entered into, renewed, or extended  
2 before or after June 30, 2017.

3 (c) Beginning July 1, 2016, the department of human  
4 services shall work with provider agencies to implement this  
5 Act.

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

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

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

17 SECTION 9. (a) Subject to subsection (b), there is  
18 appropriated out of the general revenues of the State of Hawaii  
19 the sum of \$ or so much thereof as may be necessary for  
20 fiscal year 2016-2017 for the establishment or improvement of  
21 emergency and transitional shelters for the homeless and funding



1 of other non-recurring costs for projects or programs to assist  
2 homeless families and individuals.

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

5 (b) The appropriation under subsection (a) shall be  
6 effective only if Senate Bill No. 2844 of the regular session of  
7 2016 or other legislation is enacted to reduce the general fund  
8 appropriation in section 3 of Act 202, Session Laws of Hawaii  
9 2015, by at least \$5,000,000.

10 (c) Notwithstanding any law to the contrary, the  
11 appropriation under this section shall not lapse at the end of  
12 fiscal year 2016-2017; provided that any unexpended and  
13 unencumbered balance of the appropriation under this section  
14 shall lapse on June 30, 2018.

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



1 (e) The department of human services shall submit a final  
2 report to the legislature and governor on the expenditures of  
3 the appropriation under this section. The report shall list the  
4 projects, programs, expenditures, and encumbrances that are  
5 planned or have been made as of June 30, 2018. If any amount of  
6 the appropriation is lapsed on June 30, 2018, the department  
7 shall provide the reason for allowing the portion of the  
8 appropriation to lapse. The department shall submit the report  
9 by no later than September 30, 2018.

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

12 SECTION 11. This Act shall take effect on July 1, 2030;  
13 provided that sections 6, 7, 8, and 9 shall take effect on July  
14 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 program. Appropriates funds. (SB2559 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

