



HB204 SD1 Proposed SD2
RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS
Ke Kōmike ‘Aha Kenekoa o ke Ki‘ina Hana a me nā Kumuwaiwai
Senate Committee on Ways and Means

‘Apelila 9, 2021

9:50 a.m.

Lumi 211

The Chair of the Board of Trustees and the Administration of the Office of Hawaiian Affairs (OHA) **SUPPORT** HB204 SD1 Proposed SD2, OHA’s FY2021-2023 budget vehicle. While OHA understands that the proposed draft does not reflect the full appropriation amounts OHA originally requested, OHA does appreciate that budget reductions across all state agencies may be necessary to address our state’s current fiscal challenges, and further appreciates that this measure as drafted would **continue the decades-long successful partnership between the State of Hawai‘i and OHA to fulfill OHA’s critical mission. OHA also greatly appreciates the inclusion of the additional proviso in this Proposed SD2 draft, which would expand this longstanding partnership to address the housing needs of OHA’s beneficiaries.**

Since OHA’s establishment in 1978, the scale of our mandate has increased substantially: there are now more than 520,000 OHA beneficiaries who continue to be disproportionately represented in many negative health, education, and socio-economic statistics. The COVID-19 pandemic and its impacts on the Native Hawaiian community, including the substantial number of Native Hawaiians facing economic uncertainty after the shutdown of the service industries that they were employed or owned businesses in, has also made OHA’s mission more critical now than ever before.

Since 1981, the Legislature has appropriated state general funds in each fiscal biennium to support a portion of OHA’s personnel and operating costs as well as grants and programs that directly support OHA’s beneficiaries. These funds have been critical to furthering OHA’s mission and statutory responsibilities, which include:

- 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.

In continuing the 40 year partnership between the State and OHA, HB204 SD1 Proposed SD2 would specifically support grants and programs in historic provisos for

- Social services;
- Legal services and legal representation; and
- Educational improvement programs.

In addition, the Proposed SD2 draft includes of an additional proviso that would expand this partnership to also support grants and programs to meet the occupancy ready housing needs of our beneficiaries.

OHA notes that the contemplated funding for critical legal and social services, educational programs, and to meet Native Hawaiians' housing needs may be particularly important to enable our shared Native Hawaiian constituents to sustain themselves and recover from the COVID-19 pandemic's impacts.

While OHA is thankful for the partnerships we have forged with the State to help care for our Native Hawaiian beneficiaries, we look forward to the day when the Office of Hawaiian Affairs is able to be self-sustaining; is able to provide and care for its Native Hawaiian beneficiaries out of the revenues and proceeds it is able to generate; and is able to fully exercise Native Hawaiians' right to economic self-determination through its prudent investments, successful commercial ventures, and fully occupied residential developments created for the benefit of Native Hawaiians.

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.

Accordingly, OHA respectfully urges the Committee to **PASS** HB204 SD1 Proposed SD2. Mahalo nui loa for your time and careful consideration of this matter.


OFFICE OF HAWAIIAN AFFAIRS
‘Ōlelo Hō‘ike ‘Aha Kau Kānāwai
Legislative Testimony

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Lumi 211

The Chair of the Board of Trustees and the Administration of the Office of Hawaiian Affairs (OHA) offer the following supplemental testimony requesting amendments to HB204 SD1 Proposed SD2, OHA’s FY2021-2023 budget vehicle.

OHA respectfully requests the inclusion of additional sections and amendments to HB204 SD1 Proposed SD2, by increasing the amount of general funds appropriated for fiscal year 2021-2022 on page 3, line 21 by \$200,000, and inserting the following:

SECTION 8. Act 37, Session Laws of Hawaii 2019, is hereby amended by amending section 8 to read as follows:

~~“SECTION 8. [(a) Provided that of the trust funds appropriated in part II of this Act, the sum of \$500,000 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 Office of Hawaiian Affairs. The auditor shall submit a report of the findings and recommendations of the audit to the legislature, governor, and the chairperson of the board of trustees of the office of Hawaiian affairs no later than twenty days prior to the convening of the regular session of 2020.~~

~~(b) Provided that the general funds appropriated for fiscal year 2020-2021 pursuant to part II of this Act shall not be released to the Office of Hawaiian Affairs until after the audit report required by subsection (a) is received by the legislature.]~~

Provided that the general funds appropriated for fiscal year 2020-2021 pursuant to part II of this Act shall not be released to the Office of Hawaiian Affairs until after the CLA - OHA & LLCs Contract and Disbursement Review - Report, dated December 4, 2019, is recieved by the legislature.”

Section 9. The general funds appropriated for fiscal year 2020-2021 pursuant to part II of Act 37, Session Laws of Hawaii 2019, shall not lapse at the end of the fiscal year for which the appropriation is made; provided that all moneys from the appropriation that are unencumbered as of June 30, 2022, shall lapse as of that date.

Section 10. Provided that, of the general funds appropriated for beneficiary advocacy (OHA175), the sum of \$200,000 in general funds for fiscal year 2021-2022 shall be expended to conduct or contract for a follow-up contract and disbursement review to the CLA - OHA & LLCs Contract and Disbursement Review - Report, dated December 4, 2019."

And by renumbering and amending the last section of this measure, to read as follows:

Section 13. This Act shall take effect on July 1, 2021; provided that Sections 8 and 9 of this Act shall take effect retroactively to June 30, 2021.

Mahalo nui loa for your time and careful consideration of this matter.