

Legislative Testimony

HB172 HD1 SD1
RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS
Senate Committee on Ways & Means

Malaki 28, 2019

10:15 a.m.

Lumi 211

The Office of Hawaiian Affairs (OHA) **STRONGLY SUPPORTS** HB172 HD1 SD1, OHA's 2020-2021 budget proposal vehicle, and respectfully requests that the original appropriation amounts and position counts be reinserted into this measure. **OHA respectfully asks that the Committee support OHA's original biennium request, which would further the long and successful partnership between the State of Hawai'i and OHA, and which would multiply the community impact of the requested general funds through OHA's proven strategic leveraging efforts.**

Since OHA's establishment in 1978, the scale of our mandate has increased substantially. With now more than 520,000 beneficiaries who continue to be disproportionately represented in many negative health, education and socio-economic statistics, OHA's mission may be more critical now than ever before. Accordingly, OHA continuously endeavors to fulfill its statutory responsibilities, including:

- Bettering the conditions of Native Hawaiians;
- Coordinating programs and activities relating to Native Hawaiians;
- Assessing other agencies' policies and practices which impact Native Hawaiians;
- Conducting advocacy efforts on behalf of Native Hawaiians; and
- Serving as a receptacle for reparations for Native Hawaiians.

The proposed partnership in HB172 HD1 SD1 would not only further these important responsibilities, but would also represent a wise investment that has quadrupled the community impact of state general funds. OHA has and remains committed to carefully and strategically leveraging each state dollar it receives towards targeted programs and services that systematically benefit the Native Hawaiian and larger Hawai'i communities. For fiscal biennium 2017-2018, OHA was able to leverage the **\$3.3 million in general funds it received** for programmatic support, to provide over **\$14 million to critical community programs** in social services and case management, educational improvement, and legal services. **In other words, for every \$1 in general funds that OHA received for programmatic purposes, community programs received \$4.24.** Continuing OHA's highly successful funding partnership with the State would allow for the continued leveraging of State general funds and OHA trust funds with additional resources to efficiently and effectively **foster innovative solutions** to some of the

State's most pressing challenges, and maintain a **high level of accountability and due diligence** in the use of limited financial resources.

As reflected in the original draft of this measure, OHA also hopes to expand our existing partnership with the state to jointly fund housing programs through a general fund request of \$500,000 per year for housing improvement grants. This additional request would build off of OHA's recent and successful investments in housing programs, to provide substantial and widespread relief to OHA beneficiaries struggling under our current housing crisis.

With regards to this housing program request, OHA notes that Native Hawaiians have significant and unique housing needs, and are particularly affected by the housing crisis. Data shows that Native Hawaiians are less likely to own a home.¹ Native Hawaiian households are also much more likely to be "doubled up," with multi-generational or unrelated individuals living together in single households.² Furthermore, Native Hawaiian households are more than three times more likely to have a 'hidden homeless' family member than all state households.³ Recent research has further shown that the state and Native Hawaiian housing rental housing demand is almost entirely for increasingly rare "affordable" units, rather than for market-rate or other 'gap'-rate units.⁴ Such data demonstrates the dire need for housing among the Native Hawaiian community.

Over the last decade, OHA has accordingly provided more than \$40 million to support the housing and housing-related needs of Native Hawaiians throughout the continuum of housing security, including the houseless, at-risk families and youth, and those seeking to increase their financial capacity and purchase or rent their own home. **OHA grant-supported programs have proven to be particularly successful at helping our beneficiaries obtain and maintain stable and sustainable housing, even achieving national recognition for their effective and innovative approaches.** OHA's original \$500,000 general fund request will enable OHA to significantly increase its investment in housing programs, expanding their reach and providing substantial relief to those individuals and families impacted by our housing crisis.

¹ See OFFICE OF HAWAIIAN AFFAIRS, NATIVE HAWAIIAN HOMEOWNERSHIP HO'OKAHUA WAIWAI FACT SHEET VOL.2016, NO. 1, page 3, available at <https://19of32x2yl33s8o4xza0gf14-wpengine.netdna-ssl.com/wp-content/uploads/NH-Homeownership-Fact-Sheet-2016.pdf>. This figure includes 8,329 DHHL residential lease "owner-occupied" property units. DHHL ANNUAL REPORT 2014, at 47, available at <http://dhhl.hawaii.gov/wpcontent/uploads/2011/11/DHHL-Annual-Report-2014-Web.pdf>. For non-DHHL properties, the Native Hawaiian homeownership rate is therefore 41.2%, 15.5 percentage points below the statewide rate.

² 24.8% of Native Hawaiian households, compared to 9.6% of state households include more than two generations or unrelated individuals. SMS, *supra* note 1, at 70.

³ 14.1% of Native Hawaiian households, compared to 4.2% of state households have a hidden homeless family member. *Id.*

⁴ See SMS, HAWAII HOUSING PLANNING STUDY, at 34 (2016), available at https://dbedt.hawaii.gov/hhfdc/files/2017/03/State_HHPS2016_Report_031317_final.pdf.

Additionally, OHA's biennium request, as reflected in the original draft of this measure, includes a modest increase of \$562,130 in general funds annually to help address OHA's increasing fringe expenses. As a result of the unexpected and rapid increase in the state's fringe rate to 60.08%, OHA's personnel costs has risen substantially in recent years. OHA anticipates the fringe rate may continue to increase in the near future, further increasing its personnel costs. The requested general fund appropriation increase will help OHA cover a portion of the unexpected and anticipated fringe cost increase, and allow it to maintain a level of community investment and organizational capacity commensurate with the previous biennium.

With regard to Section 5 of HB172 HD1 SD1, OHA notes that the efforts described for a financial and management audit of the limited liability companies created by OHA is addressed by HCR188, HR170, SCR188, and SR151, which requests OHA to complete its 2017 independent Financial Audit and Management Review, as well as SCR70 and SR48, which requests OHA to conduct an independent fiscal audit of its LLCs.

HCR188, HR170, SCR188, and SR151, requests that OHA complete an audit--- commissioned by the BOT themselves and paid for by Trust funds---to improve operations in furtherance of OHA's legal mandate to better the conditions of Native Hawaiians. In September 2018, the BOT engaged an external CPA firm, CliffordLarsonAllen LLP (CLA) to conduct an independent audit of the agency and its LLCs, approving \$500,000 in trust funds to audit FY12 through FY16. The term of the contract is from Sept. 4, 2018 through April 30, 2019. The audit is ongoing and the Board's commitment remains firm. The Resource Management Committee (RMC) Chair serves as the contract monitor, with assistance from the RMC Vice Chair. A status update to the Board in a public meeting, by the RMC, is expected in early April; and the status can be relayed to the Legislature at that time.

SCR70 and SR48 requests that OHA conduct an independent fiscal audit of all LLCs created or controlled by OHA. Limited Liability Companies⁵ (LLCs) created by OHA engage, contract and pay for their own independent audits. LLC audit reports are provided to OHA for inclusion in OHA's basic financial statements and footnotes. OHA's Auditor relies on the LLC Auditor's opinion. OHA's audited basic financial statements, including footnotes and LLC information, are published annually on its website.⁶ LLC audits are also completed and published annually on the LLC website.⁷ Independent fiscal audits of all LLCs created by OHA are already conducted and available for inspection.

⁵ HRS Chapter 428 – Uniform Limited Liability Company Act

⁶ The Financial Statements and Report of Independent Certified Public Accountants of the Office of Hawaiian Affairs (OHA) are for the fiscal year ended June 30. The reports are prepared by the Resource Management Line of Business. OHA is responsible for the accuracy of this information, its completeness and fairness, including all disclosures. The report includes the independent auditors' report, management's discussion and analysis (MD&A), basic financial statements and notes to the financial statements. <https://www.oha.org/about/aboutfinancial-statements/>

⁷ <http://www.hiilei.org/Portals/0/Documents/2017-Hiilei-Audit-Report.pdf>

Additionally, as noted by the State Auditor on page 29 of Audit Report No. 18-03, issued in February 2018, "As LLCs are a relatively new legal construct, it is unsettled whether OHA's LLCs are State organizations subject to laws applicable to State agencies, like the State Procurement Code, the State Ethics Code, the Sunshine Law, and the Uniform Information Practices Act."

OHA notes that the LLCs are not state agencies and therefore it is unclear if the state auditor has the authority to audit the LLCs.

Accordingly, OHA notes that section 5 is unnecessary. Alternatively, if the committee chooses to maintain section 5, OHA offers the following language for the committee's consideration for section 5, page 4, lines 5 – 14:

SECTION 5. Provided that of the general funds appropriated in part II of this Act, the sum of \$ _____ for fiscal year 2019-2020 shall be expended for the costs for the auditor to conduct or contract for a financial and management audit of the limited liability companies **of which the office of Hawaiian affairs is a member, but only to the extent such limited liability companies receive appropriated general funds. In that event,** the auditor shall submit a report of the findings and recommendations to the legislature, governor, and the trustees of the office of Hawaiian affairs no later than twenty days prior to the convening of the regular session of 2020.

OHA respectfully urges the Committee to **PASS** HB172 HD1 SD1, with the reinsertion of the measure's original appropriation amounts and position totals. Please find attached specific detailed testimony on OHA's budget request. Mahalo nui loa for your time and careful consideration of this matter.



The Senate – Committee on Ways and Means

March 28, 2019, 10:15 A.M.

Conference Room 211

HB 172, HD1, SD1

FY 19 and Biennium FY 20 and FY 21

Board of Trustees

Kalei Akaka
Trustee, O'ahu

Carmen Hulu Lindsey
Trustee, Maui

Leina'ala Ahu Isa
Trustee-At-Large

Robert K. Lindsey Jr.
Trustee, Hawai'i Island

Daniel C. Ahuna III
Trustee, Kaua'i & Ni'ihau

Colette Y. Machado
Chairperson, Moloka'i & Lāna'i

William Keli'i Akina
Trustee-At-Large

John D. Waihe'e IV
Trustee-At-Large

Brendon Kalei'aina Lee
Vice Chairperson, Trustee-At-Large

Administration

Dr. Kamana'opono M. Crabbe
Ka Pouhana, Chief Executive Officer

TABLE OF CONTENTS

OVERVIEW	Page
A. Office of Hawaiian Affairs’ (OHA) Mission.....	4
Table 1. Key Education, Economic, Health and Legal Indicators.....	8
B. Current Economic Conditions & Notable Performance	
1. Impact of Current Economic Conditions	9
2. Notable Performance, Results and Expected Outcomes	9
Table 2. Summary of FB 20 / 21 Projected State Leveraged Impact by Priority Area: State Funds Leveraged 4.23:1	11
FEDERAL FUNDS	
C. Impending Loss of Direct Federal Funds.....	12
NON-GENERAL FUNDS	
D. Reports to the Legislature on Non-General Funds pursuant to HRS 37-47.....	Appendix C
BUDGET REQUEST	
E. Budget Development Process and Priority Requests	
1. Budget Development Process.....	13
2. Summary of Priority Requests.....	14
F. Significant Budget Adjustments and Related Outcomes	14
Table 3. Overview of OHA’s Budget Request by Priority Area (per year).....	15
Table 4. State General Funds to OHA FY 11 - FY 19	15
Summary of OHA’s Budget Request and Projected State Leveraged Impact	16
1. Social Services	17
2. Legal Services	18
3. Education	19
4. Housing	20

APPENDICES

Appendix A – OHA’s Full Size Infographics	22
Figure A-1. Overview.....	23
Figure A-2. Social Services	24
Figure A-3. Legal Services	25
Figure A-4. Education	26
Figure A-5. Housing	27

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). Native Hawaiians live in each county, 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 its annual spending to 5% of the rolling 20

quarter average of the NHTF to help ensure sufficient resources are available for future generations. FY 2018 is used as an example to depict OHA's net assets and core operating budget.

Figure 1. OHA's FY 2018 Net Assets (unaudited) = \$662,915,500

OHA's Spending Policy limits the amount of annual withdrawals from its investment portfolio for operations.

For FY 2018 the spending limit was \$17,555,826, which was an increase of \$256,762 from FY 2016 of \$17,299,064.

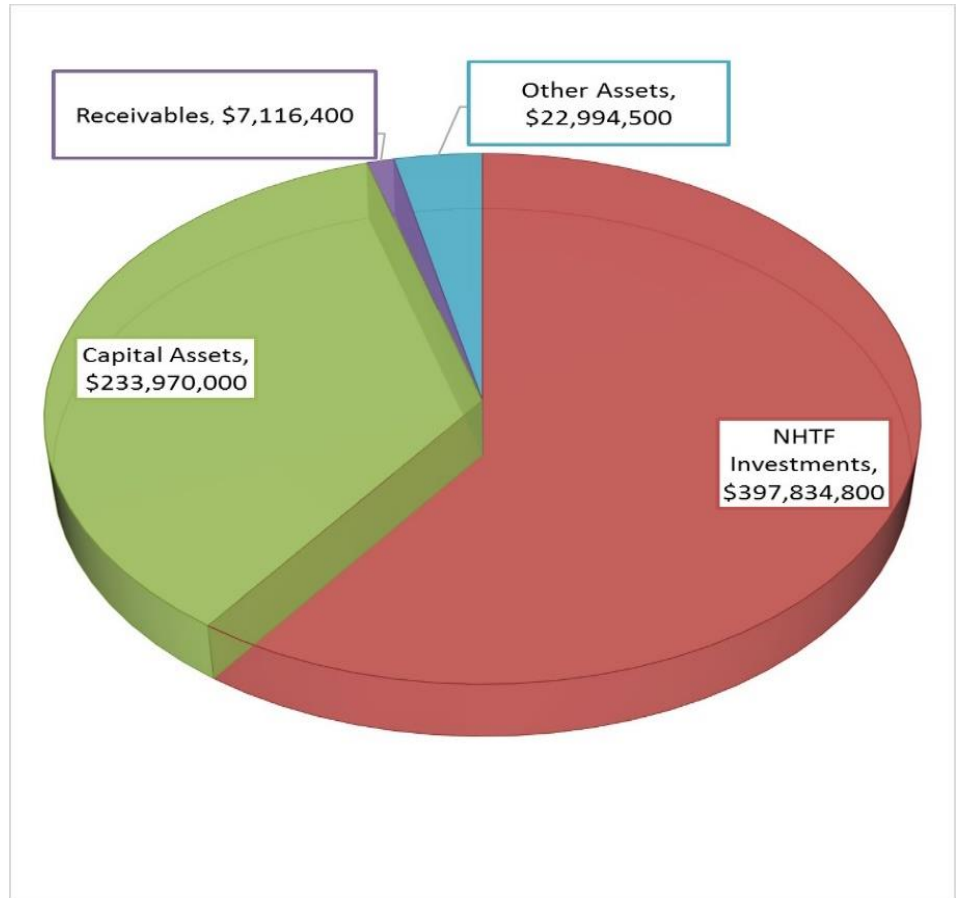


Figure 2. OHA's FY 2018 Funding Sources for Core Operations = \$36,127,702

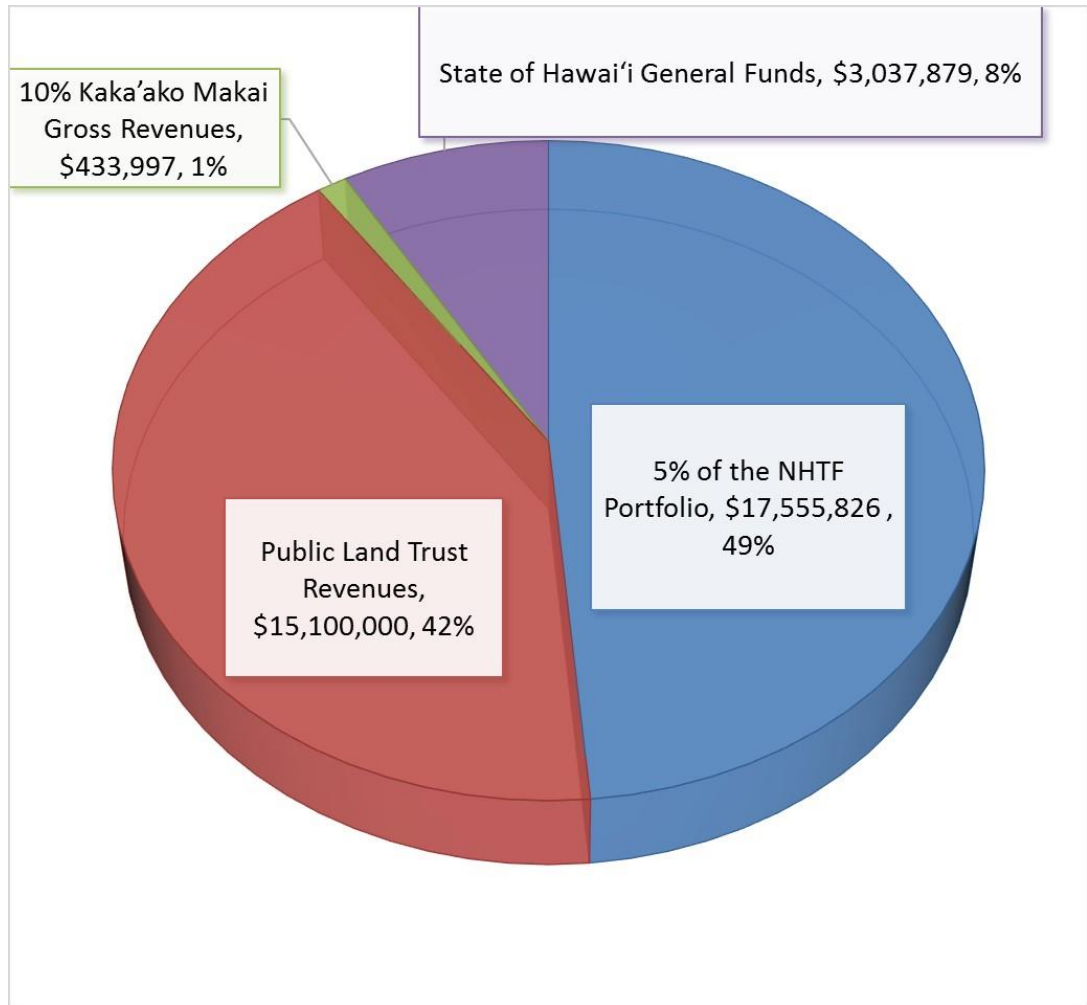
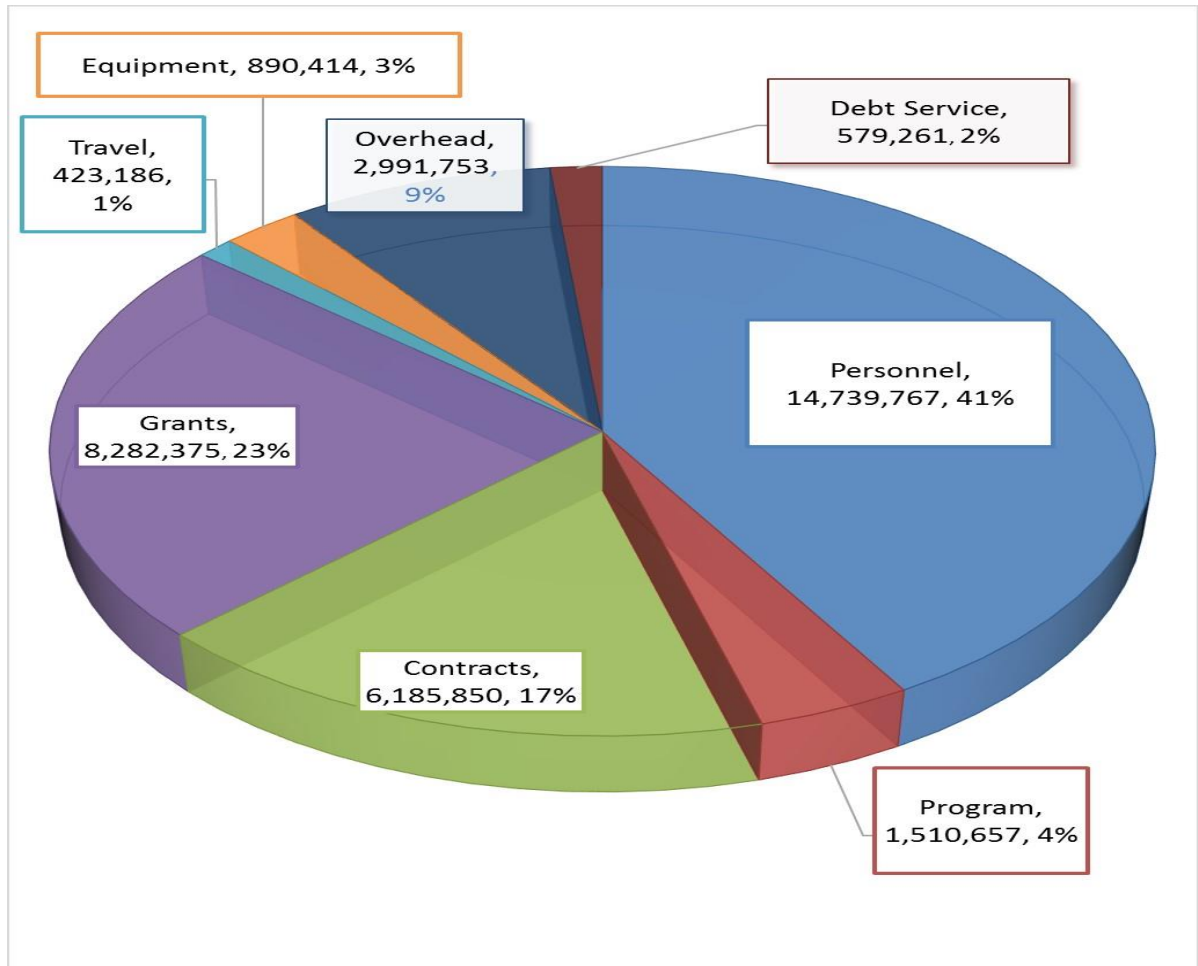


Figure 3. OHA's FY 2018 Core Operating Budget = \$35,603,263



Each year, OHA publishes its activities and financial performance in its Annual Report. This year's report illustrates how the organization continues to make inroads on our three main goals: providing resources, advocating for Native Hawaiians on a range of issues, and facilitating collaboration among key stakeholders.

We encourage you to review the 2018 Office of Hawaiian Affairs Annual Report. The complete report can be downloaded from www.oaha.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. OHA has begun the challenging process of updating the Strategic Plan. Administrative staff has presented the Board of Trustees with the key steps and timetable for the update process. Developing the content of the plan will require interaction between the Board and staff, with final approval of the plan resting with the Board.

Table 1. Key Education, Economic, Health and Legal Indicators

Target Area	➤ Strategic Indicator ○ Related Measure/Evidence from OHA funding	Progress FY 17 - FY18	Future Progress	\$ Requested from State	
EDUCATION	Adults ➤ Increase number of degrees or certificates earned by Native Hawaiians from the UH System by 12%	97.8% FY2018	Maintain	\$ 0	
		○ Number of OHA scholarships provided	384 awarded / yr		Maintain
	K-12	➤ Increase the percentage of Native Hawaiian student that meet or exceed math standards*	26% SY2018*	Increase	\$ 615,000
		➤ Increase the percentage of Native Hawaiian student that meet or exceed reading standards*	38% SY2018*	Increase	
		○ Number of Native Hawaiian students OHA assisted	3,428 students / yr	Maintain**	
ECONOMIC	Income ➤ Increase Native Hawaiian median family income to 92% or greater of the total State median family income	87.7% FY2016	Increase	\$ 0	
		⊖ Number of Native Hawaiians assisted	170 families / yr		Maintain**
	Housing	➤ Increase Native Hawaiian homeownership rate to 58%	50.3% FY2016	Increase	\$ 500,000
		➤ Decrease the percent of Native Hawaiians who pay more than 30% of Income on rental housing cost to 55%	51% FY2016	Decrease	
		○ Number of Native Hawaiians assisted	894 families / yr	Maintain**	
	Social Services	○ Number of Native Hawaiians assisted	924 individuals / yr	Maintain**	\$ 415,000
		Income/Housing/Social Services	○ Number who completed Financial Literacy Training to secure OHA economic assistance	757 individuals / yr	Maintain**
HEALTH	➤ Reduce the rate of obesity among Native Hawaiians to 35%	45.6% FY2016	Decrease	\$ 0	
		○ Number of Native Hawaiians who lost weight	535 individuals / yr		Maintain**
LEGAL	○ Number of Native Hawaiians who received legal services including representation	580 individuals / yr	Maintain**	\$ 524,400	
TOTAL ANNUAL PROGRAMMATIC REQUEST:				\$2,054,400	

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, legal, housing, 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 increased in FY2018 but OHA notes a decrease in the first half of FY2019 due to the current volatile stock market.
- **Beneficiaries.** Due to many factors, Hawai'i continues to experience increases to costs of living (i.e. housing and food) that exceed increases in wage and income. This has exacerbated Native Hawaiians' housing instability, high rates of homelessness, and higher rates of poverty. Additionally, although Native Hawaiians participate in the labor force at higher rates than the state average (66.7% versus 65.3%), Native Hawaiian per capita income is substantially lower than the state population, \$24,188 compared to \$33,882 (U.S. Census Bureau, 2018; U.S. Census Bureau, 2018).
- **Bottom Line.** State and federal budget cuts may have reduced services and programs that previously serviced OHA beneficiaries. When there are cuts beneficiaries often turn to OHA to fill the gap. Also, increasingly non-profits 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 1. 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. 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. Additionally, trustees

have adopted new guidelines for its Kulia grants program and are in the process of amending trustee allowance policies and its fiscal reserve policy. 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. Finally, OHA's Board approved a policy amendment that requires Board approval for all grants and sponsorships and therefore these decisions will be made in open public meetings.

Significant Return on Investment via OHA and Community Commitment. For FY18 and FY19 OHA successfully leveraged \$3,347,660 of general funds into \$14,160,959 in the areas of social services, legal services, education, and income, a 4.23 : 1 total impact.

Strong demand continues for OHA grant money to help tackle priority issues. Community partners increasingly tailor marketable services to OHA priorities to meet critical needs across the State. Organizations contribute a minimum 20% cash match in each grant request. In turn, OHA anticipates that it will be as successful as it was in this past fiscal biennium, and through continued partnerships with the State and many well-connected organizations, we will leverage OHA funds as much as 8.4 : 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 **4.23 : 1 total impact** as depicted in Table 2.

In other words, OHA will turn **\$4.1 million** into **\$17.4 million** to strengthen Hawai'i families and communities

Table 2. Summary of FB 20/21 Projected State Leveraged Impact by Priority Area: State Funds Leveraged 4.23:1

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	0	1,992,000	2.40	1,847	1,847
Legal Services	1,048,800	1,048,800	676,218	0	2,773,818	2.64	1,160	1,160
Education	1,230,000	1,230,000	200,000	1,540,000	4,200,000	3.41	9,687	6,856
Housing (inc \$6M DHHL)	1,000,000	1,000,000	400,000	6,000,000	8,400,000	8.40	4,432	3,576
TOTAL:	4,108,800	4,108,800	1,608,218	7,540,000	17,365,818	4.23	17,126	13,439

Notes:

[A] Housing includes \$3M/year to DHHL.

[B] Additional Funds through OHA Partnership: \$13,257,018 [= \$17,365,818 (Total Investment) - 4,108,800 (State General Funds)]

[C] Leveraged Impact = Total Investment / State General Funds; Projected State General Funds leveraged through OHA Partnerships: 4.23 : 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 program and one (1) Federally-funded direct program. As of this time, these awards have not lost, or are not at risk, of losing federal funding. They are summarized as follows:

<u>Federal Grantor / Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>
U.S. Department of Transportation - Federal Highways --	
Pass-through Program: Department of Transportation, State of Hawai'i Interstate Route H-3	20.205
U.S. Department of Health and Human Services --	
Direct Program: 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 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.”

NON-GENERAL FUNDS

D. Reports to the Legislature on Non-General Funds pursuant to HRS 37-47

Please see Appendix C.

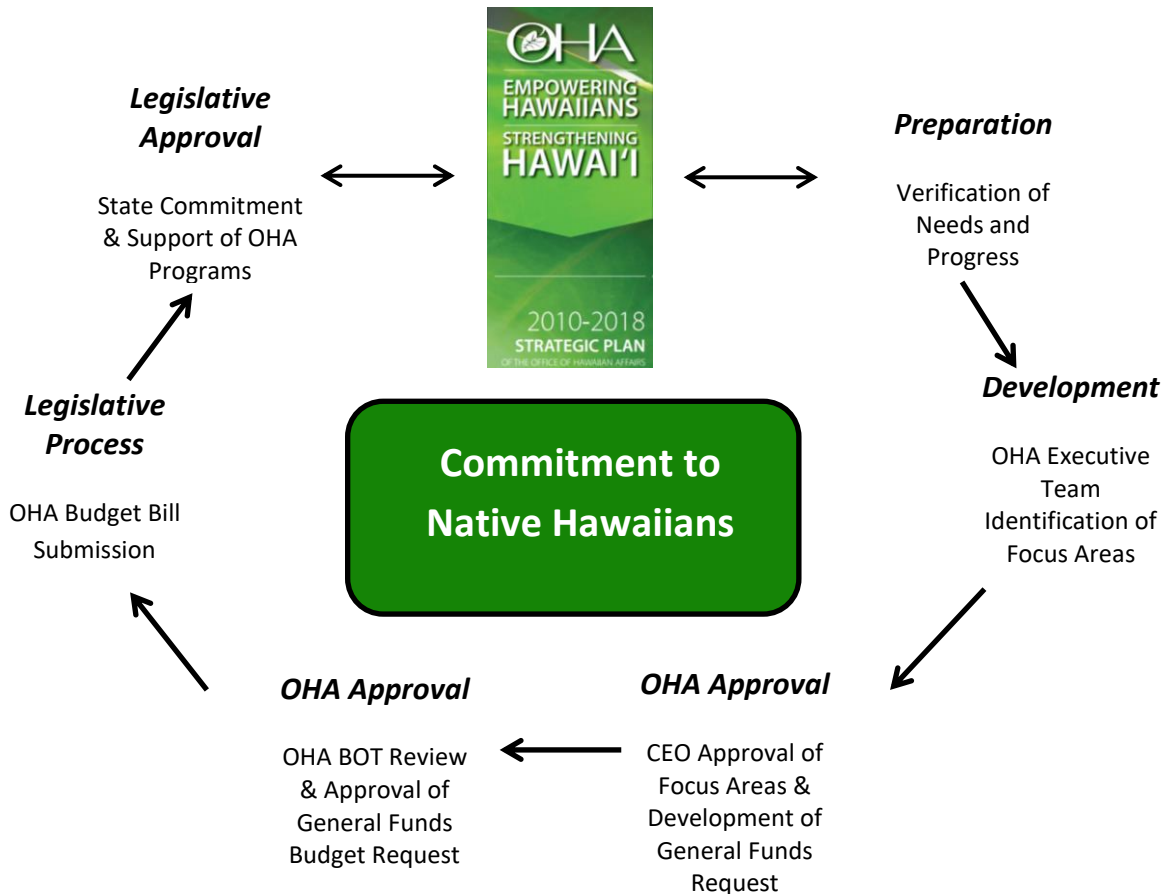
BUDGET REQUEST

E. 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

Historical Funding. OHA has received State General Funds since 1981 for a portion of its personnel and operating cost and to provide services. Through its FY 2018 - FY 2019 appropriations, OHA currently supports services to beneficiaries in the priority areas of **Social Services, Legal Services, Education, and Income**. OHA considers all of its programmatic request (Social Services, Legal Services, Education, and Housing) as well as support provided for personnel and operations as priorities.

Budget Changes. OHA is requesting an increase in programmatic support totaling \$500,000/year in the areas of Housing, as well as an increase in personnel support totaling \$562,130/year as explained in Section E. Significant Adjustments and Related Outcomes below.

In summary, OHA requests **\$7,921,158** including **\$4,108,800** for **programmatic support** plus **\$3,852,358** for **personnel and operations** during the next biennium. OHA hopes to leverage State's General Funds provided for programmatic support of **\$4,108,800** to a projected **\$17,365,818** or **4.23:1**, as summarized in Table 2.

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 four specific priority areas that are ultimately about helping statewide efforts to strengthen families and communities.

F. Significant Budget Adjustments and Related Outcomes

OHA's FB 20/21 State General Funds request includes the following significant adjustments:

Budget Adjustments/Changes

HOUSING:

- **Increase** request for the combined areas of \$500,000/year.

INCOME:

- **Decrease** request of \$119,430/year.

PERSONNEL:

- **Increase** request totaling \$562,130/year and \$1,124,260/FB 20/21.

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. 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 20% cash match in each grant request. In turn, OHA funding will allow many well-connected organizations to leverage OHA funds as much as 8.4 : 1 (see Table 2. Leveraged Impact, under “Housing”).

Changes for the upcoming FB 20/21 biennium are summarized in **Table 3** below:

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

Purpose	FB 18/19 (per year)		FB 20/21 (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. Housing	0	0	500,000	500,000	500,000	500,000
5. Income	119,430	619,430	0	0	-119,430	-619,430
Sub-Total Programs:	\$ 1,673,830	\$ 2,173,830	\$ 2,054,400	\$ 2,054,400	\$ 380,570	\$ -119,430
A. Personnel	1,067,175	3,959,000	1,629,305	3,959,000	562,130	0
B. Operations	296,874	296,874	296,874	296,874	0	0
Sub-Total Non Programs:	\$ 1,364,049	\$ 4,255,874	\$ 1,926,179	\$ 4,255,874	\$ 562,130	\$ 0
Totals:	\$ 3,037,879	\$ 6,429,704	\$ 3,980,579	\$ 6,310,274	\$ 942,700	\$ -119,430
FB 20/21 (2-year) Programs Total:			\$ 4,108,800	\$ 4,108,800	*Same as Table 2, 1:1 match	
FB 20/21 (2-year) Overall Total:			\$ 7,921,158	\$12,620,548	*Overall 1.6:1 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 11-FY 19) in which OHA committed over **\$54 million in support of State agencies and its University**, it received less than half that amount, or **\$25 million** in State General Funds, as summarized in **Table 4** to the right.

The infographics on the pages following summarize OHA’s overall budget request as well as its projected leveraged impact as it relates to the four priority areas.

Table 4. State General Funds to OHA FY 11-FY 19

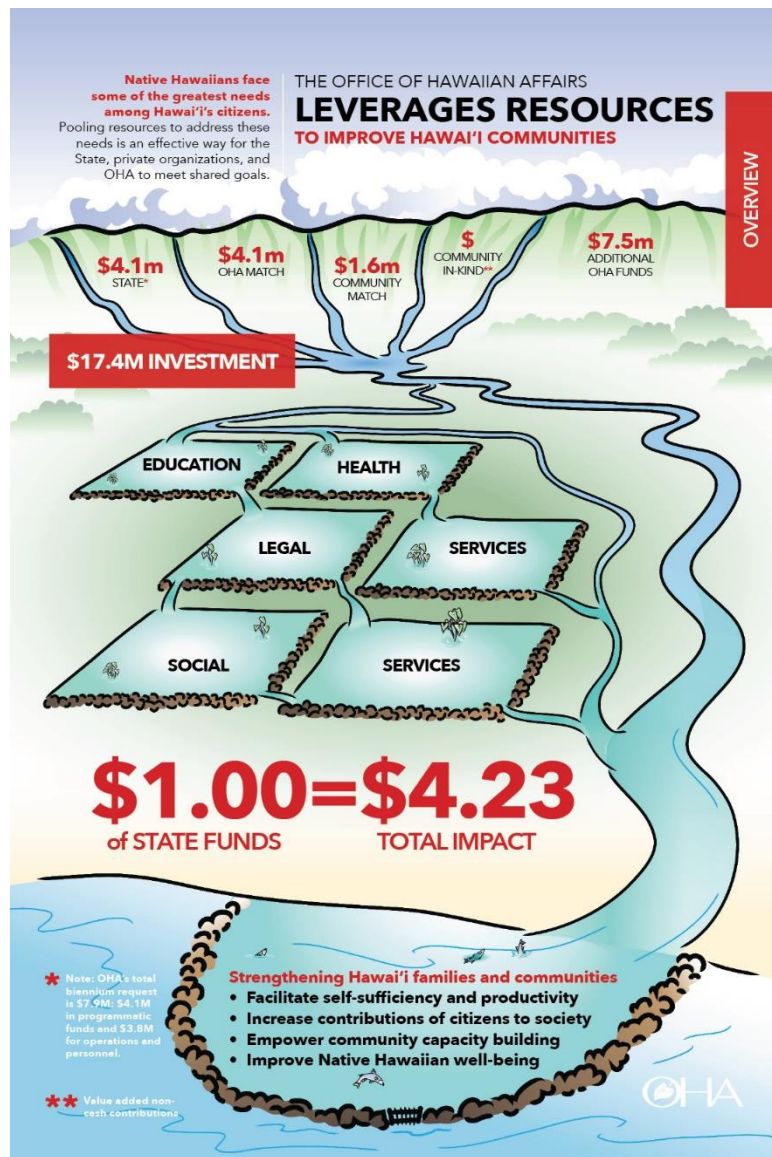
Fiscal Year	General Funds Amount
FY 2011	2,469,659
FY 2012	2,370,872
FY 2013	2,370,872
FY 2014	3,141,574
FY 2015	2,741,574
FY 2016	2,991,004
FY 2017	2,991,004
FY 2018	3,037,879
FY 2019	3,037,879
Total:	\$ 25,152,317

Summary of OHA’s Budget Request and Projected State Leveraged Impact

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 advocacy 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’ 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 and building upon this progress.

Strong demand remains for OHA grant money to help tackle these issues and OHA has seen community partners 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 and Hawai’i residents.

Figure 5. Summary Infographic (See Appendix A-1 for larger image)



OHA’s grants program has substantially enhanced its community impact 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 optimistic enthusiasm that OHA is now requesting \$4.1 million (over half of OHA’s \$7.9 million total budget request) in programmatic state funds for the 2020-2021 fiscal biennium. OHA hopes to leverage \$4.1 million in State funds into a \$17.4 million investment in four specific areas that further existing State efforts to strengthen Hawai’i’s families and communities.

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

1. Social Services

In partnership with the State, OHA hopes to continue to provide support and funding for social services to at-risk Native Hawaiians. Through its grants program, OHA works with and funds organizations that serve Native Hawaiians who may be struggling financially or facing unexpected crises.

Unfortunately, the need for social services support within the Native Hawaiian community remains high. The most recent data from 2017 reveals that 12% of Native Hawaiian individuals and 10% of Native Hawaiian families live in poverty (U.S. Census Bureau, 2018). These rates are nearly 2.4% points higher than that of the total state population (U.S. Census Bureau, 2018). In fact, although Native Hawaiians participate in the labor force at higher rates than the state average (66.7% versus 65.3%), Native Hawaiian per capita income is only 71% of that of the total state population, \$24,188 compared to \$33,882 (U.S. Census Bureau, 2018; U.S. Census Bureau, 2018).

For many in our communities who are already living paycheck-to-paycheck and struggling to survive financially, emergency situations such as natural disasters, sudden unemployment, medical issues, or family

crises, exacerbate their already dire financial situation. In 2018, we saw many Native Hawaiian families affected by extreme flooding in Wainiha and Hā'ena, and by lava flows in Kalapana-Kapoho and Pāhoā.

OHA's emergency assistance program, funded through our social services proviso, collaborates with community partners to provide relief to struggling Native Hawaiians faced with unforeseen circumstances by providing funds to pay for necessities like 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.

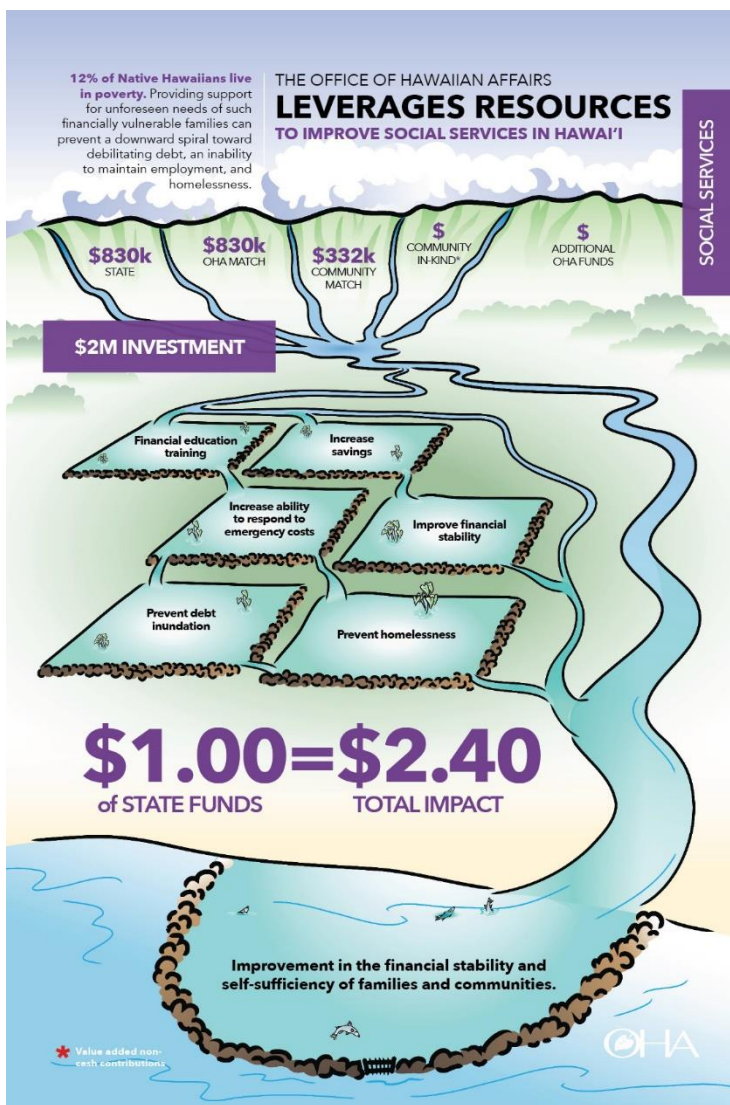


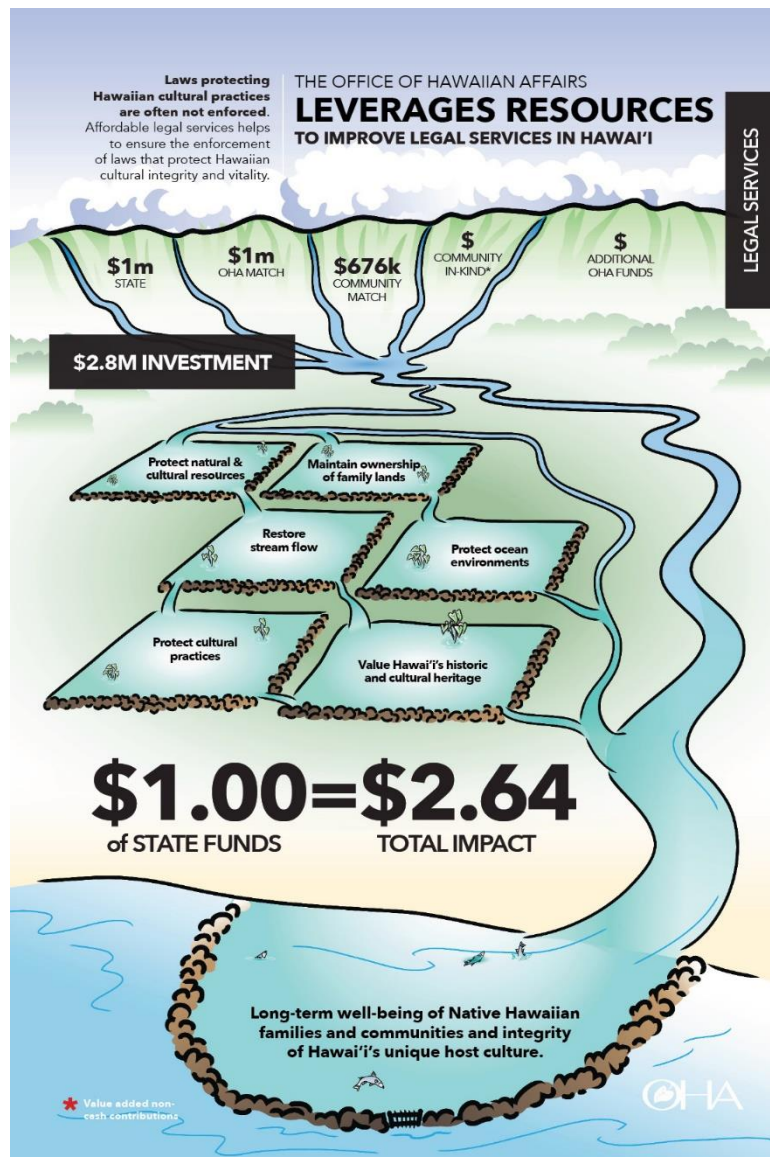
Figure 6. Social Services Infographic (See Appendix A-2 for larger image)

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.

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. Accordingly, OHA’s legal services program provides funding that ensure 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-3 for larger image)



OHA hopes to leverage \$1,040,800 in state funds over the next two years for a total investment of \$2.77 million in legal services that can improve and consistently uphold state laws that are meant to protect Native Hawaiians’ rights and interests.

3. Education

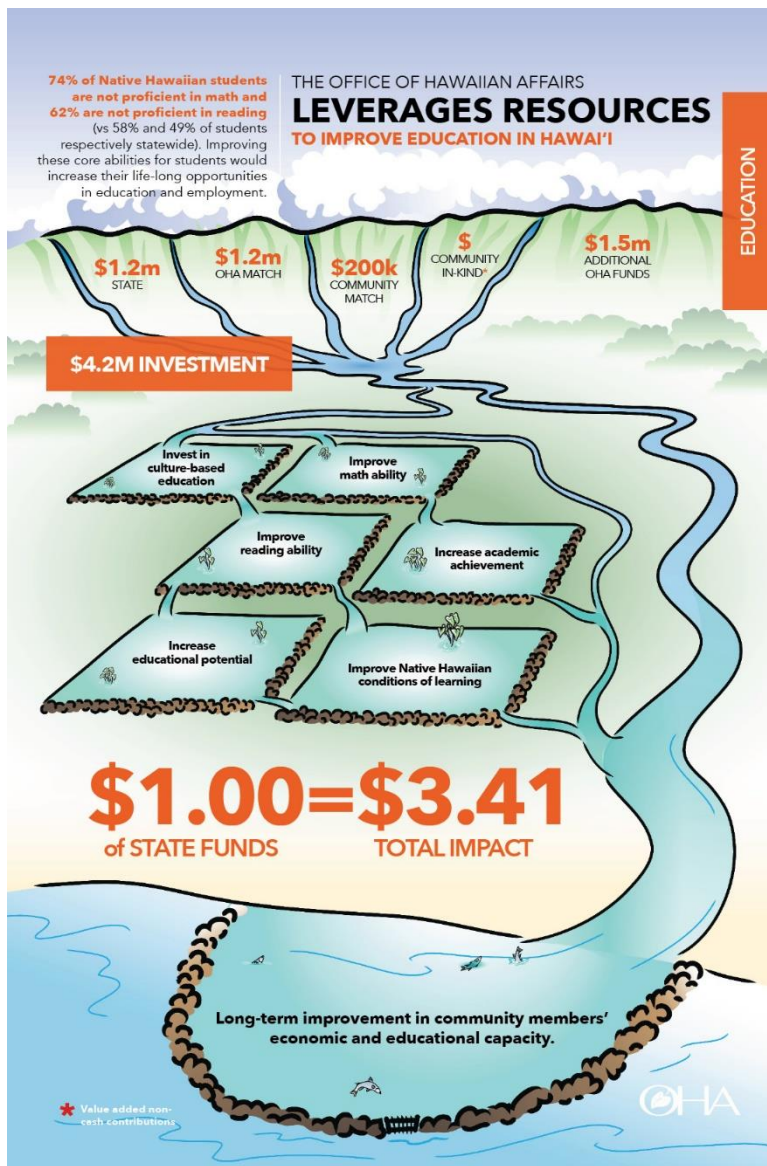
In the year ahead, OHA will continue to focus on closing the persistent achievement gap between Native Hawaiian students and their peers across the State, particularly in math and reading. OHA recognizes the need to reverse this trend, which threatens to undermine the future success of Native Hawaiian students. Last school year, 2017-18, 74% of Native Hawaiian students were not proficient in math and 62% were not proficient in reading (vs 58% and 46% of all students respectively) (DOE, 2018).

In order to close this gap, OHA seeks to support programs that provide Native Hawaiian students with learning opportunities that are culturally-based, that strengthened students' sense of well-being, and that provide specific strategies to help them understand the math and reading concepts with which they are struggling. Research shows that teaching environments using a culture-based education approach positively influence

key student outcomes, including improved community connections and cultural relationships, increased self-efficacy and a sense of belonging, and increased college aspirations. (Kanaiaupuni et al., 2017).

In addition, OHA believes that successful educational outcomes for all students, 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-4 for larger image)



4. Housing

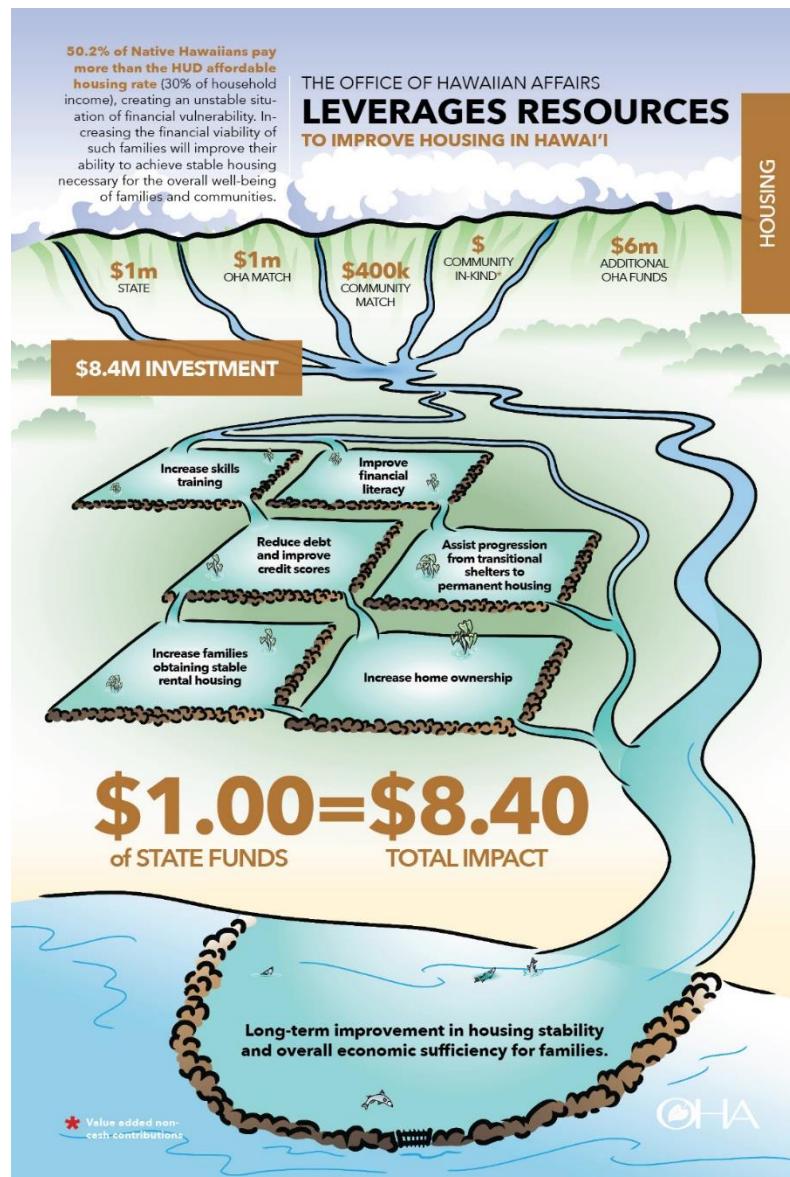
OHA continues to focus on helping more Native Hawaiians achieve housing stability, as many continue to struggle to achieve homeownership, afford adequate rental housing, and avoid homelessness. According to the latest available figures from 2017, only 54% of Native Hawaiians reside in owner-occupied housing, compared to 58.5% of residents of the state/State (U.S. Census Bureau, 2018). Of Native Hawaiian households planning to buy a home, the average amount available for a down payment was half that of non-Hawaiian households, \$24,440 compared to \$59,225; Native Hawaiians' median affordable monthly mortgage payment was \$1,000 less (HHFDC, 2016).

Meanwhile, more than half of Native Hawaiian renters live in homes they are struggling to afford, and many may also live in overcrowded situations to reduce rental payments (U.S. Census Bureau, 2018). In fact, one in four Native Hawaiian homes are occupied by two or more families in order to share housing costs and 14% include "hidden homeless" persons. These rates are more than two times that of non-Hawaiian households (10% doubled-up and 4% with hidden homeless). (HHFDC, 2016). In addition to being burdened by the same unaffordable housing costs as the rest of Hawai'i, Native Hawaiians also earn substantially less—nearly \$10,000 less—than that of the per capita income of the State (U.S. Census Bureau, 2018).

Among the State's homeless populations, Native Hawaiians represent the largest ethnic group, comprising 27% of all clients receiving homeless services statewide (Yuan & Cauci, 2018) and 32% of surveyed homeless on O'ahu (PIC, 2017). In fact, 25% of emergency shelter clients and 32% of transitional housing clients are Native Hawaiian (Yuan, 2017). Additionally, 22% of Native Hawaiian households are at-risk of becoming homeless (HHFDC, 2016).

In response to this data, OHA is advocating for appropriate affordable housing policies, and hoping to leverage \$500,000 from the State over the next two years to improve housing stability. OHA is accepting grants to assist Native Hawaiians improve housing stability, including Native Hawaiians that are currently homeless, at risk of homelessness, in transitional housing, in unstable or unaffordable rentals, and/or those pursuing homeownership.

Figure 9. Housing Infographic (See Appendix A-5 for larger image)



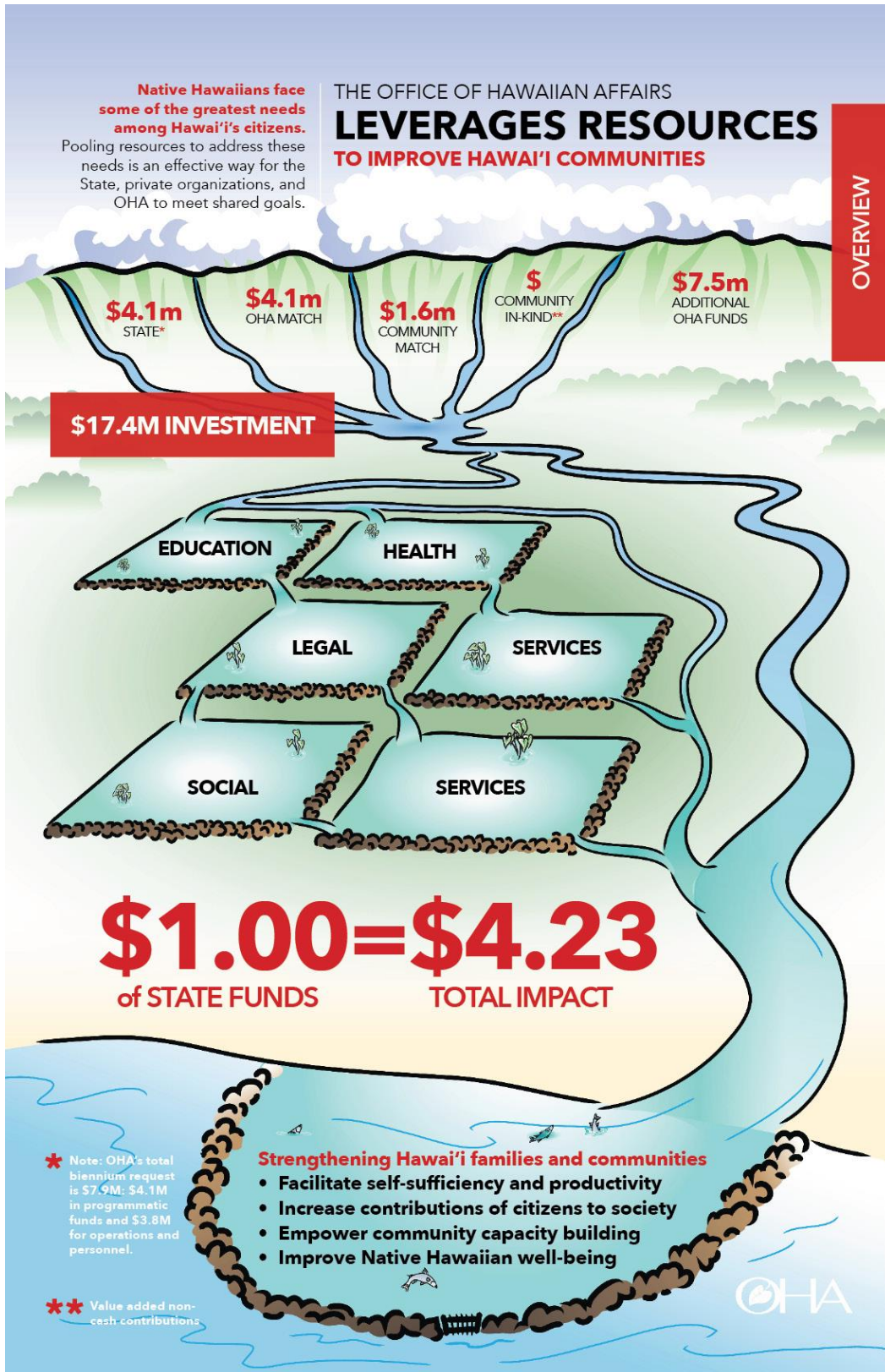
OHA and community partners expect to invest \$8.4 million into helping Native Hawaiians achieve housing stability, become more creditworthy, improve financial management, and increase their home ownership rate.

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

Appendix A

OHA's Full Size Infographics

Figures A-1 Overview



Figures A-2 Social Services

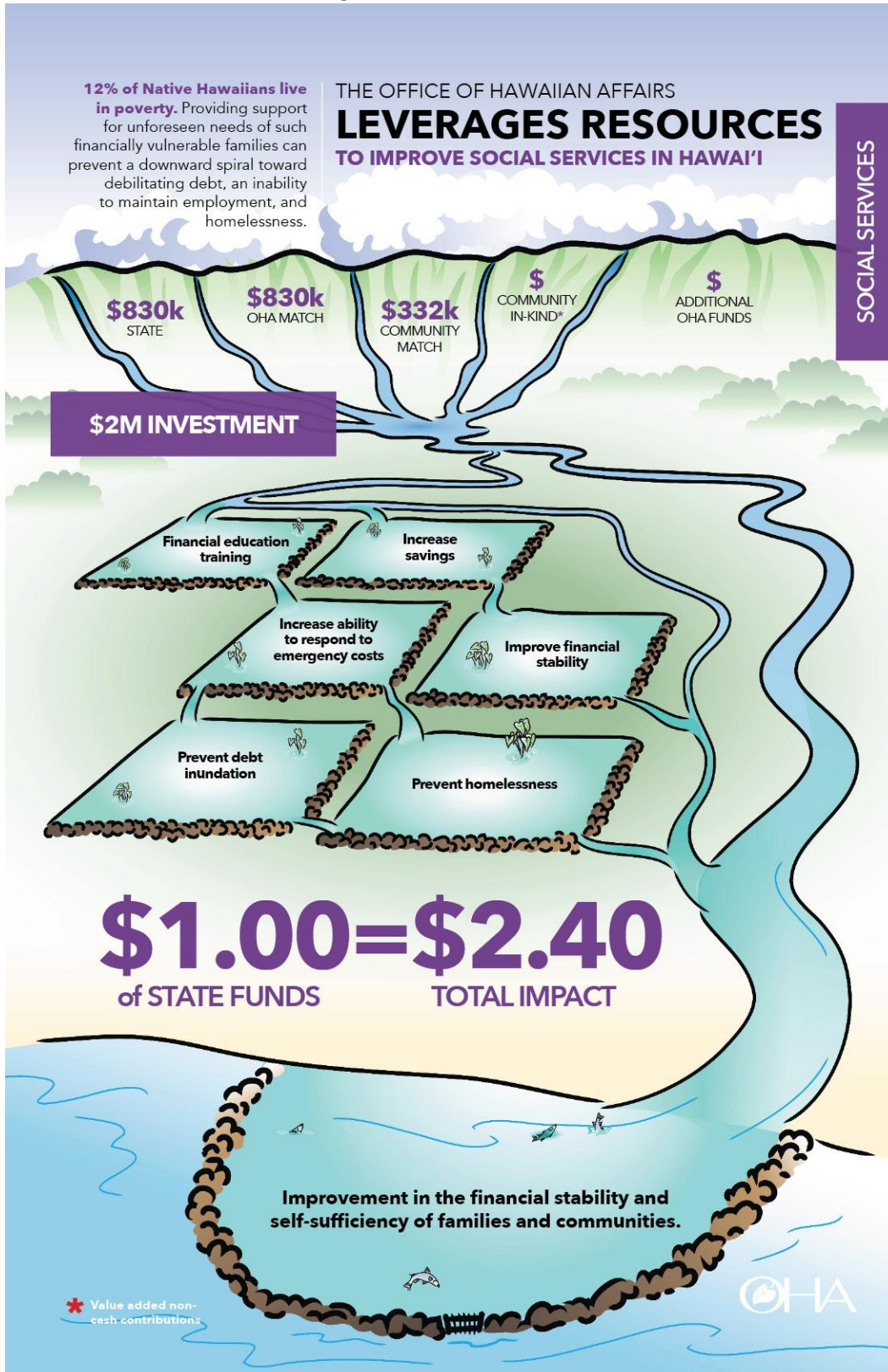


Figure A-3 Legal Services

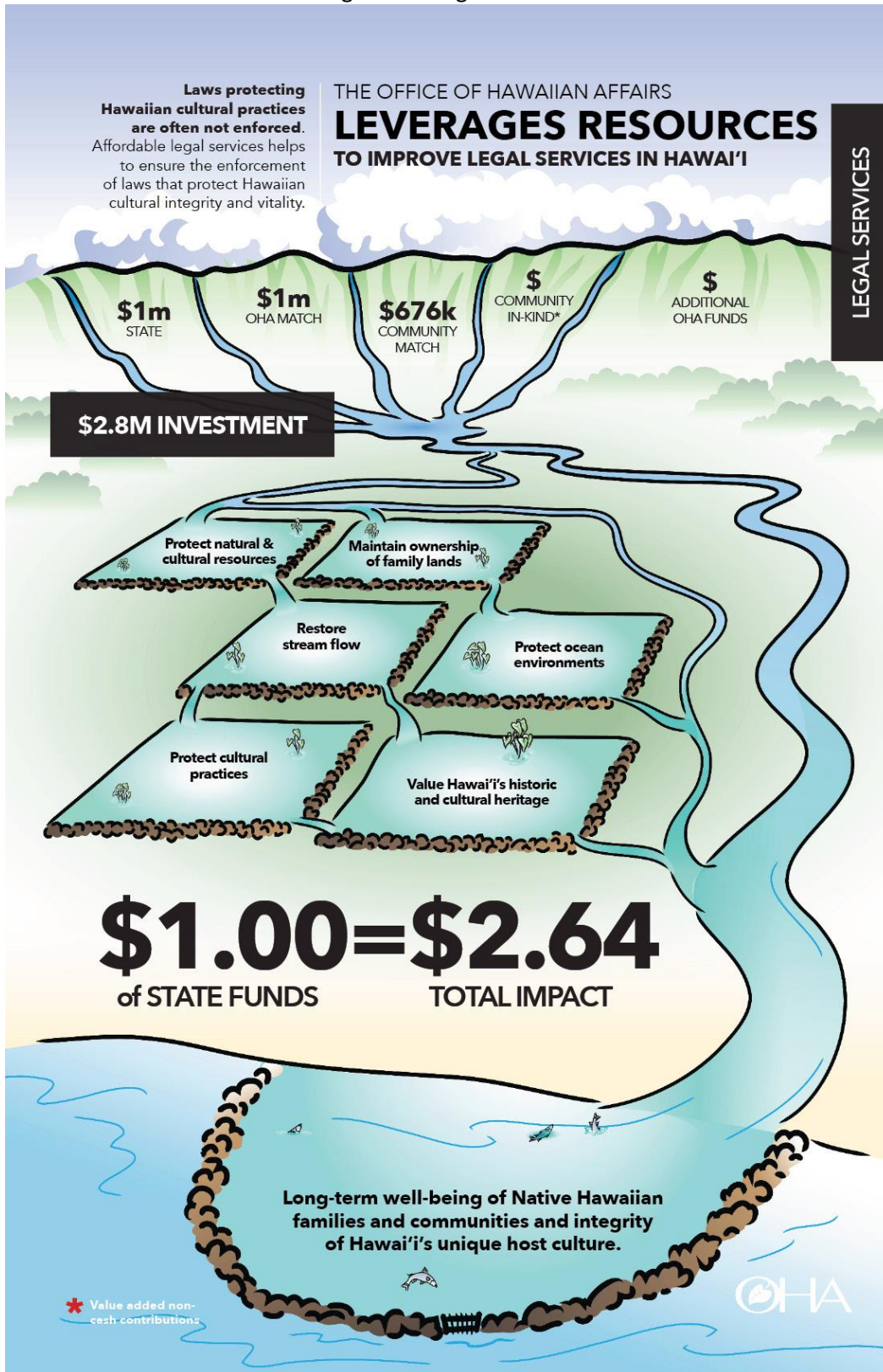


Figure A-4 Education

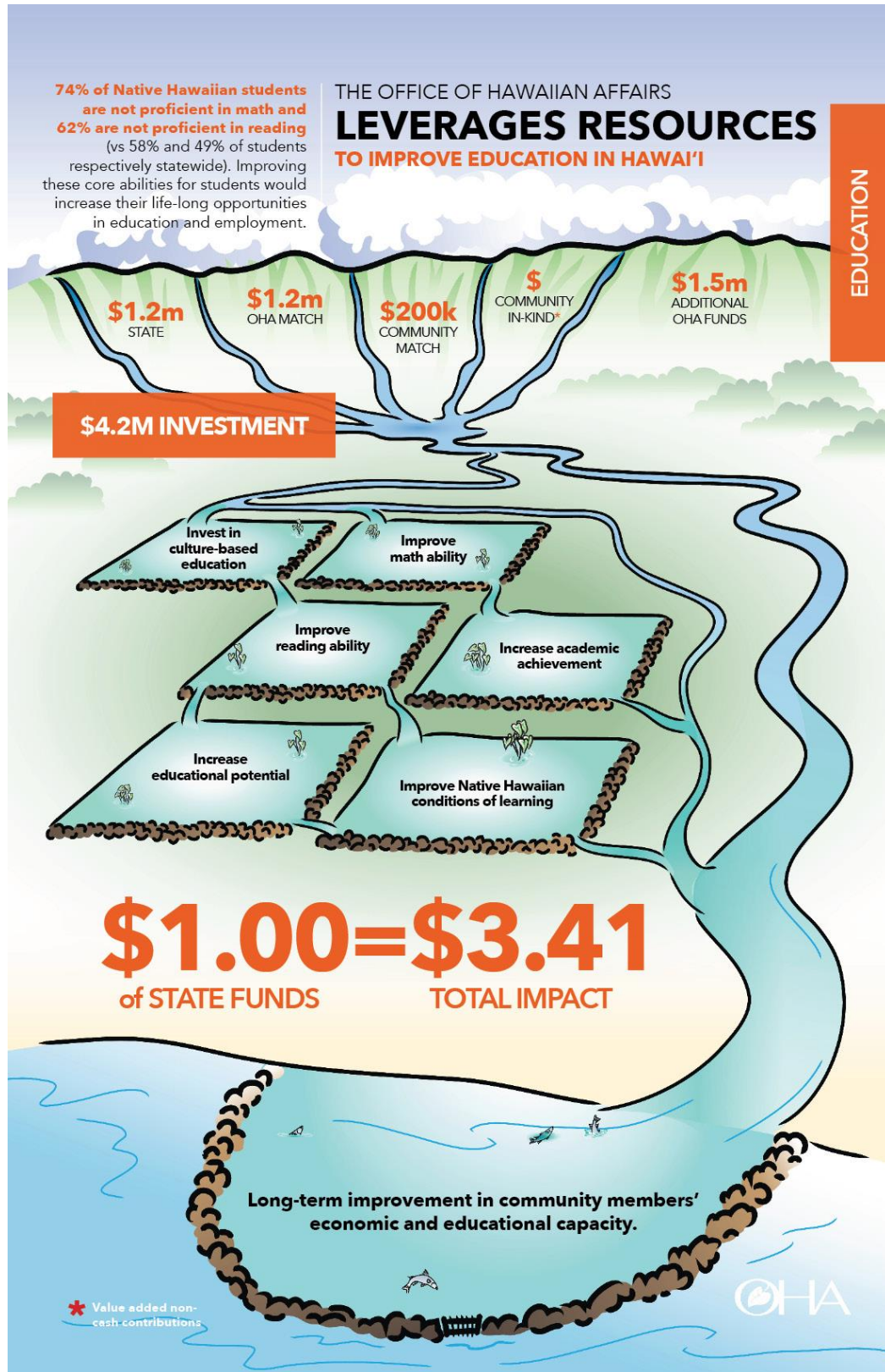
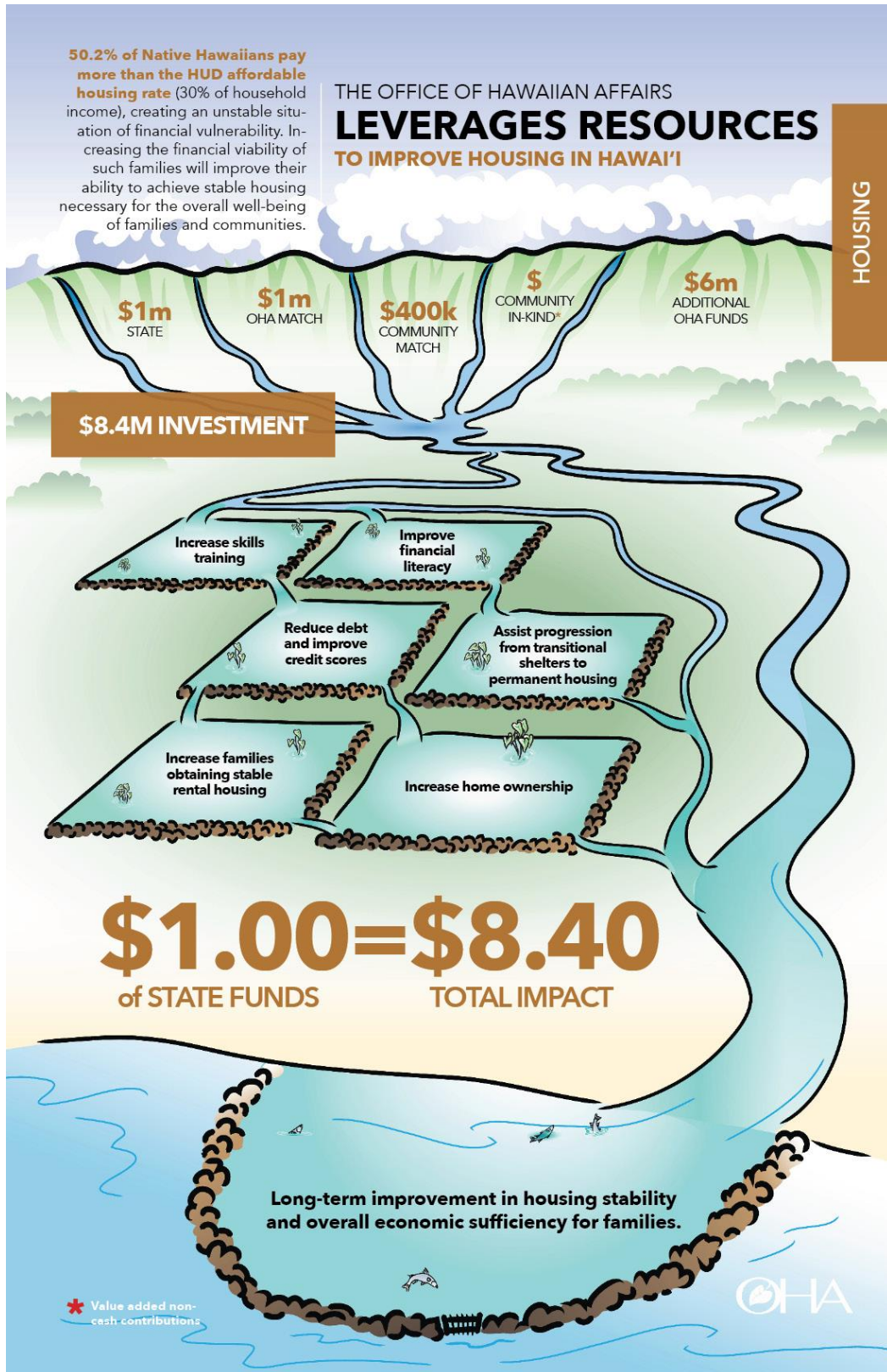


Figure A-5 Housing





KAMEHAMEHA SCHOOLS®



Senate Committee on Ways and Means

Time: 10:15 a.m.

Date: Malaki 28, 2019

Where: Capitol Room 211

TESTIMONY

Submitted by the listed organizations

RE: HB172 HD1 SD1, Relating to the Budget of the Office of Hawaiian Affairs

Aloha e ka Luna Ho‘omaluku Dela Cruz, ka Hope Luna Ho‘omaluku Keith-Agaran, a me nā Kenekoa ‘ē a‘e o kēia Kōmike. The listed organizations appreciate the opportunity to **SUPPORT** HB172 HD1 SD1, which appropriates funds for Fiscal Biennium 2019-2021 for operations of the Office of Hawaiian Affairs.

OHA is a semi-autonomous state agency established by the constitution and laws of the State of Hawai‘i, and mandated to better the conditions of Native Hawaiians, Hawai‘i’s indigenous, native people. OHA fulfills its mandate through advocacy, research, community engagement, land management, and the funding of community programs. OHA’s budget bill requests state general funds for each of the next two fiscal years to support OHA’s budget plans for the upcoming biennium. While still maintaining the three historical provisos (social services, legal services and education improvement), HB172 HD1 SD1 also requests general funds for housing programs. This bill proposes matching OHA trust fund resources with the requested state general funds. By passing this measure, the state would reaffirm its commitment to address the needs of Native Hawaiians by supporting programs and operations that directly benefit Native Hawaiians, while strengthening Hawai‘i’s communities as a whole.

Therefore, the listed organizations urge the Committee to **PASS** HB172 HD1 SD1. Mahalo nui for the opportunity to submit testimony on this measure.

HB-172-SD-1

Submitted on: 3/23/2019 4:46:25 AM

Testimony for WAM on 3/28/2019 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kamuela Werner MPH	Individual	Support	No

Comments:

HB-172-SD-1

Submitted on: 3/25/2019 1:23:00 PM

Testimony for WAM on 3/28/2019 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kevin Chang	Individual	Support	No

Comments:

I strongly **SUPPORT HB172, HD1, SD1** which appropriates funds for Fiscal Biennium 2019-2021 for operations of the Office of Hawaiian Affairs. OHA is a semi-autonomous state agency established by the constitution and laws of the State of Hawai'i, and mandated to better the conditions of Native Hawaiians, Hawai'i's indigenous, native people. OHA fulfills its mandate through advocacy, research, community engagement, land management and the funding of community programs. OHA's budget bill requests state general funds for each of the next two fiscal years to support OHA's budget plans for the upcoming biennium.

In the last six fiscal years (2011-2018), OHA awarded over \$110 million in programmatic funding, grants, and sponsorships, that address our state's most critical issues, including environmental stewardship, food security, housing and homelessness, education, and health care.

I support the continued partnership between the State and OHA to fund these critical community programs and respectfully request that the original appropriation amounts and position counts be reinserted into this measure. Accordingly, I respectfully urge this Committee to **PASS HB172 HD1, SD1** with the reinsertion of the measure's original appropriation amounts and position totals. I humbly request that **HB172, HD1, SD1 be passed** out of this committee.ī»¿

HB-172-SD-1

Submitted on: 3/25/2019 3:18:49 PM

Testimony for WAM on 3/28/2019 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Puni Kekauoha	Individual	Support	No

Comments:

Members of Ways and Means Committee,

I strongly **SUPPORT HB172, HD1, SD1** which appropriates funds for Fiscal Biennium 2019-2021 for operations of the Office of Hawaiian Affairs. OHA is a semi-autonomous state agency established by the constitution and laws of the State of Hawai'i, and mandated to better the conditions of Native Hawaiians, Hawai'i's indigenous, native people. OHA fulfills its mandate through advocacy, research, community engagement, land management and the funding of community programs. OHA's budget bill requests state general funds for each of the next two fiscal years to support OHA's budget plans for the upcoming biennium.

In the last six fiscal years (2011-2018), OHA awarded over \$110 million in programmatic funding, grants, and sponsorships, that address our state's most critical issues, including environmental stewardship, food security, housing and homelessness, education, and health care.

I support the continued partnership between the State and OHA to fund these critical programs and respectfully request that the original appropriation amounts and position counts be reinserted into this measure. Accordingly, OHA respectfully urges the Committee to **PASS HB172 HD1, SD1** with the reinsertion of the measure's original appropriation amounts and position totals. I humbly request that **HB172, HD1, SD1 be passed** out of this committee.Ī»¿

Mahalo for your time and favorable consideration.

B. Puni Kekauoha

HB-172-SD-1

Submitted on: 3/25/2019 3:59:03 PM

Testimony for WAM on 3/28/2019 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kehaulani Shintani	Individual	Support	No

Comments:

Aloha mai kākou,

ʻO au nā kāhuna a kāhuna Shintani e kōkō nei i ka HB172,SD1 e kākoʻo ana i ka moʻohelu kālā no ka makahiki 2019 - 2021. Eia nā au ke kākoʻo nei i ka pilina ma waena o ka mokuʻāina o Hawaiʻi me OHA i hiki ke mau ke kākoʻo i ka poʻe o Hawaiʻi me nā Hawaiʻi.

Eia nā au ke noi nei i ke kōkō ʻO ʻO ia ma kou kāhuna.

HB-172-SD-1

Submitted on: 3/25/2019 6:33:11 PM

Testimony for WAM on 3/28/2019 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Golojuch	Individual	Support	No

Comments:

I definitely support HB172. Please pass with the proviso that the measure's original appropriation amounts and positions be reinserted. Thank you.

Mike Golojuch, Sr.

Dear Honorable WAM Committee Chair Dela Cruz and Committee Members:

For reasons expressed by representatives of the Office of Hawaiian Affairs, I am writing in support of HB172, HD1, SD1 and ask that your Committee pass this bill with its original funding amount and position count.

Mahalo nui loa,

Mr. Hanalei Y. Aipoalani
Beneficiary of OHA

89-308 Mokiawe Street
Waianae, HI 96792

To Whom It May Concern,

I am submitting this letter in support of HB172, HD1, SD1 to appropriate funds for Fiscal Biennium 2019-2021 for operations of the Office of Hawaiian Affairs (OHA). OHA is a semi-autonomous state agency established by the constitution and laws of the State of Hawai'i, and mandated to better the conditions of Native Hawaiians, Hawai'i's indigenous people. OHA fulfills its mandate through advocacy, research, community engagement, land management and the funding of community programs. OHA's budget bill requests state general funds for each of the next two fiscal years to support OHA's budget plans for the upcoming biennium.

In the last six fiscal years (2011-2018), OHA awarded over \$110 million in programmatic funding, grants, and sponsorships, that address our state's most critical issues, including environmental stewardship, food security, housing and homelessness, education, and health care. I support the continued partnership between the State and OHA to fund these critical programs.

Moreover, I respectfully urge the Committee to pass HB172 HD1, SD1 with the reinsertion of the measure's original appropriation amounts and position totals.

Aloha pumehana,

Teresa Makuakane-Drechsel, Lessee Kalawahine Streamside (Hawaiian Home Lands)



SENATE COMMITTEE ON WAYS AND MEANS
The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair

**H.B. NO. 172, H.D. 1, S.D. 1, RELATING TO THE BUDGET OF THE OFFICE OF
HAWAIIAN AFFAIRS**

Hearing: Thursday, March 28, 2019, 10:15 a.m.

The Office of the Auditor has **no position** regarding H.B. No. 172, H.D. 1, S.D. 1, which requires that the Office of the Auditor to conduct financial and management audits of limited liability companies created and used by the Office of Hawaiian Affairs (OHA). **However, we offer the following comments.**

Section 10-14.55, Hawai'i Revised Statutes (HRS), requires us to audit OHA at least once every four years. We most recently audited OHA's use of its fiscal reserve, discretionary grants, CEO sponsorships, and trustee allowances. The report, which was issued in 2018, is accessible through our website at: <http://files.hawaii.gov/auditor/Reports/2018/18-03.pdf>. Generally, we assess an agency's implementation of our audit recommendations about two years after the audit is issued.

With respect to the required financial audits, we do not perform any financial audits in-house; rather, we contract with certified public accounting (CPA) firms to audit the financial statements of State agencies and for the State's Comprehensive Annual Financial Report. If the intent of the bill is to have our office contract for the financial audits as enumerated in the bill, we require an appropriation to do so. Given the scope of the requested financial audits, we request the committee appropriate \$100,000 for this purpose.

We further note that OHA's financial statements are currently audited annually by a CPA firm whose reports are accessible through OHA's website. Additionally, these financial audits include the financial activity of Ho'okele Pono LLC and Hi'ilei Aloha LLC, and its wholly owned subsidiaries Hi'ipaka LLC and Hi'ipoi LLC.

Thank you for considering our testimony related to H.B. No. 172, H.D. 1, S.D.1.

15 Individuals in support of HB172

From
Keoahunui Warrington
BS McEwen
Katherine Yvonne Mary Burke
Earl Carinio
Joseph Keawe'aimoku Kaholokula
Makaala Kaaumoana
Madeline Neely
Cyd Hoffeld
Toni Eaton
John Kalahui Rosa
indian.scott
Amelia
Healani Sonoda-Pale
Johnna Ann
Jayna Weatherwax

Message:

I strongly SUPPORT HB172, HD1, SD1 which appropriates funds for Fiscal Biennium 2019-2021 for operations of the Office of Hawaiian Affairs. OHA is a semi-autonomous state agency established by the constitution and laws of the State of Hawai'i, and mandated to better the conditions of Native Hawaiians, Hawai'i's indigenous, native people. OHA fulfills its mandate through advocacy, research, community engagement, land management and the funding of community programs. OHA's budget bill requests state general funds for each of the next two fiscal years to support OHA's budget plans for the upcoming biennium. In the last six fiscal years (2011-2018), OHA awarded over \$110 million in programmatic funding, grants, and sponsorships, that address our state's most critical issues, including environmental stewardship, food security, housing and homelessness, education, and health care. I support the continued partnership between the State and OHA to fund these critical programs and respectfully request that the original appropriation amounts and position counts be reinserted into this measure. Accordingly, OHA respectfully urges the Committee to PASS HB172 HD1, SD1 with the reinsertion of the measure's original appropriation amounts and position totals. I humbly request that HB172, HD1, SD1 be passed out of this committee.

LATE

HB-172-SD-1

Submitted on: 3/27/2019 10:45:19 AM

Testimony for WAM on 3/28/2019 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Noalani Nakasone	Individual	Support	No

Comments:

Aloha,

I strongly **SUPPORT HB172, HD1, SD1**

which appropriates funds for Fiscal Biennium

2019-2021 for operations of the Office of Hawaiian Affairs.

OHA is a semi-autonomous

state agency established by the

constitution and laws of the State of Hawai'i

mandated to better the conditions of Native

Hawaiians, Hawai'i's indigenous, and its

Native people.

OHA fulfills its mandate through advocacy,

research, community engagement, land

management and the funding of community

programs. OHA's budget bill requests state

general funds for each of the next two fiscal

years to support OHA's budget plans for

the upcoming biennium.

In the last six fiscal years (2011-2018),

OHA awarded over \$110 million in

programmatic funding, grants and

sponsorships that address

our state's most critical issues, including

environmental stewardship, food security,

housing and homelessness, education, and

health care.

I support the continued partnership between

the State and OHA to fund these critical

programs and respectfully request that the

appropriation amounts and position counts

be reinserted into this measure.

Accordingly, OHA respectfully urges the

Committee to seriously

PASS HB172 HD1, SD1 with the

reinsertion of the measure's original

amounts and position totals.

I humbly request that **HB172, HD1, SD1** be

passed out of this committee. Ī»¿

Mahalo from Kauai!

LATE

HB-172-SD-1

Submitted on: 3/27/2019 8:33:20 PM

Testimony for WAM on 3/28/2019 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for O`ahu County Democrats Legislative Priorities Committee	Support	No

Comments:

LATE



THE ASSOCIATION OF HAWAIIAN CIVIC CLUBS

Senate Committee on Ways and Means

Pō‘ahā, Malaki 28, 2019
Lumi ‘Aha Kūkā 211
Ke Kapikala Moku ‘āina
415 South Beretānia Street

Re: HB172 HD1 SD1 - RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS

Aloha Luna Ho‘omalu Donovan Dela Cruz, Hope Luna Ho‘omalu Gilbert Keith-Agaran, and members of the Senate Committee on Ways and Means:

The Association of Hawaiian Civic Clubs **SUPPORTS** HB172 HD1 SD1. This bill appropriates funds for Fiscal Biennium 2019-2021 for operations of the Office of Hawaiian Affairs. At its 53rd annual convention, the Association passed resolution 2012-8, which reaffirms its support of the Native Hawaiian trusts, including the Office of Hawaiian Affairs (OHA).

OHA is a trust for Native Hawaiians and functions as a semi-autonomous state agency that was established by the constitution and laws of the State of Hawai‘i. OHA fulfills its mandate through advocacy, research, community engagement, land management, and the funding of community programs. OHA’s budget bill requests state general funds for each of the next two fiscal years to support OHA’s budget plans for the upcoming biennium. This bill maintains the three historical provisos of social services, legal services and education improvement, while also requesting general funds for housing programs. In addition, this bill proposes matching OHA trust fund resources with the requested state general funds. Through passage of this bill, the state will better fulfill its trust responsibilities to Native Hawaiians by supporting programs and operations that directly benefit Native Hawaiians, while strengthening all of the communities of Hawai‘i.

Thus, the Association respectfully urges the committee to **PASS** HB172 HD1 SD1.

The civic club movement was founded in 1918 by Congressional Delegate Prince Jonah Kūhiō Kalaniana‘ole with the creation of the Hawaiian Civic Club; the Association was formally

organized in 1959 and has grown to a confederation of over sixty (60) Hawaiian Civic Clubs located throughout the State of Hawai‘i and the United States. The Association is the oldest Hawaiian community-based grassroots organization. The Association is governed by a 16-member Board of Directors; advocates for improved welfare of Native Hawaiians in culture, health, economic development, education, social welfare, and nationhood; and perpetuates and preserves language, history, music, dance and other Native Hawaiian cultural traditions.

Mahalo for allowing us to share our *mana* ‘o.

Me ka ‘oia ‘i ‘o,

Hailama Farden
Pelekikena



LATE

Luna O Na Papa Alakai

Committee on Ways and Means

Pelekikena
A. Makana Paris

Thursday, March 28, 2019
10:15 am Conference Room 016
State Capitol
415 South Beretania Street

Hope Pekekikena
Ekahi
Randi Fernandez

Re: HB172 HD1 SD1 RELATING TO THE BUDGET OF THE OFFICE OF
HAWAIIAN AFFAIRS

Hope Pelekikena
Elua
Matthew Gumapac

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and honorable members of the
Sentate Committee on Ways and Means:

Puuku
Denise Kekuna

The Prince Kūhiō Hawaiian Civic Club **SUPPORTS** the passage of HB172 HD1 SD1.
The bill appropriates funds for Fiscal Biennium 2019-2021 for operations of the Office
of Hawaiian Affairs.

Kakauolelo Hoopaa
Sai Furukawa

Kakauolelo Hooholo
Palapala
Kamuela Werner

Native Hawaiians enjoy a trust relationship with the State. OHA is the entity in which
Native Hawaiians as trust beneficiaries can access their trust resources in the form of
grants, services, programs, scholarships, and loans. OHA's budget bill requests state
general funds for each of the next two fiscal years to help support OHA's work. This
bill focuses on social services, legal services, education improvement, and housing
programs. Further, this bill proposes to match OHA trust fund resources with the state
general funds. By passing this bill, the state will more justly fulfill its trust
responsibilities to Native Hawaiians by supporting programs and operations that
directly benefit Native Hawaiians and also improves the conditions for all of Hawai'i.

Pelekikena Hala
Koke
Yvonne 'PeeWee'
Ryan

Founded in 1964, PKHCC was organized to promote the education and social welfare
of people of Hawaiian ancestry and objectives include supporting high ethical
standards in business, industry and the professional fields of enterprise.

Luna Alakai
Kuni Agard
Puamana Crabbe
Kanani Pali
Marlene Sai
Jennifer Smythe
Bruce Wong

PKHCC urges the committee to **PASS** HB172 HD1 SD1.

Mailing Address:
P.O. Box 4728
Honolulu ~ Hawaii
96812

Me ke aloha,



A. Makana Paris
Pelekikena

president@pkhcc.org

www.pkhcc.org

Founded in 1964
by Liliuokalani
Kawananakoa Morris