



HB 638
RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS
House Committee on Labor and Public Employment

January 29, 2013

9:00 a.m.

Room 309

The administration of the Office of Hawaiian Affairs (OHA) will recommend that the Board of Trustees strongly **OPPOSE** HB 638, which would deny future OHA employees and trustees benefits provided to employees of other state agencies. HB 638 would also give the legislature the authority to directly interfere with employee wages, hours, benefits, and other terms and conditions of employment at OHA, which the legislature does not do to other semi-autonomous state agencies directed by Boards.

In essence, HB 638 improperly attempts to balance the State's budget on the backs of Native Hawaiians—the indigenous, first people of Hawai'i who, as a group of state citizens, suffer from some of the highest rates of chronic disease, poverty, incarceration, and academic underachievement in the State. Such an action would place the State in breach of its constitutionally established trust responsibilities to the Native Hawaiian people.

By way of background, the State honors its trust responsibilities to its Native Hawaiian citizens primarily through the Office of Hawaiian Affairs, the principal public agency in the State of Hawai'i responsible for bettering the conditions of Native Hawaiians; developing and coordinating programs and activities relating to Native Hawaiians; assessing the policies and practices of other agencies impacting Native Hawaiians; conducting advocacy efforts for Native Hawaiians; and serving as a receptacle for Native Hawaiian reparations.

OHA's broad mandate and large beneficiary class require OHA to engage in careful budgeting and receive ongoing financial support from the state in order to maintain a level of service that can meaningfully advance systemic change for Native Hawaiians in areas such as health, education, and economic self-sufficiency. HB 638 would shift a financial burden to OHA that it could not absorb immediately without draining significant funds from the Native Hawaiian Trust and decreasing services to Native Hawaiians.

If OHA were unable to drain the trust or decrease services, it would be forced to provide less benefits than other state agencies. This decrease in benefits will cause attrition, stymie recruitment efforts, and ultimately weaken OHA's ability to fulfill the State's fiduciary obligations to Native Hawaiians. The bill's provision allowing the legislature to arbitrarily, at its discretion, make changes in the wages, hours, benefits, and other terms and conditions of employment of OHA employees would prompt similar results.