
HOUSE 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,
29 effectiveness, fiscal responsibility, and measurable reductions
30 in homelessness; now, therefore,



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2 BE IT RESOLVED by the House of Representatives of the
3 Thirty-third Legislature of the State of Hawaii, Regular Session
4 of 2026, the Attorney General and the State Auditor are
5 requested to conduct a comprehensive financial, performance, and
6 compliance audit of nonprofit organizations receiving state
7 funds for homelessness-related services; and
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9 BE IT FURTHER RESOLVED the audit shall include nonprofit
10 organizations receiving funds through the Grant-in-Aid process
11 under HRS Chapter 42F, direct legislative appropriations, state-
12 administered grants or contracts, or City and County funds which
13 originated from the State; and
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15 BE IT FURTHER RESOLVED the audit shall include nonprofit
16 organizations engaged in emergency shelter operations,
17 transitional housing, permanent supportive housing, street
18 outreach, behavioral health services, substance abuse treatment,
19 food distribution, and case management services; and
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21 BE IT FURTHER RESOLVED the audit shall initially prioritize
22 nonprofit organizations operating within the City and County of
23 Honolulu, with subsequent statewide review; and
24

25 BE IT FURTHER RESOLVED the audit shall include, but not be
26 limited to the following:
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- 28 (1) Total public funds received over the previous fiscal
29 year;
30
31 (2) Percentage of funds expended on direct client
32 services, administrative overhead, executive
33 compensation, and subcontracted services;
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35 (3) Executive salaries and benefits compared to program
36 expenditures;
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38 (4) Real property acquisitions, leases, or capital
39 improvements funded in whole or in part with public
40 funds;
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- 1 (5) Compliance with reporting requirements under HRS
2 Chapter 42F;
- 3
- 4 (6) Identification of duplicative or overlapping services
5 funded by multiple state sources; and
- 6
- 7 (7) Verification of client counts and service delivery
8 data reported to the State; and
- 9

10 BE IT FURTHER RESOLVED that the audit shall evaluate
11 measurable performance metrics, including but not limited to the
12 following, as applicable:

- 13
- 14 (1) Cost efficiency metrics:
 - 15
 - 16 (A) Cost per individual served;
 - 17
 - 18 (B) Cost per successful housing placement;
 - 19
 - 20 (C) Cost per bed per night (for shelters); and
 - 21
 - 22 (D) Administrative cost ratio (administrative costs
23 as a percentage of total expenditures);
 - 24
- 25 (2) Housing outcome metrics:
 - 26
 - 27 (A) Number and percentage of clients placed into
28 permanent housing;
 - 29
 - 30 (B) Average length of stay in shelter or transitional
31 programs;
 - 32
 - 33 (C) Housing retention rates at six months and twelve
34 months; and
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 - 36 (D) Returns to homelessness within twelve months;
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- 38 (3) Service delivery metrics:
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 - 40 (A) Number of individuals served annually;
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- (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;
- (3) Determine whether corrective actions, civil enforcement, or legislative remedies are warranted;
and



1 (4) Recommend statutory changes to strengthen
2 accountability and enforcement mechanisms; and
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4 BE IT FURTHER RESOLVED the Auditor shall submit a report to
5 the legislature no later than twenty days prior to the convening
6 of the Regular Session of 2027, which shall include:
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8 (1) Findings of fact;
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10 (2) Comparative performance analysis among audited
11 entities;
12

13 (3) Identification of best practices and underperforming
14 programs; and
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16 (4) Recommendations for funding restructuring,
17 performance-based contracting, standardized statewide
18 reporting requirements, and statutory amendments; and
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20 BE IT FURTHER RESOLVED that certified copies of this
21 Resolution be transmitted to the Governor, Attorney General,
22 State Auditor, and Mayor of the City and County of Honolulu.
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OFFERED BY:



MAR 16 2026

