



House Committee on Ocean, Marine Resources & Hawaiian Affairs

February 7, 2017, 9:00am

Conference Room 312

HB335

Biennium FY 18 and FY 19

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OVERVIEW

A. Background and Mission

1. Background

Upon statehood in 1959, Section 5(f) of the Admission Act directed the State to hold lands in trust for five purposes, one of which was “the betterment of the conditions of Native Hawaiians,” as defined in the Hawaiian Homes Commission Act of 1920. In 1978 a Constitution Convention reviewed and revised the responsibilities of Hawai‘i’s government. Among the provisions incorporated into the new State constitution was the establishment of the Office of Hawaiian Affairs (OHA), as a public trust with mandates to better the conditions of Native Hawaiians and Native Hawaiian community in general. In 1979, the legislature enacted Chapter 10 of the Hawai‘i Revised Statutes (HRS) which created OHA as a semi-autonomous self-governing body. Subsequent legislation has defined the amount of the revenue streams accruing to OHA. OHA’s Board of Trustees is composed of nine trustees, five of whom represent specific island districts. OHA’s key administrators include a Chief Executive Officer, Chief Operating Officer and five Departmental Directors (www.oha.org).

Hawai‘i is an ethnically-diverse state. Currently, one in five (21.67%) of our island population define themselves as Native Hawaiian. Native Hawaiian households typically consist of larger, multi-generational families with more children, yet have less income per person than other populations residing in the State of Hawai‘i (American Community Survey, U.S. Census Bureau, 2015). Throughout each county, Native Hawaiians commonly live in the geographical areas of their ancestors, and with greater density in rural areas than metro cities.

2. Mission

OHA’s mission is to mālama (protect) Hawai‘i’s people, environmental resources and assets, toward ensuring the perpetuation of the culture, the enhancement of lifestyle, and the protection of entitlements of Native Hawaiians, while enabling the building of a strong and healthy Hawaiian people and nation, recognized nationally and internationally. According to Hawai‘i Revised Statutes Chapter 10, OHA is the principal public agency in the State of Hawai‘i responsible for:

- Betterment of conditions of Native Hawaiians;
- Performance, development, and coordination of 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 reparations.

OHA carries out its mission through the strategic allocation of its limited resources. Consistent with best practices among foundations and endowments, and with the purpose of ensuring the continued viability of its Native Hawaiian Trust Fund (NHTF), OHA’s Board of Trustees adopted

its first Spending Policy in 2003. This Policy limits is annual spending to 5% to help ensure sufficient resources are available for future generations. FY 2016 is used as an example to depict OHA’s net assets and core operating budget.

Figure 1. OHA’s FY 2016 Net Assets (unaudited) = \$637,806,000

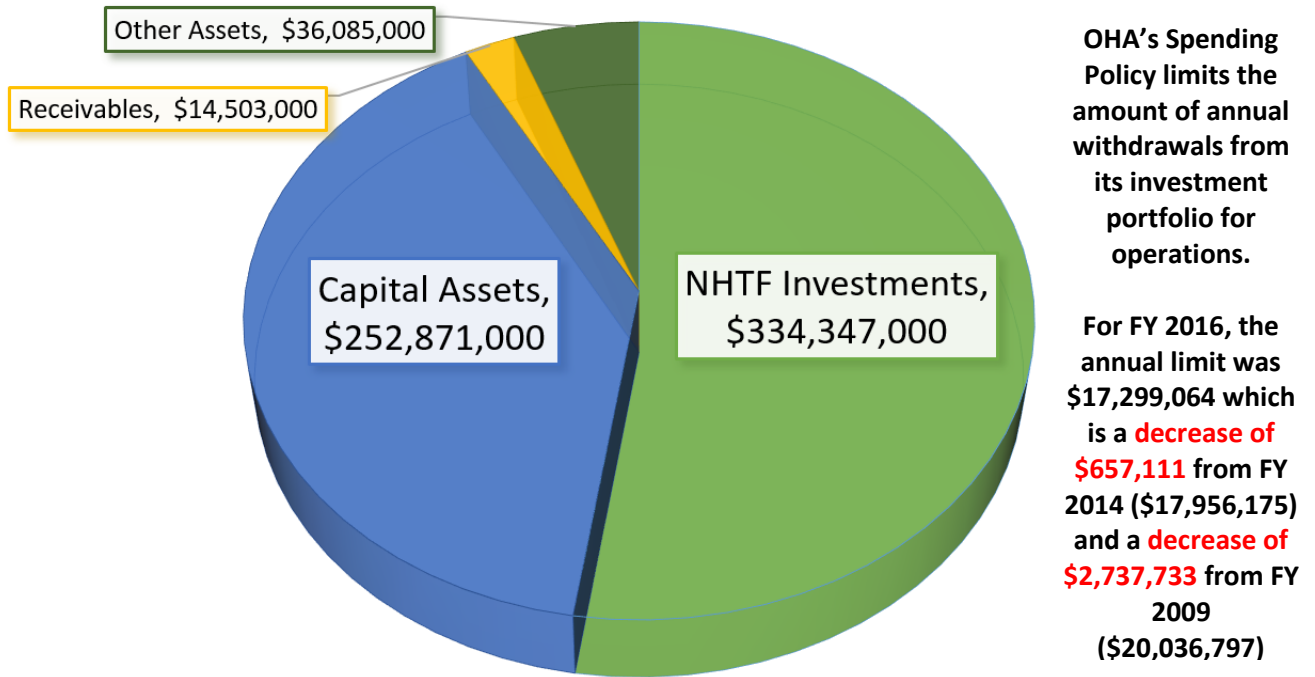


Figure 2. OHA’s FY 2016 Funding Sources for Core Operations = \$35,666,229

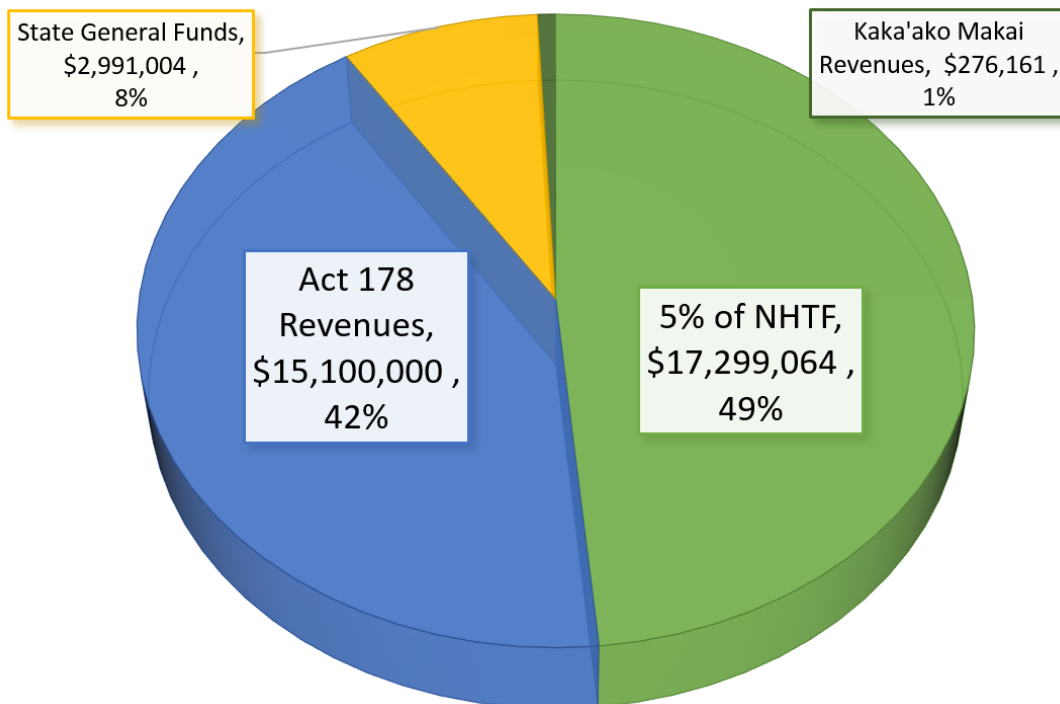
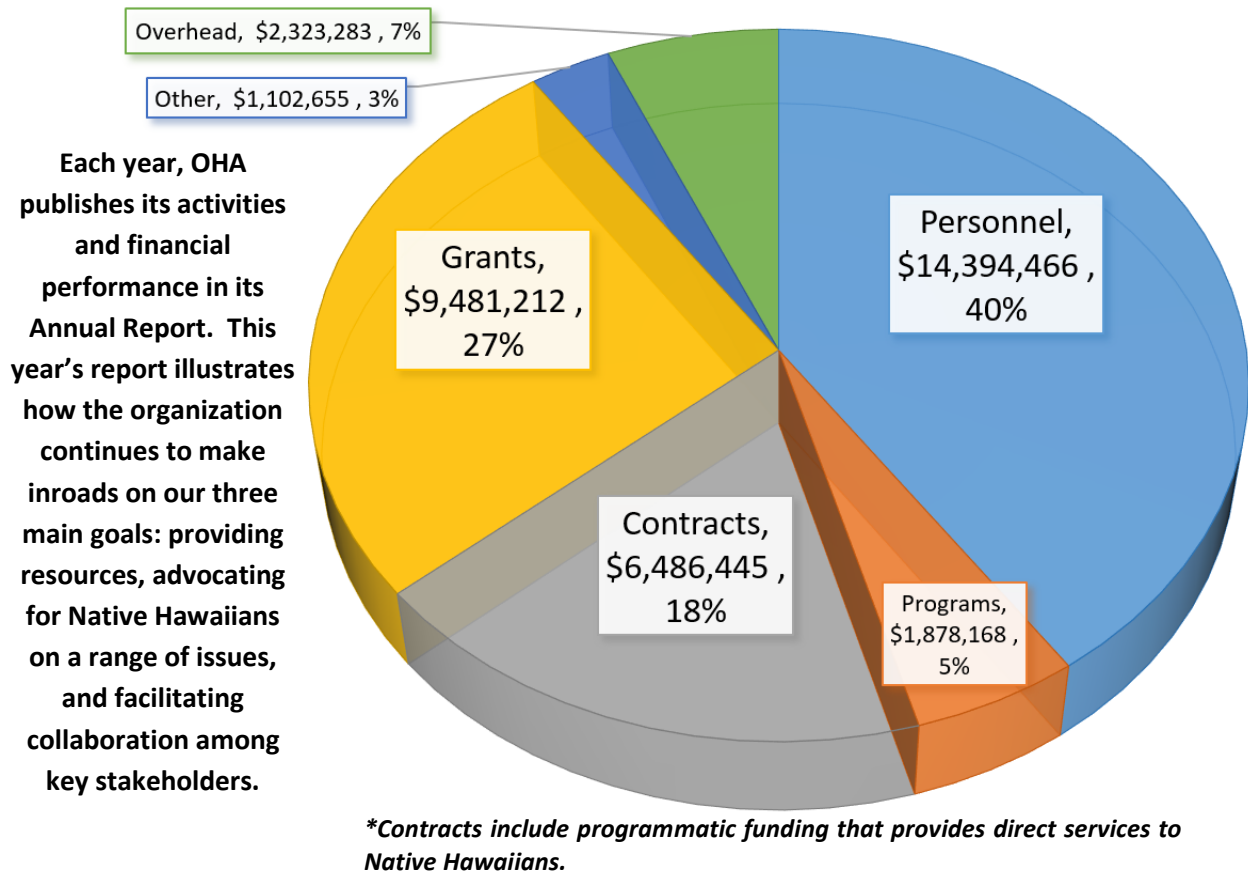


Figure 3. OHA’s FY 2016 Core Operating Budget = \$35,666,229



We encourage you to review the 2016 Office of Hawaiian Affairs Annual Report. The complete report can be downloaded from www.oha.org/about/annual-reports/.

OHA’s 2010-2018 Strategic Plan guides the achievement of its vision and mission. **Table 1** outlines the progress made on key strategic indicators related to the priorities and expected future outcomes outlined in this request.

Table 1. Key Education, Economic, Health and Legal Indicators related to OHA’s Request

Target Area	➤ Strategic Indicator ○ Related Measure/Evidence from OHA funding	Progress FY 15-FY 16	Future Progress	\$ Requested from State	
EDUCATION	Adults	➤ Increase number of degrees or certificates earned by Native Hawaiians from the UH System by 12%	103.2% FY2016	Exceeded	\$ 0
		○ Number of OHA scholarships provided	250/yr	Maintain	
	K-12	➤ Increase the percentage of Native Hawaiian student that meet or exceed math standards*	28% SY2016	Increase	\$ 615,000
		➤ Increase the percentage of Native Hawaiian student that meet or exceed reading standards*	36% SY2016*	Increase	
		○ Number of Native Hawaiian students OHA assisted	3,793/yr	Maintain**	
ECONOMIC	Income	➤ Increase Native Hawaiian median family income to 92% or greater of the total State median family income	87.8% FY2014	Increase	\$ 250,000
		○ Number of Native Hawaiians assisted	135/yr	Maintain**	
	Housing	➤ Increase Native Hawaiian homeownership rate to 58%	52.9% FY2014	Increase	\$ 250,000
		➤ Decrease the percent of Native Hawaiians who pay more than 30% of income on rental housing cost to 55%	54.8% FY2014	Decrease	
		○ Number of Native Hawaiians assisted	442/yr	Maintain**	
	Social Services	○ Number of Native Hawaiians assisted	2,370/yr	Maintain**	\$ 415,000
	Income/ Housing/ Social Services	○ Number who completed Financial Literacy Training to secure OHA economic assistance	740/yr	Maintain**	
HEALTH	➤ Reduce the rate of obesity among Native Hawaiians to 35%	38.7% FY2014	Decrease	\$ 250,000	
	○ Number of Native Hawaiians who lost weight	233/yr	Maintain**		
LEGAL	○ Number of Native Hawaiians who received legal services including representation	1,155/yr	Maintain**	\$ 524,400	
TOTAL ANNUAL PROGRAMMATIC REQUEST:				\$ 2,304,400	

Note. * = Due to changes in the Department of Education’s state standards and related assessments, these results are incomparable with previous years and with OHA’s strategic target developed in 2009. In alignment with the DOE’s updated targets, an update to OHA’s strategic target is currently under consideration.

** = Future progress expected to be consistent with the ratio of funding provided to meet each strategic indicator.

B. Current Economic Conditions & Notable Performance

1. Impact of Current Economic Conditions

Budget cuts on the State and Federal levels, combined with a volatile stock market have significant indirect impact to OHA's operational funds, programs and/or needs of OHA's beneficiaries in a number of ways.

- **Reductions.** In general, any loss of government funding to beneficiary programs and the organizations that serve them will cause an increased demand for supplemental funding from OHA to ensure that the health, education and other daily needs of our beneficiaries are met. Reduced State appropriations have created a reduction in beneficiary assistance, from non-OHA programs, including but not limited to reductions in: 1) emergency financial assistance programs, 2) case management services which assist beneficiaries to access community resources, 3) clinicians providing mental health and substance abuse counseling and support, and 4) health monitoring/navigation programs that assist those with chronic disease to get needed medical care.
- **Reduced Program Funds.** Trust funds available to OHA decreased due to under-performance of its investment portfolio as a result of the volatile stock market. Continued legal challenges that could seriously impact Native Hawaiians will continue to require financial resources that could otherwise be used to address beneficiary needs.
- **Beneficiaries.** The volatile economic situation before, during, and after the Great Recession of 2008 have resulted in increases to costs of living (i.e. housing and food) exceeding increases in wage and income. This has exacerbated Native Hawaiians' lower per capita income, high rates of homelessness, and higher rates of poverty. Research indicates that Native Hawaiians have recovered at a slower rate than others, and that children, particularly those under five, are affected the most.
- **Bottom Line.** State and federal budget cuts have reduced services and programs that previously serviced OHA beneficiaries. As a result, these beneficiaries often turn to OHA to fill the gap. In recent years, the number of beneficiaries that OHA serves per year has increased 50%. Also, increasingly non-profit and other social services organizations have looked to other avenues to support their work and have turned to OHA for support.

2. Notable Performance, Results and Expected Outcomes

Enhanced performance measures. In the quest to improve conditions for Native Hawaiians, OHA continues to work closely with many community-based partners who continue to play a critical role in the successes presented in Table A. OHA remains encouraged by visible signs of progress in helping Hawai'i's citizens improve their health; improve their economic self-sufficiency; secure stable housing; improve skills in reading and math; and protect legal rights. Close collaboration between OHA's grant, research, and communications staff with

service providers has transformed OHA into a more transparent and accessible grantor. Currently all OHA community grant applications, from each county and for every grant type, are submitted online at OHA's updated website - www.oha.org. Within the last year OHA has continued to align its funded projects with its strategic priorities, increased its grants monitoring, strengthened its grants performance measures, and streamlined its grant processes with input from past and current providers.

Significant Return on Investment via OHA and Community Commitment. Strong demand continues for OHA grant money to help tackle priority issues. Community partners increasingly tailor marketable services to OHA priorities to help them stay afloat and meet critical needs across the State. Organizations contribute a minimum 20% cash match in each grant request. In turn, OHA funding will allow many well-connected organizations to leverage OHA funds as much as 14.4:1 (in the area of housing).

Bottom Line. State General Funds are highly leveraged through its partnership with OHA, as evidenced by an impressive overall **4.18:1 total impact** as depicted in Table 2 on page 9.

OHA's budget bill will transform **\$4.6 million** in State general funds into **\$19.3 million** for community programs, by leveraging State funds with private and OHA trust fund contributions.

Table 2. Summary of FB 18/19 Projected State Leveraged Impact by Priority Area

Priority Area	Requested State General Funds	Projected OHA Matching Funds	Projected Minimum 20% Community Match	Other OHA Trust Funds [A]	Total Investment [B]	Leveraged Impact [C]	Estimated # of Individuals to be Served	Estimated # of Native Hawaiians to be Served
Social Services	\$ 830,000	\$ 830,000	\$ 332,000	\$ -	\$ 1,992,000	2.40	4,740	4,740
Legal Services	1,048,800	1,048,800	74,514	-	2,172,114	2.07	1,223	1,155
Education	1,230,000	1,230,000	492,000	1,540,000	4,492,000	3.65	10,156	7,094
Health	500,000	500,000	200,000	-	1,200,000	2.40	1,214	1,038
Housing (inc \$6M DHHL)	500,000	500,000	200,000	6,000,000	7,200,000	14.40	1,082	972
Income (inc \$1M scholarships)	500,000	500,000	200,000	1,000,000	2,200,000	4.40	656	656
TOTAL:	\$ 4,608,800	\$ 4,608,800	\$ 1,498,514	\$ 8,540,000	\$ 19,256,114	4.18	19,070	15,656

Notes:

[A] Housing includes \$3M/year to DHHL and Income includes \$500,000/year for scholarships

[B] Additional Funds through OHA Partnership **\$14,647,314** = \$19,256,114 (Total Investment) - \$4,608,800 (State General Funds)

[C] Leveraged Impact = Total Investment / State General Funds; Projected State General Funds leveraged through OHA Partnerships **4.18 : 1**

Above does not include OHA in-kind salary & administrative support

FEDERAL FUNDS

C. Impending Loss of Direct Federal Funds

OHA currently administers one (1) Federally-funded pass-through and two (2) Federally-funded direct programs. As of this time, these awards have not lost, or are not at risk, of losing federal funding. They are summarized as follows:

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number
U.S. Department of Transportation - Federal Highways --	
Pass-through from Department of Transportation, State of Hawai'i Interstate Route H-3	20.205
U.S. Environmental Protection Agency --	
Direct Programs - Brownfields Assessment and Cleanup Cooperative Agreements	66.818
U.S. Department of Health and Human Services --	
Direct Programs - Native American Program, Native Hawaiian Revolving Loan Program	93.612

1. The Hālawā Luluku Interpretive Development (HLID) Project is a pass-through from the State's Department of Transportation. Its three basic goals are compliance, mitigation, and community support relating to the adverse impacts as a result of construction of Interstate Highway H-3.
2. The United States Environmental Protection Agency awarded OHA two Brownfield Assessment grants for community-wide environmental assessments of hazardous substances and petroleum on Kaka'ako Makai parcels, which began July 1, 2013. Grant funds will be used to complete Phase II Environmental Site Assessments for six Kaka'ako Makai parcels, including testing and analysis of subsurface contaminants, no later than September 30, 2017.
3. The Native Hawaiian Revolving Loan Fund (NHRLF), whose mission is to enhance access for all persons of Native Hawaiian ancestry to credit, capital, and financial services to create jobs, wealth, and economic and social well-being for all the people of Hawai'i, issued its first loan in 1989.

The Native American Programs Act (NAPA) of 1974, as amended, requires the Administration for Native Americans to submit an Annual Report to the Congress on the NHRLF. The most recent report, submitted in March 2016, noted that through FY 2015 (June 30, 2015), “OHA has successfully revolved the Fund twice by lending a cumulative \$57 million to more than 2,000 Native Hawaiians. More importantly, the Fund has contributed to the economic self-sufficiency of Native Hawaiians.” The report continues by informing the Congress of joint efforts to develop a Three-Year Business Plan that “will demonstrate that the \$26 million Fund can be self-sustaining and continue to advance the economic and social self-sufficiency of Native Hawaiians.”

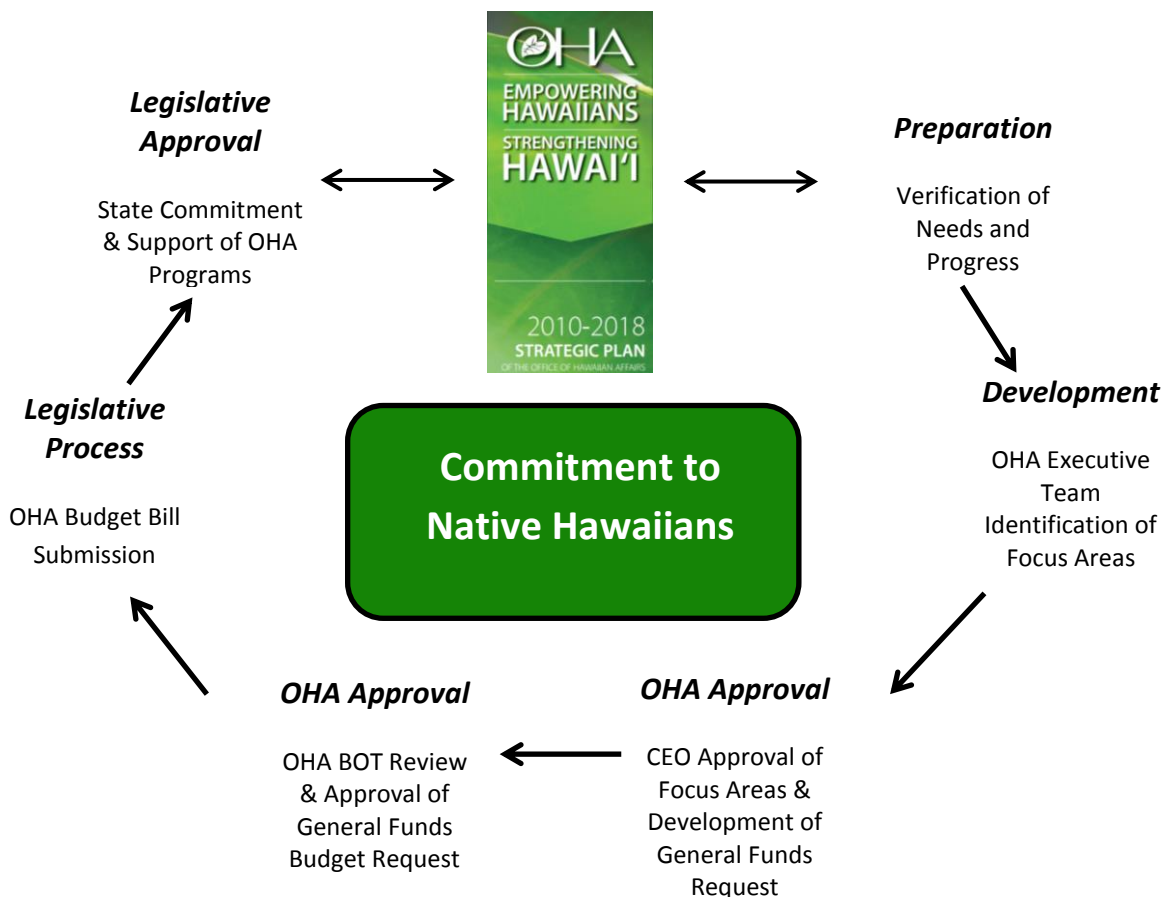
BUDGET REQUEST

D. Budget Development Process and Priority Requests

1. Budget Development

As documented in Figure 4, OHA’s request centers on both the State and OHA’s commitment to Native Hawaiians. The process involves an assessment of priorities, previous progress and needs by OHA’s Executive Team prior to Board Approval and eventual Legislative Submission.

Figure 4. OHA’s General Funds Biennial Budget Development Process



2. Summary of Priority Requests

Overview.

Historical Funding. OHA has received State General Funds since 1981 for a portion of its personnel and operating cost and to provide services. Currently OHA provides services to beneficiaries in the priority areas of **Social Services, Legal Services, Education, Health, Housing, and Income** and considers all programmatic support as well as support provided for personnel and operations as priorities.

Budget Changes. OHA is requesting an increase in programmatic support totaling \$130,570/year in the areas of Health, Housing, and Income as well as an increase in personnel support totaling \$1,400,000/year as explained in Section E. **Significant Adjustments and Related Outcomes** below.

In summary, OHA requests **\$9,043,148** including **\$4,608,800** for **programmatic support** plus **\$4,434,348** for **personnel and operations** during the next biennium. The State's General Funds provided for programmatic support of **\$4,608,800** will be leveraged through its OHA partnership to a projected **\$19,256,114** or **4.18:1**, as summarized in Table 2 on page 9.

As of this time, OHA considers all budget requests, including changes, as a priority since these funds will be used as leverage to heavily invest over the next two years in addressing six specific priority areas that are ultimately about helping statewide efforts to strengthen families and communities.

E. Significant Budget Adjustments and Related Outcomes

OHA's FB 18/19 State General Funds request includes the following significant adjustments:

Budget Adjustments/Changes.

COMBINED AREAS OF HEALTH, HOUSING, AND INCOME:

- **Increase** request for the combined areas of \$130,570/year and \$261,140/FB 18/19 or 21% from the current allocation.

PERSONNEL:

- **Increase** request totaling \$1,400,000/year and \$2,800,000/FB 18/19.

OHA is one of few State agencies whose primary source of funding is non-State-General Funds. Therefore OHA has and will continue to be severely impacted by the large and unexpected increase in the State's fringe rate. Increased General Funds would allow OHA to more easily absorb the impact of the fringe rate increase and continue to service. As stated previously in this testimony, State and federal budget cuts have reduced services and programs that previously serviced OHA beneficiaries. As a result, these beneficiaries often turn to OHA to fill the gap. In recent years, the number of beneficiaries that OHA serves per year has increased 50%. Also, increasingly non-profit and other social services organizations have looked to other avenues to support their work and have turned to OHA for support. Strong demand continues for OHA grant money to help tackle priority issues.

Community partners increasingly tailor marketable services to OHA priorities to help them stay afloat and meet critical needs across the State. Organizations contribute a minimum 20% cash match in each grant request. In turn, OHA funding will allow many organizations to leverage OHA funds as much as 14.4:1 (in the area of housing).

Changes for the upcoming FB 18/19 biennium are summarized in **Table 3** below:

Table 3. Overview of OHA’s Budget Request by Priority Area (per year)

Purpose	FB 16/17 (per year)		FB 18/19 (per year)		Adjustments	
	General Funds	Trust Fund Match	General Funds	Trust Fund Match	General Funds	Trust Fund Match
1. Social Services	\$ 415,000	\$ 415,000	\$ 415,000	\$ 415,000	\$ 0	\$ 0
2. Legal	524,400	524,400	524,400	524,400	0	0
3. Education	615,000	615,000	615,000	615,000	0	0
4. Health	415,256	415,256	250,000	250,000	-165,256	-165,256
5. Housing	1,124	1,124	250,000	250,000	248,876	248,876
6. Income	203,050	203,050	250,000	250,000	46,950	46,950
Sub-Total Programs:	\$ 2,173,830	\$ 2,173,830	\$ 2,304,400	\$ 2,304,400	\$ 130,570	\$ 130,570
A. Personnel	520,300	3,959,000	1,920,300	3,501,254	1,400,000	-457,746
B. Operations	296,874	296,874	296,874	296,874	0	0
Sub-Total Non Programs:	\$ 817,174	\$ 4,255,874	\$ 2,217,174	\$ 3,798,128	\$1,400,000	\$ -457,746
Totals:	\$ 2,991,004	\$ 6,429,704	\$ 4,521,574	\$ 6,102,528	\$1,530,570	\$ -327,146
FB 18/19 (2-year) Programs Total:			\$ 4,608,800	\$ 4,608,800	*Same as Table 2, 1:1 match	
FB 18/19 (2-year) Non Programs Total:			\$ 4,434,348	\$ 7,596,256	* 1.71:1 match	
FB 18/19 (2-year) Overall Total:			\$ 9,043,148	\$12,205,056	*Overall 1.35:1 match	

Although OHA requests State General Funds each year, OHA’s support to the State and its programs far exceeds its ask. During the same period of time (FY 07-FY 17) in which OHA committed over **\$63 million in support of State agencies and its University**, it received less than half that amount, or **\$30.5 million** in State General Funds, as summarized in **Table 4** to the right.

The following infographic on page 14 summarizes OHA’s overall budget request as well as its projected leveraged impact as it relates to the needs within its six priority areas.

Table 4. State General Funds to OHA FY 07-FY 17

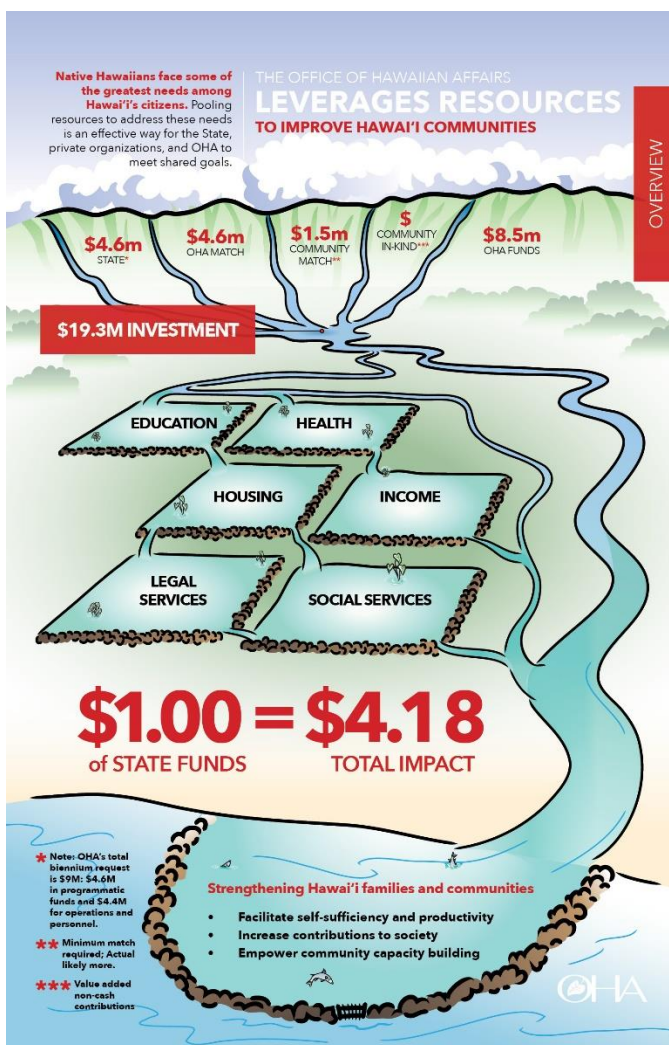
Fiscal Year	State General Funds Amount
FY 2007	\$ 2,866,279
FY 2008	3,053,108
FY 2009	3,087,075
FY 2010	2,469,659
FY 2011	2,469,659
FY 2012	2,370,872
FY 2013	2,370,872
FY 2014	3,141,574
FY 2015	2,741,574
FY 2016	2,991,004
FY 2017	2,991,004
Total:	\$ 30,552,680

Summary Infographic

In its quest to improve the conditions of Native Hawaiians, OHA has worked closely with a number of community-based partners to bring attention, needed resources, and a strong policy voice to address the many urgent issues facing the Native Hawaiian community and the State as a whole. OHA remains encouraged by signs of progress in Native Hawaiians' and others' improved health outcomes; increased ability to secure stable housing; improved socioeconomic conditions; increased financial stability; and greater awareness of and ability to protect their legal rights. In the months and years ahead, the immediate challenge will be maintaining this positive momentum.

Strong demand remains for OHA grant money to help tackle these issues as community partners across the state increasingly tailor their services to align with OHA's priorities. Many of these community partners have already proved their value in enhancing OHA's efforts to help create a solid future for Native Hawaiians as well as all residents of Hawai'i nei.

Figure 5. Summary Infographic (See Appendix A for larger image)



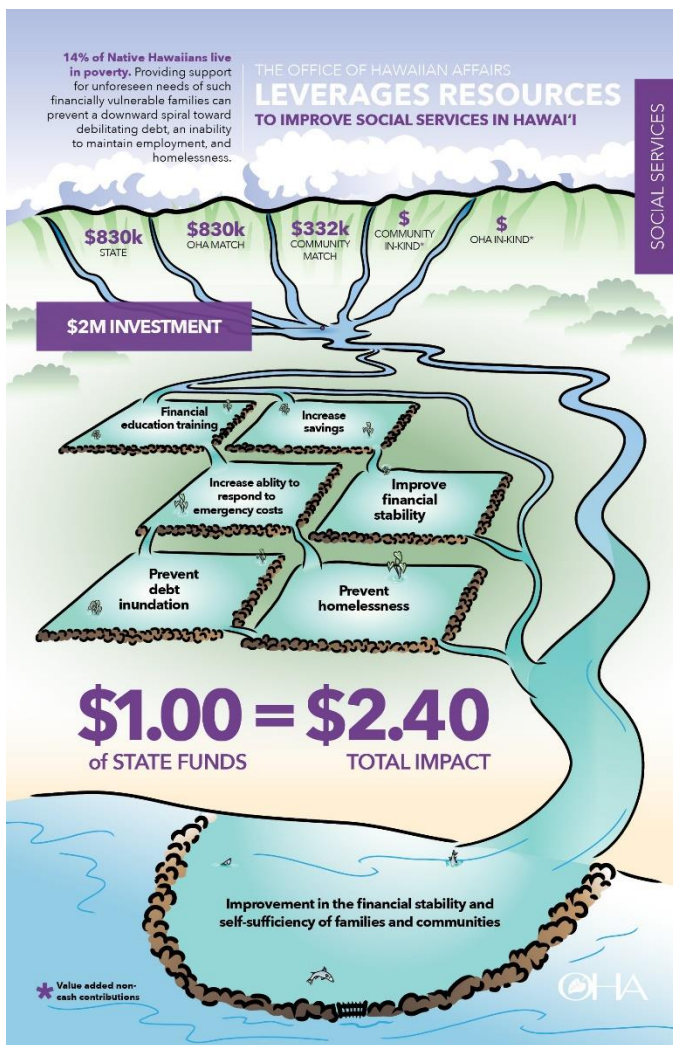
OHA's grants program has substantially increased its capacity by requiring projects to align with OHA's strategic priorities, and by closely monitoring grant projects to ensure adequate progress toward specific, measurable outcomes. Therefore, it is with enthusiasm and hope that OHA is now requesting \$4.6 million (over half of OHA's \$9.04 million total budget request) in programmatic state funds for the 2018-2019 fiscal years, to use as leverage in its continued investment in six specific areas consistent with statewide efforts to strengthen Hawai'i's families and communities.

OHA is committed to further leveraging state funds by requiring a 20% cash match by all providers awarded funds under the OHA grants program.

1. Social Services

OHA works every day to help Native Hawaiians who are struggling financially. Research shows that 14 percent of Native Hawaiians live in poverty, a rate that is higher than other ethnic groups throughout the state (Income Inequality and Native Hawaiians in the Wake of the Great Recession: 2005 to 2013, 2014). Emergency situations, such as sudden unemployment, medical issues, or family crises, place a substantial strain on families in the lowest income brackets, and can exacerbate their already dire financial circumstances. OHA's emergency assistance program offers struggling Native Hawaiians relief when faced with unforeseen circumstances by providing funds to pay for rent and utilities, helping to ensure that they do not fall deeper into poverty, lose employment, or become homeless. Financial literacy training remains a condition for this emergency assistance, which is part of a larger effort to encourage financial self-sufficiency.

Figure 6. Social Services Infographic (See Appendix A for larger image)



OHA is committed to matching \$830,000 from the State over the next two years, and leveraging these funds with contributions from community partners to help more at-risk Native Hawaiians and their families address unexpected crises, and make smart-money-management decisions meant to improve their economic well-being and self-sufficiency.

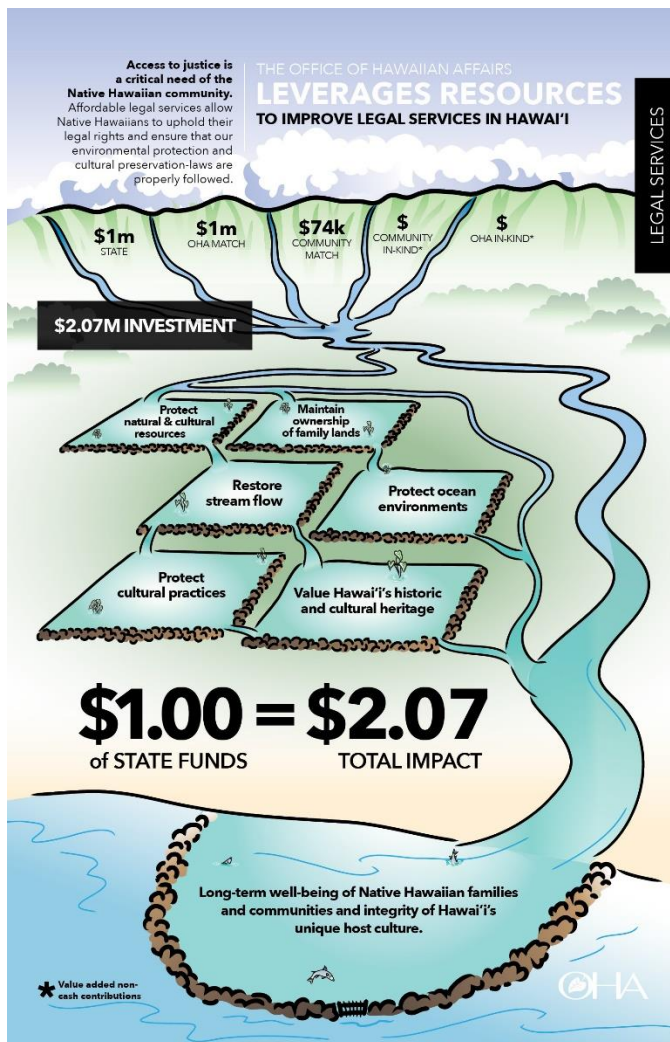
State support will result in the following impact to Native Hawaiians (NHs):

- 770 NHs provided case management services
- 570 NHs provided information and emergency financial assistance
- 570 NHs provided financial literacy services
- 200 NHs provided savings match

2. Legal Services

Over the next two years, OHA will continue to support access to justice for Native Hawaiians seeking to perpetuate their culture, and maintain a connection to their ‘āina, their communities, and their ‘ohana. The Legislature has found that the “historic and cultural heritage of the State is among its important assets” and has declared that it is the policy of the State to “provide leadership in preserving, restoring, and maintaining historic and cultural property ... in a spirit of stewardship and trusteeship for future generations.” However, Native Hawaiians continue to have unique legal needs relating to issues such as quiet title, land title, traditional and customary practices, protection of significant places, and protection of natural and cultural resources. OHA’s legal services program ensures that State laws passed by the legislature are upheld and Native Hawaiians have access to affordable legal services.

Figure 7. Legal Services Infographic (See Appendix A for larger image)



OHA hopes to leverage \$1,040,800 in state funds over the next two years to invest in legal services that can improve and consistently uphold State laws that are meant to protect Native Hawaiians’ rights and interests.

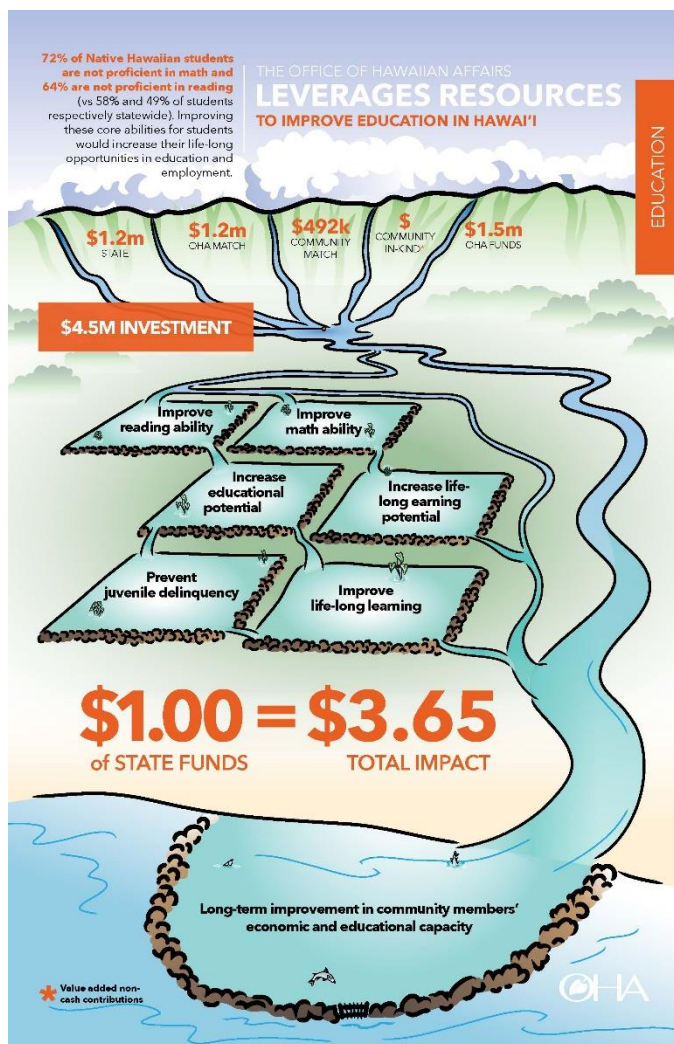
State support will result in the following impact to Native Hawaiians:

- 1,223 inquiries addressed
- 300 clients represented

3. Education

In the year ahead, OHA will continue to focus on closing the persistent achievement gap between Native Hawaiian students and their peers across the State, particularly in reading and math scores. OHA recognizes the urgency of the need to reverse this trend, which threatens to undermine the future success of Native Hawaiian students. In addition, OHA believes that successful educational outcomes for all students, including those in our public school system, are critical to supporting the state’s economy, overcoming our present and future social and environmental challenges, and maintaining a culturally enriched and socially conscious island society.

Figure 8. Education Infographic (See Appendix A for larger image)



OHA is hoping to partner with other organizations to leverage an anticipated \$1,230,000 from the State, to invest in closing educational achievement gaps and ensuring a brighter future for Native Hawaiian students. With the requested state funding, OHA and its partners would bring an additional \$3.2 million to educational programs that help Native Hawaiian students successfully graduate from high school with the skills needed to obtain well-paying jobs and/or pursue a college education.

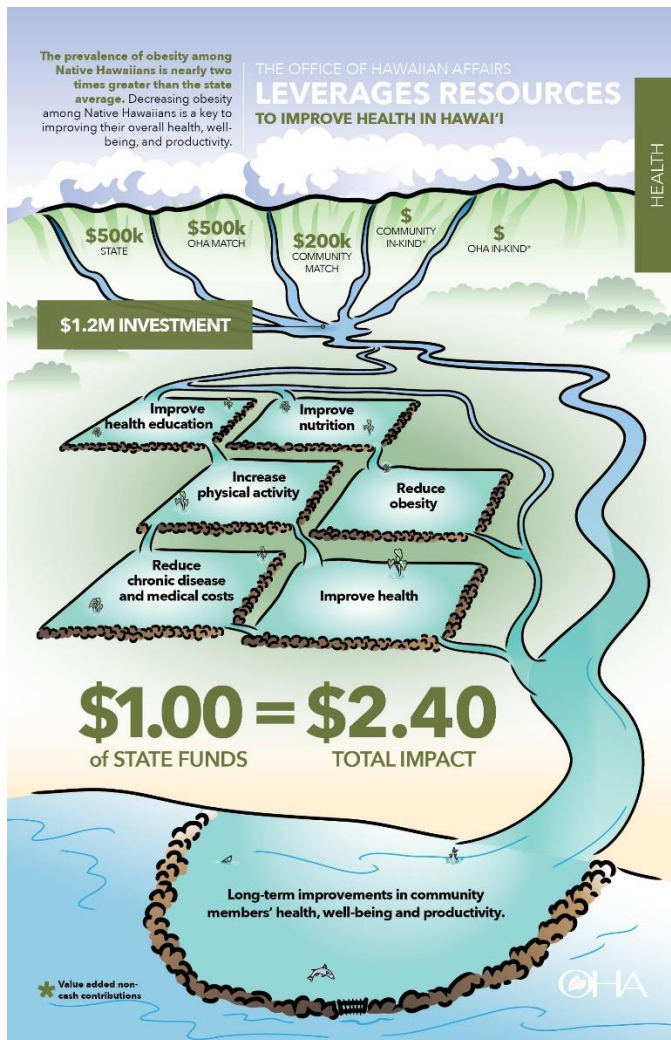
State support will result in the following impact to Native Hawaiians:

- 7,094 NHs enrolled in school programs
- 824 testing readiness activities conducted
- 582 NHs receiving assistance to meet or exceeded Reading testing standards
- 578 NHs receiving assistance to meet or exceeded Math testing standards

4. Health

To help fight obesity in the state, OHA has been encouraging Native Hawaiians to eat healthier and become more physically active. Research shows that about 75.7 percent of Native Hawaiians are obese or overweight. Obesity-associated diseases, such as diabetes, heart disease, and cancer, further contribute to poor wellness and increasing state healthcare costs. Obesity-related medical costs in Hawai'i are already as high as \$412 million annually. To help keep healthcare costs from soaring due to weight-related problems such as diabetes and heart disease, OHA has worked closely with a variety of community partners to invest heavily in helping Native Hawaiians live healthier lives.

Figure 9. Health Infographic (See Appendix A for larger image)



OHA's current goal is to reduce the obesity rate among Native Hawaiians (38.7 percent) to 35 percent over the next two years. OHA has already seen some progress in this area, with more Native Hawaiians learning the importance of proper nutrition and regular exercise through OHA's health grant initiatives. OHA hopes to match \$500,000 from the State over the next two years, and to leverage other funds to invest in curbing the obesity rate among Native Hawaiians and others, to ultimately improve their overall health and well-being.

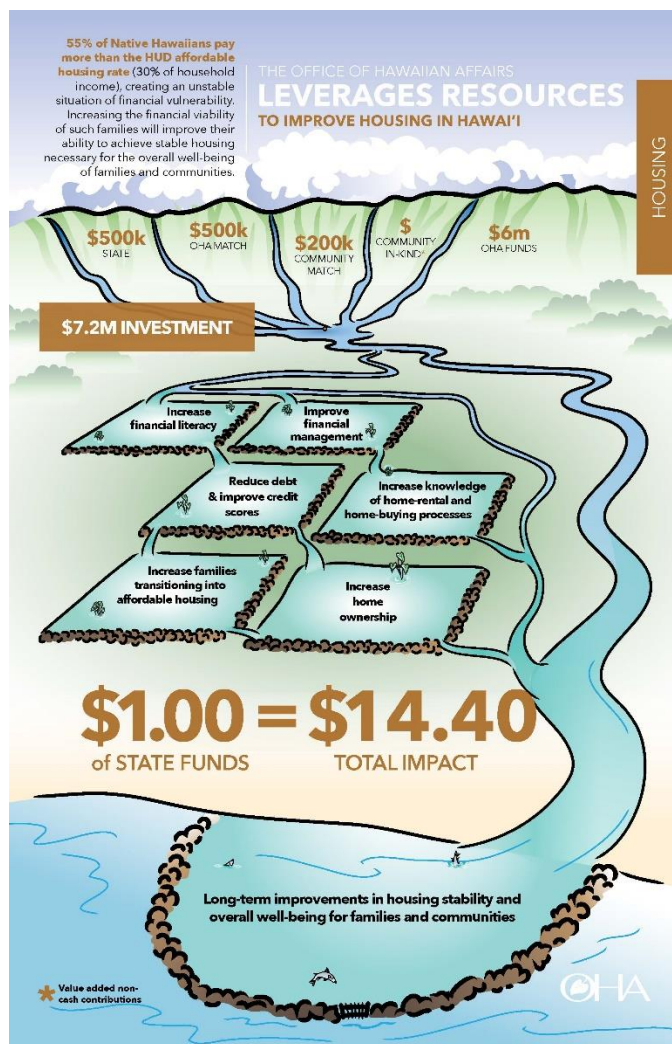
State support will result in the following impact to Native Hawaiians:

- 1,032 NHs completing an Individual Treatment Plan
- 1,032 NHs receiving health improvement and nutrition education
- 807 NHs improving their dietary habits
- 266 NHs reducing weight and their BMIs

5. Housing

OHA continues to focus on helping more Native Hawaiians achieve housing stability. According to the latest available figures from 2014, only 53 percent of Native Hawaiians reside in owner-occupied housing. At the same time, more than half of Native Hawaiian renters, many of whom live in overcrowded situations to reduce rental payments, live in homes they are struggling to afford. In addition to being burdened by housing costs, Native Hawaiians also earn less per capita than the state average. In response, OHA is advocating for appropriate affordable housing policies, and hoping to leverage \$500,000 from the State over the next two years, to help lay the groundwork to increase Native Hawaiian homeownership rates and build housing stability among Native Hawaiian renters.

Figure 10. Housing Infographic (See Appendix A for larger image)



By leveraging the requested state funds, OHA and community partners expect to invest \$7.2 million into helping Native Hawaiians obtain affordable housing, become more creditworthy and better at managing finances, and increase their home ownership rate.

OHA has already seen real results through past grantees that have successfully helped Native Hawaiian renters become more economically self-sufficient and housing secure across the State.

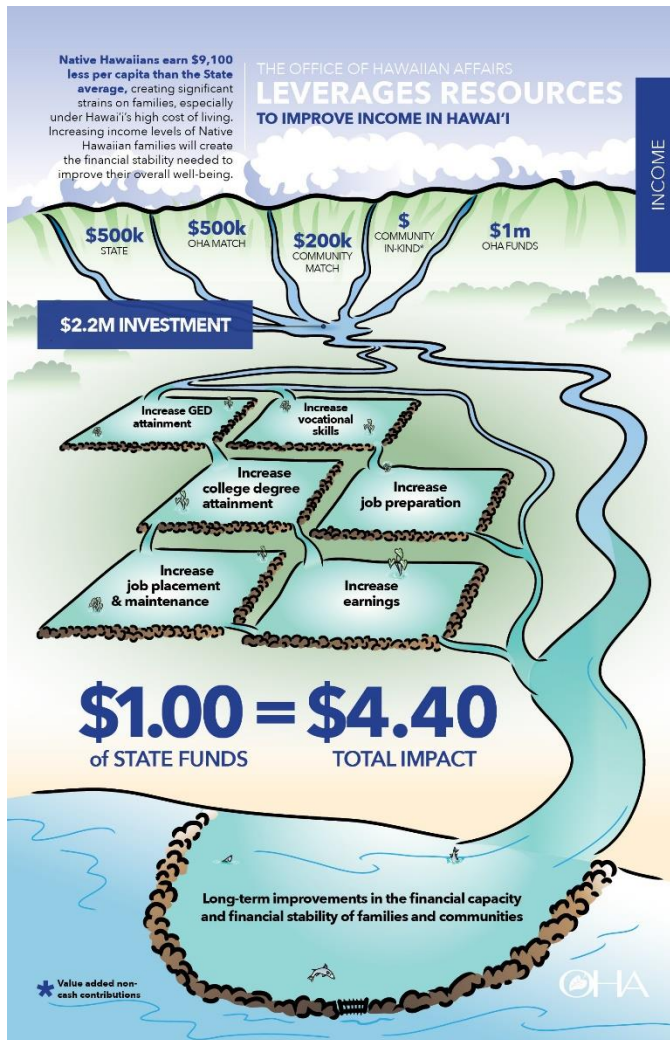
State support will result in the following impact to Native Hawaiians:

- 114 NHs obtaining stable rental housing
- 70 NHs achieving homeownership
- 720 NHs provided financial literacy services

6. Income

To help ensure that our state has sufficiently skilled workers to support our businesses and other employers, OHA has invested heavily in career-training programs aimed at increasing the percentage of workforce-ready Native Hawaiians. Research shows that Native Hawaiians participate in the labor force at higher rates than the state average (65 percent, compared to the 61 percent average); however, they earn \$9,100 per capita less than the state average. Moreover, the unemployment rate among Native Hawaiians has nearly doubled to 10 percent over the past decade. At the same time, Hawai'i needs new skilled and trained workers to fill openings in a variety of trades and professions. Unfortunately, many Native Hawaiians and others lack the skills and training needed for such skilled employment.

Figure 11. Income Infographic (See Appendix A for larger image)



The requested \$500,000 in state funds will allow OHA and various community partners to invest heavily in creating a steady stream of new Native Hawaiian workers with GED diplomas, college degrees, and/or critical job skills that can enable them to obtain well-paying jobs and support their families.

State support will result in the following impact to Native Hawaiians:

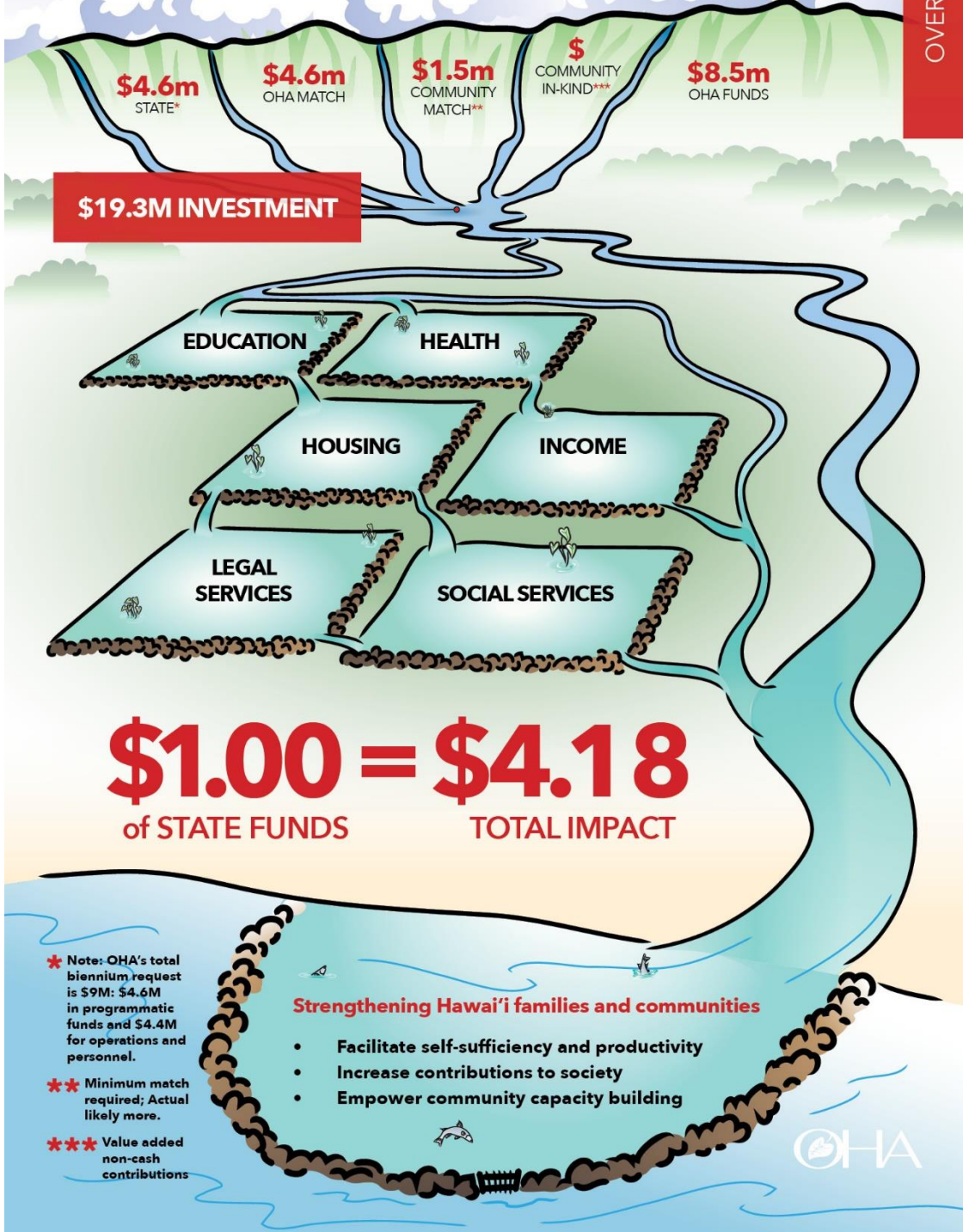
- 166 NHs completing short-term education or vocational training
- 140 NHs attaining employment
- 500 NHs awarded scholarships for educational training to obtain higher earning jobs
- 144 NHs provided financial literacy services

Attachment A OHA's Full Size Infographics

Native Hawaiians face some of the greatest needs among Hawai'i's citizens. Pooling resources to address these needs is an effective way for the State, private organizations, and OHA to meet shared goals.

THE OFFICE OF HAWAIIAN AFFAIRS
LEVERAGES RESOURCES
TO IMPROVE HAWAI'I COMMUNITIES

OVERVIEW



\$19.3M INVESTMENT

\$1.00 = \$4.18
of STATE FUNDS TOTAL IMPACT

* Note: OHA's total biennium request is \$9M: \$4.6M in programmatic funds and \$4.4M for operations and personnel.

** Minimum match required; Actual likely more.

*** Value added non-cash contributions

Strengthening Hawai'i families and communities

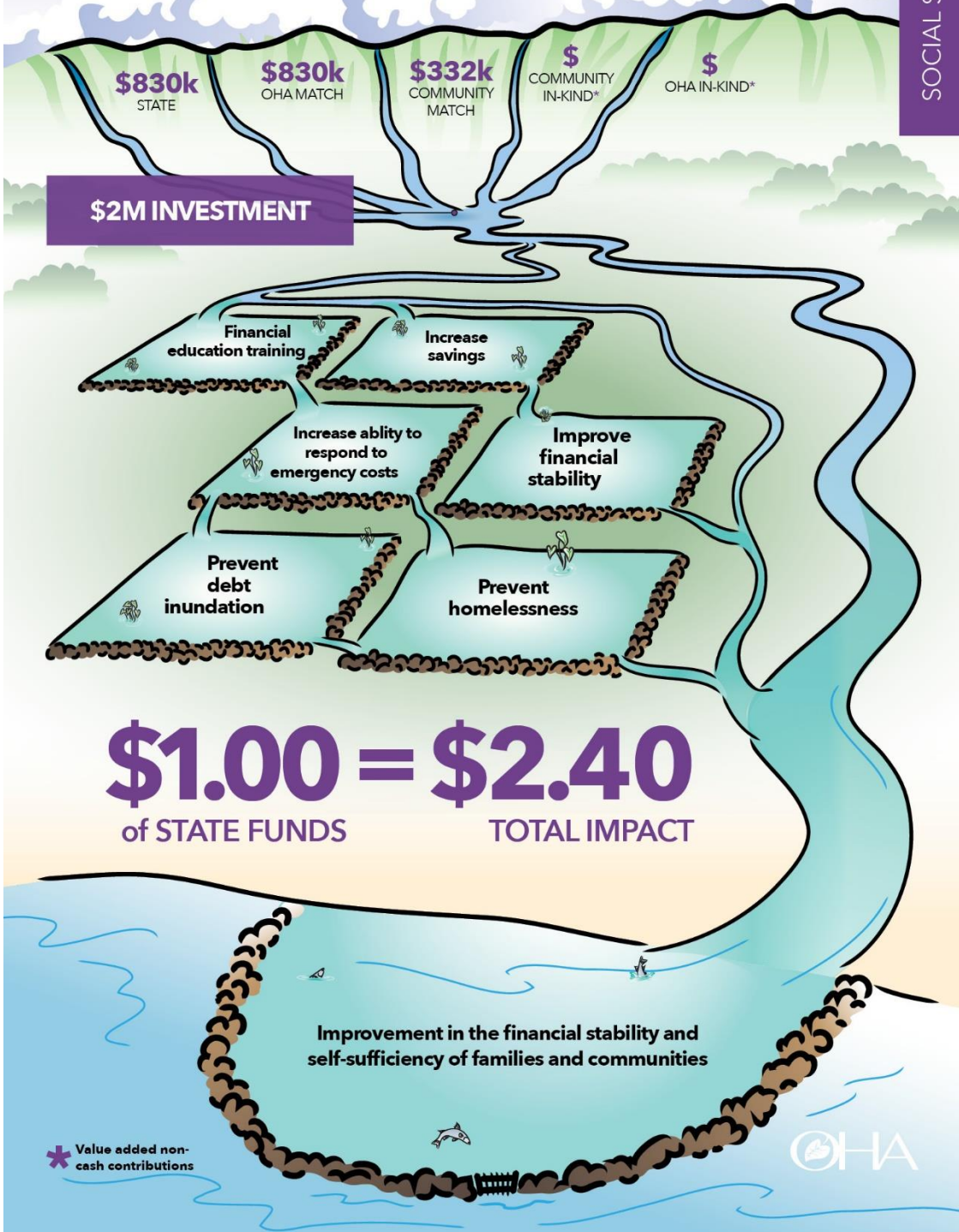
- Facilitate self-sufficiency and productivity
- Increase contributions to society
- Empower community capacity building



14% of Native Hawaiians live in poverty. Providing support for unforeseen needs of such financially vulnerable families can prevent a downward spiral toward debilitating debt, an inability to maintain employment, and homelessness.

THE OFFICE OF HAWAIIAN AFFAIRS
LEVERAGES RESOURCES
 TO IMPROVE SOCIAL SERVICES IN HAWAI'I

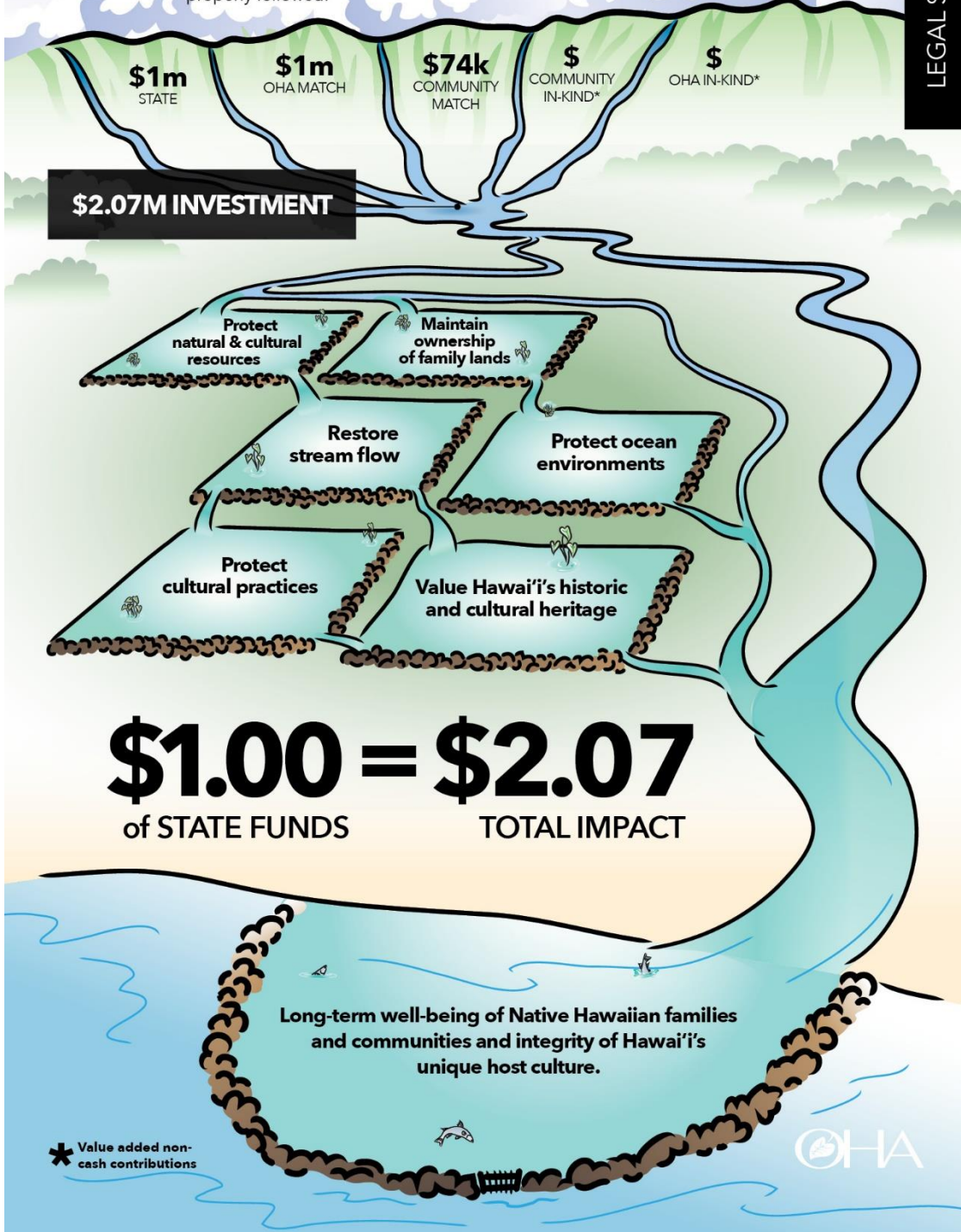
SOCIAL SERVICES



Access to justice is a critical need of the Native Hawaiian community. Affordable legal services allow Native Hawaiians to uphold their legal rights and ensure that our environmental protection and cultural preservation laws are properly followed.

THE OFFICE OF HAWAIIAN AFFAIRS
LEVERAGES RESOURCES
TO IMPROVE LEGAL SERVICES IN HAWAI'I

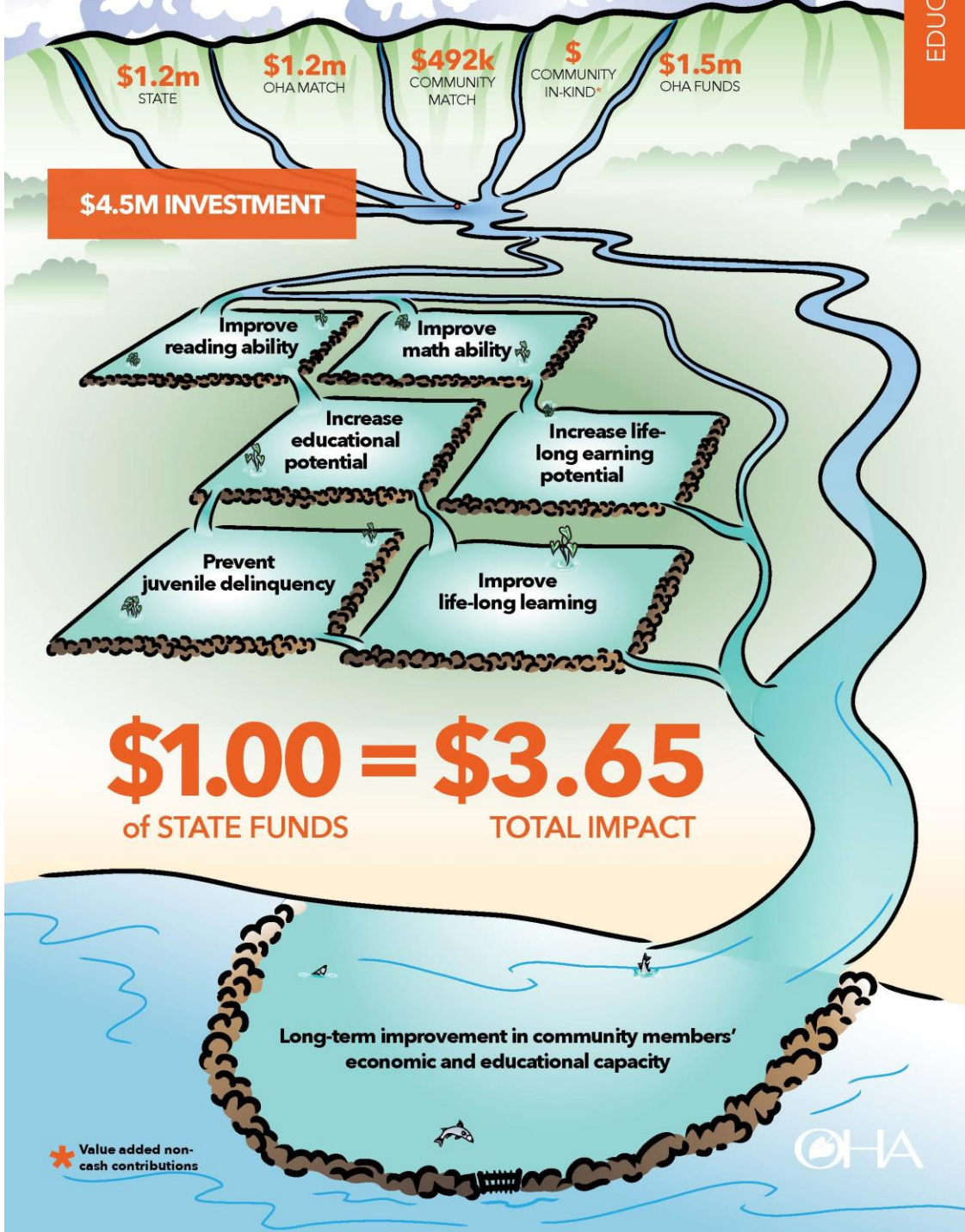
LEGAL SERVICES



72% of Native Hawaiian students are not proficient in math and 64% are not proficient in reading (vs 58% and 49% of students respectively statewide). Improving these core abilities for students would increase their life-long opportunities in education and employment.

THE OFFICE OF HAWAIIAN AFFAIRS
LEVERAGES RESOURCES
 TO IMPROVE EDUCATION IN HAWAII

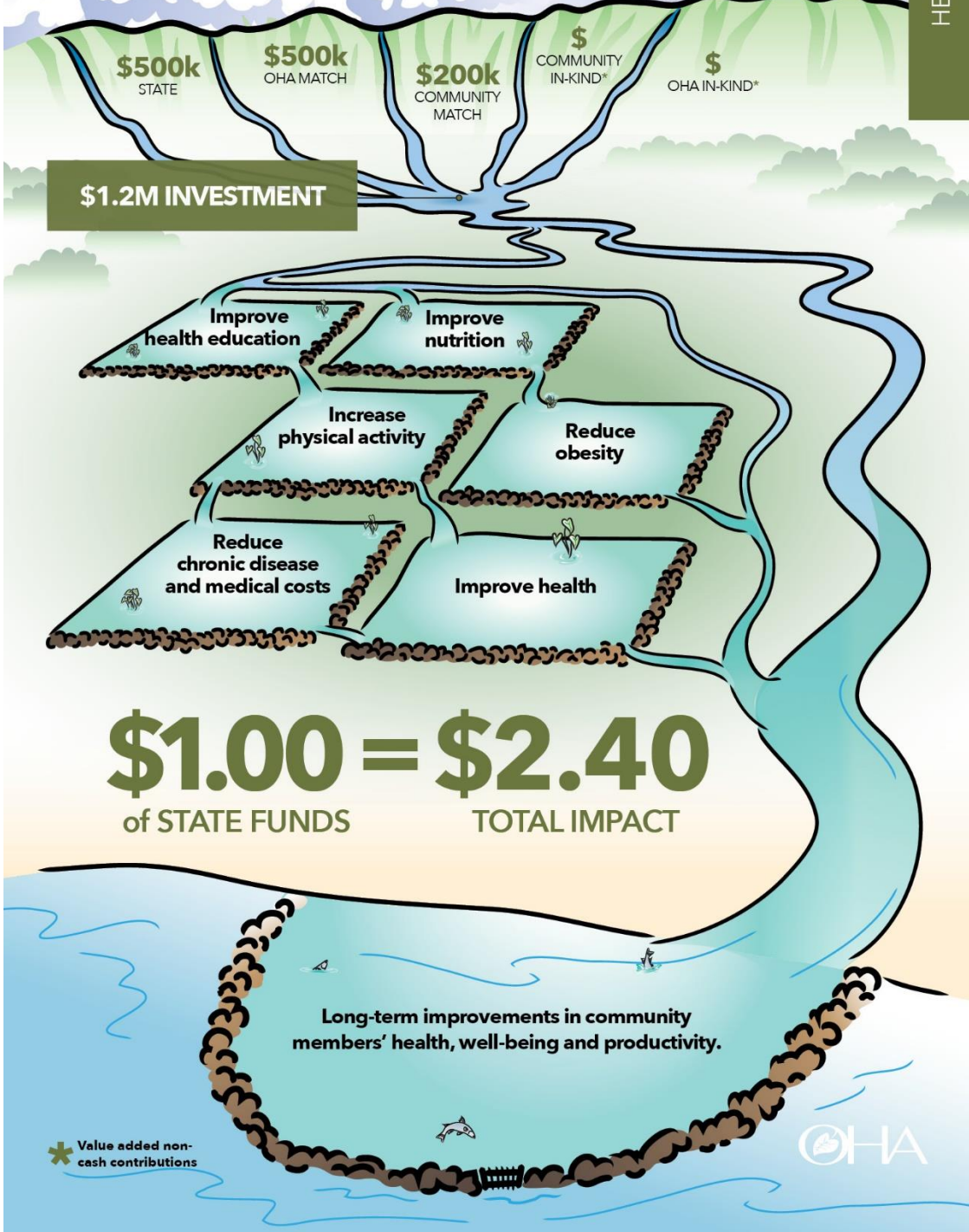
EDUCATION



The prevalence of obesity among Native Hawaiians is nearly two times greater than the state average. Decreasing obesity among Native Hawaiians is a key to improving their overall health, well-being, and productivity.

THE OFFICE OF HAWAIIAN AFFAIRS
LEVERAGES RESOURCES
TO IMPROVE HEALTH IN HAWAI'I

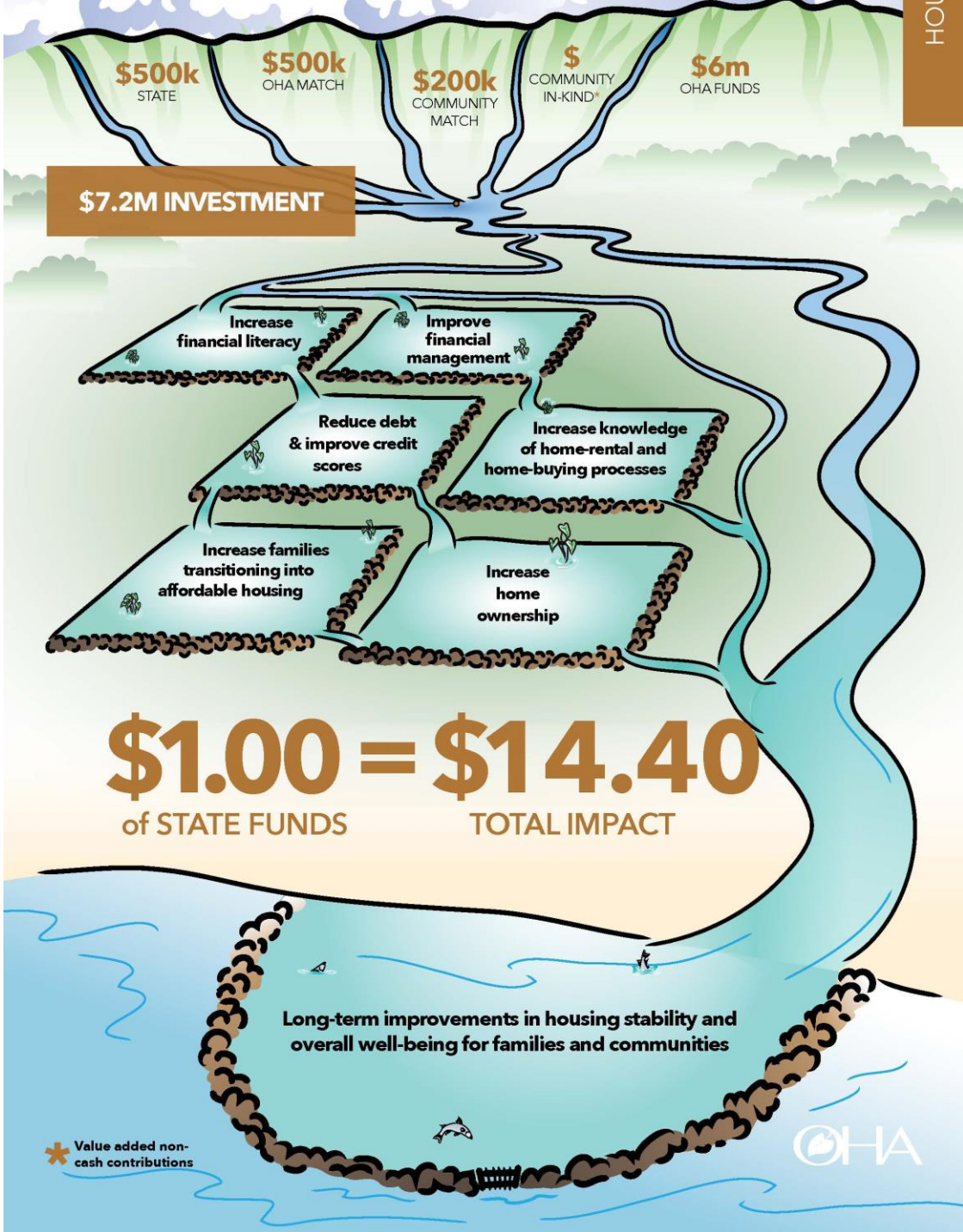
HEALTH



55% of Native Hawaiians pay more than the HUD affordable housing rate (30% of household income), creating an unstable situation of financial vulnerability. Increasing the financial viability of such families will improve their ability to achieve stable housing necessary for the overall well-being of families and communities.

THE OFFICE OF HAWAIIAN AFFAIRS
LEVERAGES RESOURCES
 TO IMPROVE HOUSING IN HAWAI'I

HOUSING



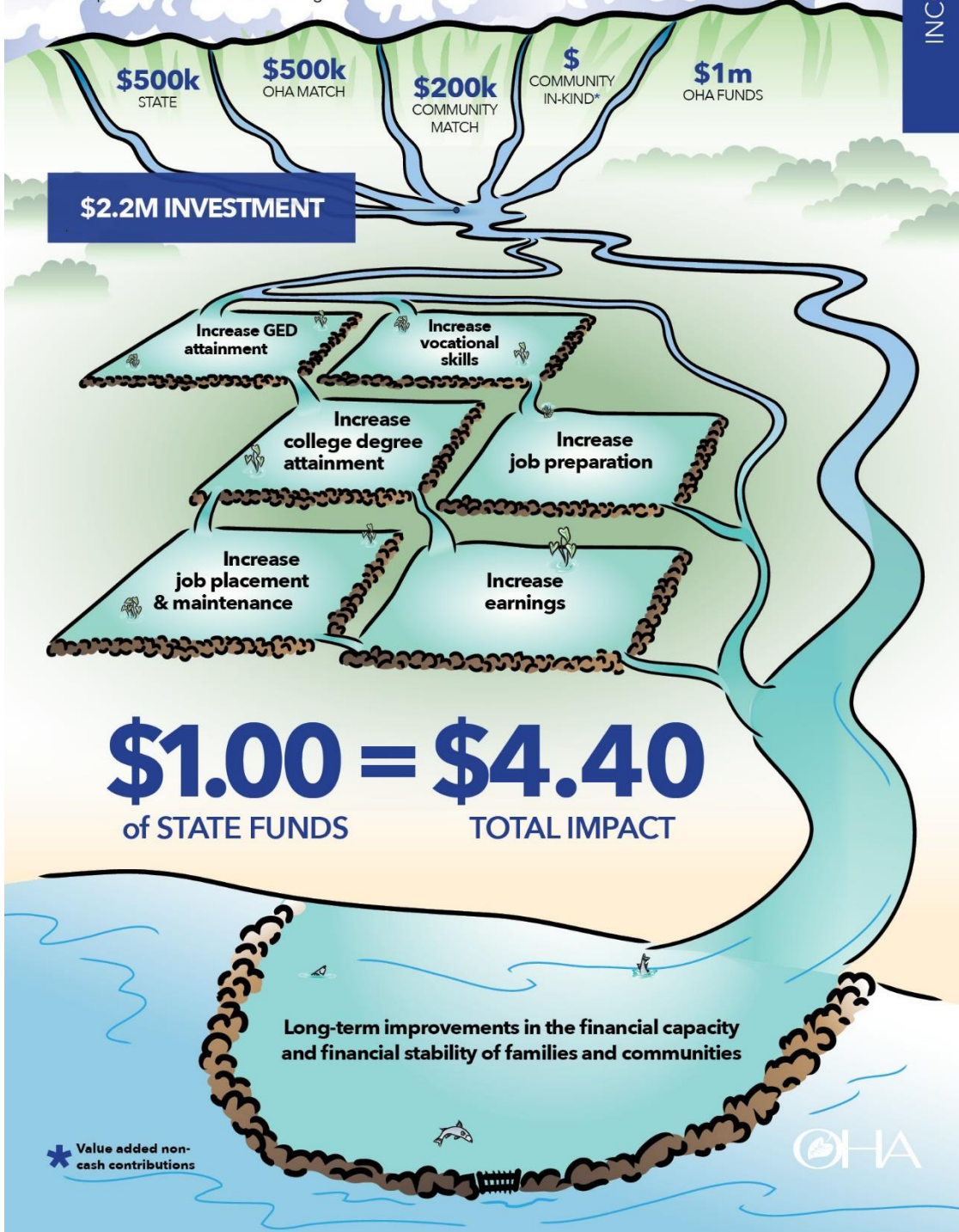
* Value added non-cash contributions



Native Hawaiians earn **\$9,100 less per capita than the State average**, creating significant strains on families, especially under Hawai'i's high cost of living. Increasing income levels of Native Hawaiian families will create the financial stability needed to improve their overall well-being.

THE OFFICE OF HAWAIIAN AFFAIRS
LEVERAGES RESOURCES
 TO IMPROVE INCOME IN HAWAI'I

INCOME





LATE

Testimony Before The
House Committee on Ocean, Marine Resources and Hawaiian Affairs
IN SUPPORT OF HB 335
Tuesday February 7, 2017, 9:00am, Room 312

Aloha Chair Ing, Vice Chair Gates and Committee Members:

My name is Kevin Chang, I am the Executive Director of Kua'āina Ulu 'Auamo (or KUA) and this is our testimony in support of HB 861 with comments.

KUA works to empower communities to improve their quality of life through caring for their environmental heritage together to better Hawai'i and achieve 'āina momona— an abundant, productive ecological system that supports community well-being. We employ a community-driven approach that currently supports three statewide networks: more than 31 mālama 'āina community groups collectively referred to as E Alu Pū (moving forward together), 38 fishpond projects and practitioners called the Hui Mālama Loko I'a, and a new and growing group of Limu practitioners called the Limu Hui.

KUA supports the Office of Hawaiian Affairs Appropriations Act of 2017 for a number of reasons. OHA staff and advocacy and outreach resources -more specifically described in Section 7 of this bill- have been tremendously important and supportive of efforts in the state to empower community based natural resource management in Native Hawaiian and rural communities.

Mahalo for your service to our community and this opportunity to testify.

Aloha 'Āina Momona.

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 3, 2017 8:34 PM
To: omhtestimony
Cc: blawaiianlvr@icloud.com
Subject: Submitted testimony for HB335 on Feb 7, 2017 09:00AM

HB335

Submitted on: 2/3/2017

Testimony for OMH on Feb 7, 2017 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
De MONT R. D. CONNER	Ho'omana Pono, LLC.	Oppose	Yes

Comments: We OPPOSE this bill. Until a FORENSIC AUDIT is done by an outside & totally independent company, the legislature should withhold all funds from OHA, except those funds that are of the barest minimum to pay the employees, but NOT the Trustees and its C.E.O. Beneficiaries have been calling for a forensic audit, yet, the trustees have refused to hear this issue. Questions regarding the wasteful spending to a tune of 33 million dollars by just the C.E.O. himself, as well as the untold millions that was recklessly squandered on the failure of its "Nation Building" fiasco through Kana'iolowalu & Na'i Aupuni, is ample reason for this August body to reject outright any budget request by OHA. However, we recognize that the employees are innocent & should not suffer for the mismanagement of the Board of Trustees & its C.E.O. It should be noted, just to be fair to the C.E.O., that his spending splurge had Trustee Approval. Our native Hawaiian Lahui has already suffered from the first BROKEN TRUST. Until the forensic audit is completed, we won't know how extensive the corruption is at OHA. This bill should be amended to call for a forensic audit of OHA for the last 7 years, and that complete funding of TAXPAYER DOLLARS as well as the settlement money, will be withheld pending the outcome of the forensic audit.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 3, 2017 4:30 PM
To: omhtestimony
Cc: shane.nelsen@gmail.com
Subject: *Submitted testimony for HB335 on Feb 7, 2017 09:00AM*

HB335

Submitted on: 2/3/2017

Testimony for OMH on Feb 7, 2017 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Shane Nelsen	Individual	Support	No

Comments:

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Sent: Friday, February 3, 2017 3:27 PM
To: omhtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB335 on Feb 7, 2017 09:00AM*

HB335

Submitted on: 2/3/2017

Testimony for OMH on Feb 7, 2017 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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omhtestimony

From: launahale <launahale@yahoo.com>
Sent: Monday, February 6, 2017 9:19 AM
To: omhtestimony
Subject: Please PASS HB335

I strongly SUPPORT HB335 which would provide the funds needed to support strategically-aligned programs and operations that will directly benefit Native Hawaiians. This bill includes proposals to match OHA trust funds with state general funds, and would allow the state to multiply the impact of its dollars in providing much-needed education, housing, health, social, income, and legal services to Native Hawaiians. This bill will ultimately strengthen Hawai'i's families and communities as a whole. I know firsthand how valuable these services are to my family and my community and I urge the committee to PASS this bill.

Benton Pang
Kaimukī, O'ahu
808-349-3636

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 4:23 PM
To: omhtestimony
Cc: kaimomuhlestein@yahoo.com
Subject: *Submitted testimony for HB335 on Feb 7, 2017 09:00AM*

HB335

Submitted on: 2/6/2017

Testimony for OMH on Feb 7, 2017 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Kaimo Muhlestein	Individual	Support	No

Comments:

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From: Brent K. Nakihei
Submitted on: February 6, 2017

Testimony in support of HB 335, Relating to the Office of Hawaiian Affairs
Submitted to: Committee on Ocean, Marine Source, and Hawaiian Affairs

Aloha Chair Ing and Committee Members,

I strongly support HB 335 because it is the right thing to do for Native Hawaiians.

Nā Lei Na'auao
Native Hawaiian Charter School Alliance

COMMITTEE ON OCEAN, MARINE RESOURCES, & HAWAIIAN AFFAIRS

Rep. Kaniela Ing, Chair
Rep. Cedric Asuega Gates, Vice Chair

Testimony: HB335 SUPPORT OHA's Budget Request

Na Lei Na'auao respectfully urges you to support the Office of Hawaiian Affairs budget request of \$4.5 million. OHA's advocacy efforts benefit all of Hawaii, its public employees should be provided with the same public employee benefits as other civil servants.

OHA is recognized among the community as enhancing Hawaiian and Hawaii's well-being by collaborating with various organizations to strengthen our community's through initiatives that support:

- History and culture
- Housing stability
- Education
- Health
- Whole family
- Land sustainability

A 60% fringe benefit cost is unsustainable for any organization outside of the public sector without support. The recent notification of public fringe benefits cost increases will result in less support to community organizations if not supported by the legislature.

For the past decade, OHA's leadership has made amazing impact on our communities and the children and families we serve. Please allow them to continue by providing an appropriate budget allocation that will support their staff who are doing the wonderful work.

I appreciate the opportunity to testify - mahalo nui loa,

Ka'iulani Pahi'o
NLN Coordinator

The mission of Nā Lei Na'auao-Native Hawaiian Charter School Alliance is to support models of education that are community-designed and controlled and reflect, respect and embrace Hawaiian cultural values, philosophies and ideologies.

Nā Lei Na'auao – Native Hawaiian Charter School Alliance
POB 6511 Kamuela, Hawai'i 96743
Phone# 808-887-1117 / Fax# 808-887-0030
Email: NLN@kalo.org
Contact: Ka'iulani Pahi'ō