



**HCR188**  
**REQUESTING THE ESTABLISHMENT OF A PUBLIC LAND TRUST REVENUES**  
**NEGOTIATING COMMITTEE**

House Committee on Ocean, Marine Resources, & Hawaiian Affairs

March 23, 2016

10:30 a.m.

Room 325

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The Office of Hawaiian Affairs (OHA) **SUPPORTS** HCR188, which would request the establishment of a Public Land Trust Revenues Negotiating Committee comprised of the President of the Senate, the Speaker of the House of Representatives, the Governor, and the Chairperson of the Office of Hawaiian Affairs, or their designees. If adopted, this concurrent resolution would be the first major step taken in the past ten years to ensure that Native Hawaiians receive a fair annual share of the Public Land Trust.

Hawai'i's constitution provides that a share of Public Land Trust income be used for the "betterment of the conditions of native Hawaiians." Accordingly, state law requires that OHA expend 20% of all funds derived from the Trust.

Unfortunately, for decades, OHA and the state disagreed on how OHA's 20% share should be calculated. In 2006, OHA and the state finally agreed on an interim resolution, by the passage of Act 178, which temporarily set OHA's annual share as \$15.1 million, "until further action is taken by the legislature." Importantly, Act 178 also required individual state agencies to report on their proceeds and revenues from the Public Land Trust; these reports can now be used to better estimate OHA's 20% share.

**Clearly, the temporary, \$15.1 million cap established ten years ago no longer fairly reflects Native Hawaiians' 20% share of the Public Land Trust, and the cap and related issues should be revisited and discussed by the Governor, the Legislature, and OHA.** Such a discussion is necessary for Hawai'i to meaningfully uphold its constitutional, statutory, and moral responsibilities to the Native Hawaiian community. For example, according to the state's own reports, which omit certain revenue streams, the state generated an average of \$158,077,656 annually in Public Land Trust revenues over the past three fiscal years. 20% of this amount is \$31,615,531, more than twice the \$15.1 million received annually by OHA under Act 178.

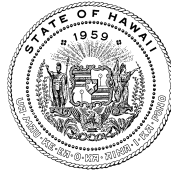
Providing OHA with a fairer share of the Public Land Trust would benefit the Native Hawaiian community as well as the social, economic, environmental, and cultural welfare of our islands. Just this past year alone, OHA provided nearly \$11 million in grants for programs addressing our state's most critical issues, including housing and homelessness, education, environmental stewardship, food security, and healthcare. OHA

also provided more than \$1 million in loans for beneficiary needs ranging from home and auto repairs to legal fees and educational opportunities. Furthermore, OHA manages over 27,000 acres of legacy, conservation, and agricultural lands, in furtherance of the state's environmental, cultural, and food self-sufficiency interests. By taking steps to establish a more fair share of the Public Land Trust revenues due to Native Hawaiians, this resolution will allow OHA to improve its support for Native Hawaiians and, by extension, all those who live in and love Hawai'i nei.

In light of the above, OHA strongly urges the Committees to **PASS** HCR188. OHA notes that the committee may want to consider adding the President of the Senate, the Speaker of the House of Representatives, and the Governor to the final paragraph of the measure, which lists the individuals and entities to whom certified copies of the resolution, once adopted, should be sent.

Mahalo nui loa for the opportunity to testify on this measure.

DAVID Y. IGE  
GOVERNOR



WESLEY K. MACHIDA  
DIRECTOR

RODERICK K. BECKER  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**TESTIMONY BY WESLEY K. MACHIDA**  
**DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE**  
**TO THE HOUSE COMMITTEE ON OCEAN, MARINE RESOURCES,**  
**AND HAWAIIAN AFFAIRS**  
**ON**  
**HOUSE CONCURRENT RESOLUTION NO. 188**

March 23, 2016  
10:30 a.m.

**REQUESTING THE ESTABLISHMENT OF A PUBLIC LAND TRUST REVENUES**  
**NEGOTIATING COMMITTEE**

House Concurrent Resolution No. 188 establishes a Public Land Trust Revenues Negotiating Committee to engage in discussions to resolve the matter of the income and proceeds from the public land trust that the Office of Hawaiian Affairs (OHA) should receive annually pursuant to the State Constitution and other State law. This measure also requires that the negotiating committee submit a status report of its discussions to the Legislature no later than 20 days prior to the commencement of the 2017 Regular Session and shall submit a final report of its findings, recommendations, and any proposed legislation to the Legislature no later than 20 days prior to the commencement of the 2018 Regular Session.

The Department of Budget and Finance would like to point out that departments making ceded land payments have informally expressed concerns with respect to the recent report that OHA commissioned on public land trust payments. These concerns relate to the completeness and appropriateness of the conclusions reached in the report including, but not limited to, discrepancies over land parcels that the report identified as public-land trust lands and discrepancies regarding revenues to which OHA is entitled to a pro-rata share.

We strongly recommend that these issues and concerns be taken into consideration by the Public Land Trust Revenues Negotiating Committee.



## **Association of Hawaiian Civic Clubs**

P. O. Box 1135  
Honolulu, Hawai`i 96807

### **COMMITTEES ON OCEAN, MARINE RESOURCES AND HAWAIIAN AFFAIRS; WATER & LAND**

#### **HCR 188 Requesting the establishment of a Public Land Trust Revenues Negotiating Committee**

**Wednesday; 3/23/16/; 10:30am; Rm 325**

Aloha Chairman Ing and vice chair Lowen of the OMH Committee, and Chairman Yamane and vice chair Cullen and members of the House joint committees.

I am Annelle Amaral, president of the Association of Hawaiian Civic Clubs, an organization formed in 1918 as an advocacy group on behalf of the Native Hawaiian people. I am unable to attend this hearing as I am in a hearing myself, however I submit this testimony on behalf of the AHCC which has benefited from the programs and grants from this Trust Fund.

The first Hawaiian Civic Club was founded by Prince Jonah Kuhio Kalaniana'ole as a Delegate to the US Congress trying to establish the legislation that is the cornerstone for the Department of Hawaiian Home Lands. He gathered a group of prominent Hawaiian men and formed the Hawaiian Civic Club of Honolulu to help promote the Hawaiian homesteading legislation before the Congress.

In 1959 existing civic clubs on all islands were incorporated into an Association currently numbering sixty seven clubs throughout Hawaii and the continent. Members join understanding that civic clubs serve as advocates for the betterment of conditions of the indigenous people of Hawaii.

The Board of Directors of the Association of Hawaiian Civic Clubs held a quarterly meeting on January 15, 2016 which included the presidents and board members of the councils in each county of Hawaii as well as the council representing sixteen states on the continent. Representatives from the Office of Hawaiian Affairs appeared before the AHCC Board to discuss the OHA legislative measures to be introduced in the 2016 legislative session.

After some discussion the AHCC board agreed to support legislation that would provide OHA with a fair share of the Public Trust Land revenues. OHA's share of the PTL revenues go toward a wide range of support programs, services and initiatives that include but are not limited to health, education, housing, culture and general community wellness.

This legislation will establish a public land trust revenues negotiating committee to sort out what has become a complicated issue of payment, overpayment, shortfalls and repayments. We sincerely hope that the committee suggested in HCR 188 to consist of: the Senate president (or designee), Speaker of the House (or designee), Governor of Hawaii (or designee) and the Chairperson of the Office of Hawaiian Affairs (or designee) will be able to fairly resolve the matter of PLT annual income and proceeds to OHA.

**We would like to offer an amendment to the bill that would require transparency when the negotiating committee meets and a pre-meeting agenda be published just as with any other board or commission.**

Thank you for the opportunity to testify on this concurrent resolution that is of extreme importance to the continued betterment of conditions of the indigenous people of Hawaii.

Contact: [Jalna.keala2@hawaiiantel.net](mailto:Jalna.keala2@hawaiiantel.net)

Jade McMillen

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From: mailinglist@capitol.hawaii.gov  
Sent: Sunday, March 20, 2016 1:55 PM  
To: omhtestimony  
Cc: mkhan@hawaiiantel.net  
Subject: Submitted testimony for HCR188 on Mar 23, 2016 10:30AM

**HCR188**

Submitted on: 3/20/2016

Testimony for OMH on Mar 23, 2016 10:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Leimomi Khan	Individual	Support	No

Comments: The Kalihi Palama HCC supports HCR188, Requesting the Establishment of a Public Trust Revenues Negotiating Committee. In 2006, OHA and the state agreed on Act 178 as an interim resolution and established OHA's temporary annual share at \$15.1 million dollars but in the past three year's the state's Public Trust Land revenues have averaged \$158,077,656, 20% of which is \$31,615,531, more than twice the \$15.1 million Thus, it is timely to revisit the pro rata share of the Public Land Trust. Establishing a public land trust revenues negotiating committee to make recommendations to the legislature is needed to assure a just pro rata share of the PLT revenues to OHA especially in light of inflationary costs in support of its programs. Please pass HCR188

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Jade McMillen

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From: mailinglist@capitol.hawaii.gov  
Sent: Saturday, March 19, 2016 4:36 PM  
To: omhtestimony  
Cc: kamakane73@gmail.com  
Subject: \*Submitted testimony for HCR188 on Mar 23, 2016 10:30AM\*

**HCR188**

Submitted on: 3/19/2016

Testimony for OMH on Mar 23, 2016 10:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kama Hopkins	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 10:24 AM  
To: omhtestimony  
Cc: wctanaka@gmail.com  
Subject: Submitted testimony for HCR188 on Mar 23, 2016 10:30AM

**HCR188**

Submitted on: 3/22/2016

Testimony for OMH on Mar 23, 2016 10:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
WayneTanaka	Individual	Support	No

Comments: Public land trust lands are Hawaiian lands, and our constitution entrusts the state with the responsibility to ensure they benefit Native Hawaiians. However, it is now abundantly clear that the \$15.1 million established as OHA's annual Public Land Trust share falls far short of the 20% that Hawaiians are owed. Please support this long-due effort to ensure that Hawaiians receive a realistic and fair reflection of their one-fifth share of revenues from the Public Land Trust!

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Jade McMillen

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 2:21 PM  
To: omhtestimony  
Cc: jc31hi@aol.com  
Subject: Submitted testimony for HCR188 on Mar 23, 2016 10:30AM

**HCR188**

Submitted on: 3/22/2016

Testimony for OMH on Mar 23, 2016 10:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
james ching	Individual	Support	No

Comments: I live in Honolulu, Oahu. I strongly SUPPORT (HCR188/SCR162) which would be the first major step taken in the last 10 years to ensure that Hawaiians receive a fair annual share of Public Land Trust revenues. The temporary \$15.1 million cap on the state's annual transfers to OHA is no longer a fair reflection of what is due. The Public Land Trust revenue provides OHA with funding to support important programs and services, including Hawaiian charter schools, health, housing, and cultural based initiatives. OHA has greatly impacted my community through their grants and loan programs. I urge the committee to PASS this measure. James Ching

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Jade McMillen

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 2:47 PM  
To: omhtestimony  
Cc: mkoholua@gmail.com  
Subject: Submitted testimony for HCR188 on Mar 23, 2016 10:30AM

**HCR188**

Submitted on: 3/22/2016

Testimony for OMH on Mar 23, 2016 10:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Michelle Koholua	Individual	Support	No

Comments: TESTIMONY I live in Kapolei, Oahu. I strongly SUPPORT (HCR188/SCR162) which would be the first major step taken in the last 10 years to ensure that Hawaiians receive a fair annual share of Public Land Trust revenues. The temporary \$15.1 million cap on the state's annual transfers to OHA is no longer a fair reflection of what is due. The Public Land Trust revenue provides OHA with funding to support important programs and services, including Hawaiian charter schools, health, housing, and cultural based initiatives. OHA has greatly impacted my community through their grants and loan programs. I urge the committee to PASS PASS PASS this measure.

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Jade McMillen

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Sent: Tuesday, March 22, 2016 2:57 PM  
To: omhtestimony  
Cc: jching808@gmail.com  
Subject: Submitted testimony for HCR188 on Mar 23, 2016 10:30AM

**HCR188**

Submitted on: 3/22/2016

Testimony for OMH on Mar 23, 2016 10:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jonathan Ching	Individual	Support	No

Comments: Aloha Chair Ing, Chair Yamane, and Members of the House Committee on Ocean, Marine Resources & Hawaiian Affairs and the House Committee on Water & Land, I STRONGLY SUPPORT HCR188. Since 2012, when all state agencies have reported revenue from public land trust lands, pursuant to Act 178, Session Laws of Hawaii 2006, it is clear that 20% of revenue is less than the interim \$15.1 million which OHA currently receives under Act 178. Therefore, I believe the Governor, Legislature, and the Office of Hawaiian Affairs should come together to discuss this in a negotiating committee to re-evaluate what is a more appropriate figure to ensure that OHA receives its pro-rata portion of the public land trust, which the state constitution mandates a share of trust be used for "the betterment of the conditions of native Hawaiians." Given that OHA has demonstrated it is a good steward of using its money from the public land trust to serve its beneficiaries and the overall public through grant money to service providers, I believe it is warranted that a negotiating committee be convened to discuss what amount would more fairly reflect OHA's 20% share of the public land trust. For these reasons, I humbly ask the committees to pass HCR188 unamended.

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Jade McMillen

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 3:23 PM  
To: omhtestimony  
Cc: launahela@yahoo.com  
Subject: Submitted testimony for HCR188 on Mar 23, 2016 10:30AM

**HCR188**

Submitted on: 3/22/2016

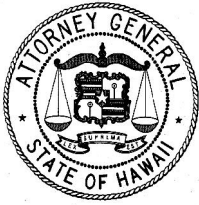
Testimony for OMH on Mar 23, 2016 10:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Benton	Individual	Support	No

Comments: I live in Palolo Valley on the island of O'ahu. I strongly SUPPORT (HCR188/SCR68) which would be the first major step taken in the last 10 years to ensure that Hawaiians receive a fair annual share of Public Land Trust revenues. The temporary \$15.1 million cap on the state's annual transfers to OHA is no longer a fair reflection of what is due. The Public Land Trust revenue provides OHA with funding to support important programs and services, including Hawaiian charter schools, health, housing, and cultural based initiatives. OHA has greatly impacted my community through their grants and loan programs. I urge the committee to PASS this measure. Benton Pang

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**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
TWENTY-EIGHTH LEGISLATURE, 2016**

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**ON THE FOLLOWING MEASURE:**

H.C.R. NO. 188, REQUESTING THE ESTABLISHMENT OF A PUBLIC LAND TRUST REVENUES NEGOTIATING COMMITTEE.

**BEFORE THE:**

HOUSE COMMITTEE ON OCEAN, MARINE RESOURCES, AND HAWAIIAN AFFAIRS

**DATE:** Wednesday, March 23, 2016                      **TIME:** 10:30 a.m.

**LOCATION:** State Capitol, Room 325

**TESTIFIER(S):** Douglas S. Chin, Attorney General, or  
Charleen M. Aina, Deputy Attorney General

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Chair Ing and Members of the Committee:

The Department of the Attorney General supports adoption of HCR No. 188.

This resolution establishes a negotiating committee consisting of the President of the Senate, the Speaker of the House, the Governor, and the Chairperson of the Office of Hawaiian Affairs (OHA)'s Board of Trustees, or their designees, to engage in discussions with the purpose of resolving the matter of the income and proceeds from the public land trust OHA receives. The resolution also requests that the Committee submit a status report to the Legislature twenty days prior to the 2017 Regular Session, and a final report twenty days prior to the 2018 Regular Session.

Ten years ago, the Legislature established \$15.1 million as the portion of income and proceeds from the public land trust lands that state agencies responsible for the use and management of the public land trust lands are to transfer to OHA on a quarterly basis. As this resolution notes, the process and amount fixed as OHA's share by Act 178 was not the Legislature's last word on OHA's annual share.

Informed, thoughtful, and complete discussions are critical to establishing a permanent mechanism for OHA to receive a portion of the income and proceeds from the public land trust lands, and the Department of the Attorney General supports passage of this resolution to further that effort. We note, however, that resolutions do not have the force and effect of law, and cannot establish a state agency or entity. Given this, we suggest that instead of establishing a committee, the resolution request the Senate President, Speaker of the House, Governor, and Chair of OHA's Board of Trustees and their designees, to engage in the discussions described in

the third resolving paragraph of the resolution. It may also be helpful for the resolution to expressly request the principals to utilize their respective staff to work together to prepare the two reports to the Legislature that the resolution describes.

Thank you for the opportunity to testify.

Jade McMillen

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, March 22, 2016 5:24 PM  
To: omhtestimony  
Cc: kaliko08@gmail.com  
Subject: Submitted testimony for HCR188 on Mar 23, 2016 10:30AM

**HCR188**

Submitted on: 3/22/2016

Testimony for OMH on Mar 23, 2016 10:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Donna K Santos	Individual	Support	No

Comments: I am a Native Hawaiian who lives in Lihu'e, Kaua'i. I strongly SUPPORT HCR188. I urge the committee to PASS this measure. Mahalo.

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