



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

GOV. MSG. NO. 1328

July 12, 2018

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

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

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

Re: SB2027 SD2 HD1 CD1

SB2027 SD2 HD1 CD1, entitled "A BILL FOR AN ACT RELATING TO APPROPRIATIONS TO ADDRESS HOMELESSNESS" will become law without my signature, pursuant to Section 16 of Article III of the State Constitution.

The purpose of this bill is to appropriate \$1.5 million for fiscal year 2018-2019 to the Department of Human Services to continue and to improve the coordinated statewide homeless initiative to prevent homelessness and re-house homeless people in the state.

This bill authorizes the Department of Human Services to contract the services of a master contractor to procure and oversee subcontracts for the coordinated statewide homeless initiative. The master contractor will operate a coalition of agencies to provide: (1) homeless diversion services by providing short-term financial assistance to households in the eviction process; and (2) housing navigation services and placement of homeless households into permanent housing.

Homelessness continues to be a major issue in Hawai'i and requires resources and the coordinated efforts of all levels of government and the private sector to ameliorate. However, we are concerned about the statutory requirement that the entire



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

amount of \$1.5 million be provided upfront to the master contractor. The provision of all appropriated public funds in advance to a private entity is not aligned to standard procurement processes consistent with the goals of public accountability and public procurement practices. This mandate severely limits DHS's ability to carry out its fiduciary duty to manage and oversee taxpayer funds as required by this bill.

For the foregoing reasons, SB2027 SD2 HD1 CD1 will become law as ACT 219, Session Laws of Hawai'i 2018, effective July 10, 2018, without my signature.

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO APPROPRIATIONS TO ADDRESS HOMELESSNESS.

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

1 SECTION 1. The legislature finds that the coordinated
2 statewide homeless initiative provides important, cost-effective
3 homelessness prevention and rapid rehousing services statewide
4 and increases coordination through the statewide information and
5 referral system on behalf of homeless individuals and those at
6 risk of homelessness.

7 The coordinated statewide homeless initiative originated in
8 April 2016 to help hundreds of families escape or avoid
9 homelessness. According to Aloha United Way, since the program
10 began, the program has helped more than one thousand four
11 hundred households comprising four thousand eight hundred
12 individuals. About three-quarters of households had been at
13 risk of losing housing and the rest were already homeless. Of
14 these numbers, sixty-four per cent included children.

15 Accordingly, the purpose of this Act is to appropriate
16 moneys to continue and improve the coordinated statewide
17 homeless initiative to prevent homelessness and rehouse homeless
18 people in the State and to require the department of human



1 services to procure services of a master contractor to manage
2 subcontracts and expenditures for services provided through the
3 initiative.

4 SECTION 2. (a) There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$1,500,000 or so much
6 thereof as may be necessary for fiscal year 2018-2019 to
7 continue and improve the coordinated statewide homeless
8 initiative.

9 (b) The following provisions shall apply to the
10 appropriation under subsection (a):

11 (1) The department of human services shall:

12 (A) Procure the services of a master contractor to
13 procure and oversee subcontracts for the
14 provision of coordinated statewide homeless
15 initiative services, in accordance with chapter
16 103D or 103F, Hawaii Revised Statutes;

17 (B) Oversee the funds expended by the master
18 contractor; and

19 (C) Develop policies and procedures for a fair and
20 equitable procurement process for subcontracts
21 made between the master contractor and



1 subcontracted provider agencies which are
2 consistent with the goals of public
3 accountability and public procurement practices;

4 (2) The master contractor shall:

5 (A) Operate a coalition of agencies providing
6 homeless diversion services for the State by
7 providing short-term financial assistance to
8 households that have entered the eviction
9 process;

10 (B) Coordinate with the coordinated entry system
11 mandated by the United States Department of
12 Housing and Urban Development to provide
13 navigation services and placement of homeless
14 households into permanent housing;

15 (C) At a minimum, provide quarterly reports to the
16 house of representatives and senate committees on
17 housing and human services, respectively;

18 (D) Develop reporting procedures and timelines for
19 providing performance information to respective
20 state agencies; and

21 (E) Be accountable for funds expended;



1 (3) The master contractor may retain administrative fees
2 up to fifteen per cent in total from the amounts paid
3 under the master contract between the master
4 contractor and subcontractors; and
5 (4) The total sum of funding shall be provided at the
6 start of the coordinated statewide homeless initiative
7 program to be managed by the master contractor.
8 The sum appropriated shall be expended by the department of
9 human services for the purposes of this Act.
10 SECTION 3. This Act shall take effect on July 1, 2018.

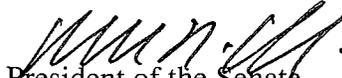
APPROVED this day of , 2018

GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI'I

Date: May 1, 2018
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the
Senate of the Twenty-ninth Legislature of the State of Hawai'i, Regular Session of 2018.


President of the Senate


Clerk of the Senate

SB No. 2027, SD 2, HD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2018
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2018.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives