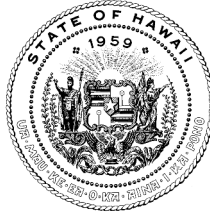


NEIL ABERCROMBIE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
WILLIAM J. AILA, JR
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Wednesday, April 11, 2012
9:35 A.M.
State Capitol, Conference Room 211**

**In consideration of
SENATE CONCURRENT RESOLUTION 2, SENATE DRAFT 1
REQUESTING THE STATE'S FULL COMPLIANCE WITH SECTION 5 OF ACT 178,
SESSION LAWS OF HAWAII 2006**

Senate Concurrent Resolution 2, Senate Draft 1 requests the Governor to direct all state departments and in particular, the Hawaii Public Housing Authority ("HPHA"), the Hawaii Health Systems Corporation ("HHSC"), and the Hawaii Housing Finance and Development Corporation ("HHFDC"), to comply fully with Section 5 of Act 178, Session Laws of 2006 (Act 178) and provide to the Department of Land and Natural Resources (Department) an accounting of all receipts from lands described in section 5(f) of the Admission Act for each fiscal year since the enactment of Act 178. The Department takes no position on this measure but offers the following comments for clarification.

HHFDC submitted an accounting of public trust lands receipts for Fiscal Year (FY) 2011 to the Department that was incorporated into the Department's Act 178 report to the 2012 Legislature. HHFDC has also previously submitted accountings for FY2006, FY2007 and FY2008. HPHA submitted an accounting of public trust lands receipts for FY2006 through FY2011 to the Department on January 20, 2012, subsequent to the Department's submission of its Act 178 report to the 2012 Legislature. HHSC previously submitted accountings for FY2006 and FY2007.

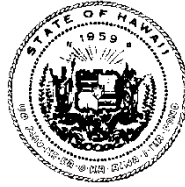
WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

NEIL ABERCROMBIE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
Honolulu, Hawaii 96817

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON WAYS AND MEANS

April 11, 2012 9:35 A.M.
Room 211, Hawaii State Capitol

In consideration of
Senate Concurrent Resolution 2, Senate Draft 1
Requesting the State's Full Compliance with Section 5 of Act 178,
Session Laws of Hawaii 2006.

Honorable Chair and Members of the Senate Committee on Ways and Means, thank you for the opportunity to provide you with comments regarding Senate Concurrent Resolution 2, as amended by Senate Draft 1, requesting the State's full compliance with Section 5 of Act 178, Session Laws of Hawaii 2006.

The Hawaii Public Housing Authority (HPHA) appreciates the intent of this measure, however we oppose the measure since it states that the HPHA has failed to provide an accounting of receipts in the previous two years or more. The measure illustrates the Legislature's concern for accurate and complete reporting and accounting to identify revenue-generating public trust lands and the amounts derived from those lands for the benefit of this State's Native Hawaiian population. Our agency is committed to full compliance with Act 178 and transparency in State financial reporting.

Since being made aware of our Act 178 reporting obligations during the 2011 Regular Session, the HPHA has provided the Department of Land & Natural Resources all necessary data from 2006 to present. We would like to clarify for the record that at the beginning of the 2012 Regular Session, DLNR's Act 178 report for FY 2011 did contain HPHA's accounting of receipts, which originally was mislabeled in the Report as posted on the DLNR website. This error has since been corrected.

The HPHA appreciates the opportunity to provide the Senate Committee with the agency's position regarding S.C.R 2, S.D. 1. We respectfully request the Committees to hold this measure or amend it appropriately to remove reference to the HPHA, and we thank you very much for your dedicated support.



SCR2 SD1
REQUESTING THE STATE'S FULL COMPLIANCE WITH SECTION 5 OF ACT 178, SESSION
LAWS OF HAWAII 2006
Senate Committee on Ways and Means

April 11, 2012

9:35 a.m.

Room 211

The Office of Hawaiian Affairs (OHA) strongly **SUPPORTS** SCR2 SD1, which is a resolution in OHA's 2012 legislative package. SCR2 SD1 asks the Governor to direct all state agencies to comply fully with Act 178, Session Laws of Hawai'i 2006, Section 5, which requires all agencies that use or manage public trust land to report all revenues generated from the use of those lands. This important resolution is designed to ensure the state's accountability in the use of public trust land.

The Legislature, Governor, and Hawai'i Supreme Court have consistently agreed that the state's constitutional obligation to Native Hawaiians is significant and that it is a priority for the state to clarify the pro rata portion of revenues derived from the public land trust to which the Office of Hawaiian Affairs is entitled for the benefit of Native Hawaiians. Through Act 178, the legislature established OHA's interim pro rata share of public land trust revenue at \$15.1 million per year until the legislature determines the appropriate payment going forward. Act 178, section 5, was included to ensure full disclosure of all revenues generated on public trust land and to promote accountability of the state agencies charged with utilizing and managing our public land trust resources. The reporting requirement provides a base of information to the Legislature so that the state may fulfill its fiduciary obligation to Native Hawaiians and the citizens of Hawai'i fully and accurately.

Some of the agencies charged with managing public trust lands have failed to provide consistent and full accounting of the revenues generated from public trust lands. Accordingly, direction from the Governor may be helpful in attaining compliance with the reporting requirements of Act 178. We respectfully suggest that full compliance would be of value not only to OHA, which is entitled to a share of these revenues in support of its service to its beneficiaries, but also to the state itself in serving as trustee of the public land trust, and to the Legislature in assuring that the laws it has passed are being followed and that state agencies are appropriately managing public trust lands.

We urge your committees to PASS this resolution. Mahalo for the opportunity to testify on this important measure.