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# HOUSE CONCURRENT RESOLUTION

REQUESTING THE ATTORNEY GENERAL AND THE STATE AUDITOR TO CONDUCT  
A COMPREHENSIVE FINANCIAL, PERFORMANCE, AND COMPLIANCE  
AUDIT OF NONPROFIT ORGANIZATIONS RECEIVING STATE FUNDS FOR  
HOMELESSNESS-RELATED SERVICES.

1 WHEREAS, the Hawaii State Legislature recognizes that  
2 homelessness remains a critical issue across the State,  
3 particularly within the City and County of Honolulu; and  
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5 WHEREAS, the State annually expends significant public  
6 funds for homelessness services through Grant-in-Aid pursuant  
7 to HRS Chapter 42F, direct appropriations, state-administered  
8 grants and contracts, and pass-through funding to counties and  
9 affiliated agencies; and  
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11 WHEREAS, pursuant to HRS §23-4, the State Auditor has the  
12 authority to conduct post-audits of the transactions, accounts,  
13 programs, and performance of all departments, offices, and  
14 agencies of the State and its political subdivisions; and  
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16 WHEREAS, pursuant to HRS §28-2.5, the Attorney General has  
17 authority to investigate and enforce compliance with state laws  
18 and contractual obligations involving the expenditure of public  
19 funds; and  
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21 WHEREAS, public funds appropriated for homelessness-related  
22 services must be expended in accordance with legislative intent,  
23 measurable performance outcomes, fiscal accountability  
24 standards, and the public trust; and  
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26 WHEREAS, the Legislature finds that a comprehensive review  
27 of nonprofit organizations receiving state funds for  
28 homelessness services is necessary to ensure transparency,



1 effectiveness, fiscal responsibility, and measurable reductions  
2 in homelessness; now, therefore,

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4 BE IT RESOLVED by the House of Representatives of the  
5 Thirty-third Legislature of the State of Hawaii, Regular Session  
6 of 2026, the Senate concurring, the Attorney General and the  
7 State Auditor are requested to conduct a comprehensive  
8 financial, performance, and compliance audit of nonprofit  
9 organizations receiving state funds for homelessness-related  
10 services; and

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12 BE IT FURTHER RESOLVED the audit shall include nonprofit  
13 organizations receiving funds through the Grant-in-Aid process  
14 under HRS Chapter 42F, direct legislative appropriations, state-  
15 administered grants or contracts, or City and County funds which  
16 originated from the State; and

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18 BE IT FURTHER RESOLVED the audit shall include nonprofit  
19 organizations engaged in emergency shelter operations,  
20 transitional housing, permanent supportive housing, street  
21 outreach, behavioral health services, substance abuse treatment,  
22 food distribution, and case management services; and

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24 BE IT FURTHER RESOLVED the audit shall initially prioritize  
25 nonprofit organizations operating within the City and County of  
26 Honolulu, with subsequent statewide review; and

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28 BE IT FURTHER RESOLVED the audit shall include, but not be  
29 limited to the following:

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- 31 (1) Total public funds received over the previous fiscal  
32 year;
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  - 34 (2) Percentage of funds expended on direct client  
35 services, administrative overhead, executive  
36 compensation, and subcontracted services;
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  - 38 (3) Executive salaries and benefits compared to program  
39 expenditures;

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- 1           (4)    Real property acquisitions, leases, or capital  
2           improvements funded in whole or in part with public  
3           funds;  
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- 5           (5)    Compliance with reporting requirements under HRS  
6           Chapter 42F;  
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- 8           (6)    Identification of duplicative or overlapping services  
9           funded by multiple state sources; and  
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- 11          (7)    Verification of client counts and service delivery  
12          data reported to the State; and  
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14           BE IT FURTHER RESOLVED that the audit shall evaluate  
15   measurable performance metrics, including but not limited to the  
16   following, as applicable:  
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- 18          (1)    Cost efficiency metrics:  
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- 20                (A)    Cost per individual served;  
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- 22                (B)    Cost per successful housing placement;  
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- 24                (C)    Cost per bed per night (for shelters); and  
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- 26                (D)    Administrative cost ratio (administrative costs  
27                as a percentage of total expenditures);  
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- 29          (2)    Housing outcome metrics:  
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- 31                (A)    Number and percentage of clients placed into  
32                permanent housing;  
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- 34                (B)    Average length of stay in shelter or transitional  
35                programs;  
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- 37                (C)    Housing retention rates at six months and twelve  
38                months; and  
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- 40                (D)    Returns to homelessness within twelve months;  
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- 42          (3)    Service delivery metrics:



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- (A) Number of individuals served annually;
- (B) Case manager-to-client ratios;
- (C) Average time from intake to housing placement;  
and
- (D) Utilization rates of funded beds or units;

(4) System impact metrics:

- (A) Measurable reductions in unsheltered homelessness within service areas;
- (B) Coordination with State and County homelessness initiatives; and
- (C) Participation in coordinated entry systems and data reporting systems; and

(5) Data integrity standards:

- (A) Verification of data reported through the Homeless Management Information System (HMIS);
- (B) Cross-checking reported service outcomes with actual placements; and
- (C) Identification of discrepancies between reported and verified outcomes; and

BE IT FURTHER RESOLVED the Attorney General is requested  
to:

- (1) Review compliance with contractual obligations;
- (2) Investigate any misuse, misrepresentation, or unlawful expenditure of public funds;



# H.C.R. NO. 167

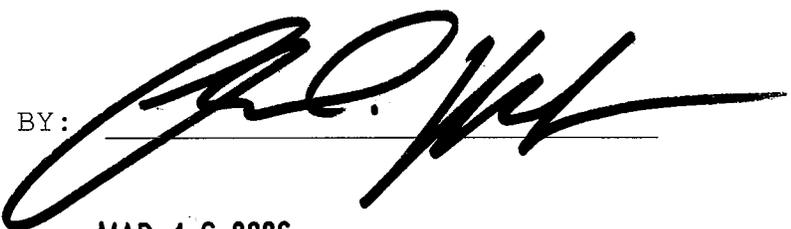
- 1           (3) Determine whether corrective actions, civil
- 2           enforcement, or legislative remedies are warranted;
- 3           and
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- 5           (4) Recommend statutory changes to strengthen
- 6           accountability and enforcement mechanisms; and
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8           BE IT FURTHER RESOLVED the Auditor shall submit a report to  
 9 the legislature no later than twenty days prior to the convening  
 10 of the Regular Session of 2027, which shall include:

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- 12           (1) Findings of fact;
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- 14           (2) Comparative performance analysis among audited
- 15           entities;
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- 17           (3) Identification of best practices and underperforming
- 18           programs; and
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- 20           (4) Recommendations for funding restructuring,
- 21           performance-based contracting, standardized statewide
- 22           reporting requirements, and statutory amendments; and
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24           BE IT FURTHER RESOLVED that certified copies of this  
 25 Concurrent Resolution be transmitted to the Governor, Attorney  
 26 General, State Auditor, and Mayor of the City and County of  
 27 Honolulu.

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OFFERED BY:   
 MAR 16 2026

