

**DEPT. COMM. NO. 269**

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
560 N. NIMITZ HWY., SUITE 200
HONOLULU, HAWAII 96817**

December 30, 2021

Representative Sylvia Luke, Chair
House Committee on Finance
Hawaii State Capitol, Room 306
415 South Beretania Street
Honolulu, Hawaii 96813
Attn: Alberto Vargas

Senator Donovan Dela Cruz, Chair
Senate Committee on Ways and Means
Hawaii State Capitol, Room 207
415 South Beretania Street
Honolulu, Hawaii 96813
Attn: Stacy Ferreira and Dane Wicker

RE: Reporting obligations pursuant to HRS 10-14.5(a), HRS 37-47, and Act 037 (19) HB 172, relating to the Office of Hawaiian Affairs

Aloha mai Chair Luke and Chair Dela Cruz,

We appreciate your continuing support and guidance as we enter the 31st Legislative session that will convene on January 19, 2022. Please accept these reports, due no later than 20 days prior to the convening of the 2022 regular session, to follow through with our reporting obligations pertaining to the following statutory requirements:

FY 2021 Actual Expenditures (Attachment A)

The reporting obligation per HRS 10-14.5(a): the report details an accounting of expenditures made in prior year, by account code and budget program.

Reporting of Non-General Fund Information (Attachment B)

The reporting obligation as described under HRS 37-47.

OHA's Award and Expenditures Matrix (Attachment C)

The reporting obligations under Act 037 (19) HB 172 [Section 9]: the report details all programmatic and operational awards, as well as expenditures and encumbrances made through November 30, 2021, or as otherwise noted.

Please do not hesitate to contact me at 594-1973 or sylviah@oha.org or have your staff contact Chief Financial Officer, Ramona G. Hinck at 594-1999 or ramonah@oha.org should there be any questions regarding this correspondence or its attachments. Mahalo again and we look forward to working with you and your staff during the upcoming legislative session.

‘O wau iho nō a me ka ‘oia‘i‘o,

A handwritten signature in black ink, appearing to read "Sylvia M. Hussey".

Sylvia M. Hussey, Ed.D.
Ka Pouhana, Chief Executive Office

Cc: Trustee Carmen "Hulu" Lindsey, Chair, OHA Board of Trustees

OFFICE OF HAWAIIAN AFFAIRS
FISCAL YEAR 2021 ACTUAL EXPENDITURES*

	<u>GENERAL FUNDS</u>	<u>TRUST FUNDS</u>	<u>OTHER OHA FUNDS</u>	<u>FEDERAL FUNDS</u>	<u>TOTAL</u>
EXPENDITURES					
Current Programs:					
BOARD OF TRUSTEES					
Contracts	0	114,920	0	0	114,920
Debt Service	0	0	0	0	0
Equipment & Capital Investmen	0	0	0	0	0
Grants	0	0	0	0	0
Overhead	0	0	0	0	0
Personnel	54,419	2,657,898	0	0	2,712,318
Program	0	1,617	0	0	1,617
Travel	0	0	0	0	0
Subtotal - Board of Trustees	54,419	2,774,435	0	0	2,828,855
SUPPORT SERVICES					
Contracts	643,830	4,278,704	43,275	0	4,965,810
Debt Service	0	3,041,579	0	0	3,041,579
Equipment & Capital Investmen	0	2,880,406	24,256	0	2,904,662
Grants	0	80,000	0	0	80,000
Overhead	296,874	4,084,395	4,570	0	4,385,840
Personnel	756,440	6,649,927	0	0	7,406,367
Program	0	1,060,503	0	0	1,060,503
Travel	0	151,690	203	0	151,893
Subtotal - Support Services	1,697,144	22,227,205	72,305	0	23,996,653
BENEFICIARY ADVOCACY					
Contracts	0	473,113	0	256,646	729,758
Debt Service	0	0	0	0	0
Equipment & Capital Investmen	0	13,640	195,000	7,005	215,646
Grants	1,030,000	14,886,592	0	0	15,916,592
Overhead	0	75,749	0	94,568	170,317
Personnel	172,750	4,967,198	0	427,728	5,567,676
Program	0	57,136	0	(278,324)	(221,188)
Travel	0	0	0	0	0
Subtotal - Beneficiary Advocacy	1,202,750	20,473,428	195,000	507,623	22,378,801
TOTAL EXPENDITURES	2,954,314	45,475,068	267,305	507,623	49,204,309

*Unaudited FY2021 figures from FY21 June 2021 Budget Variance Report 12/16/21.

Report on Non-General Fund Information
for Submittal to the 2022 Legislature

ATTACHMENT B

Department: Office of Hawaiian Affairs
Prog ID(s): OHA 150, 160, 175
Name of Fund: Public Land Trust

Contact Name: Ramona Hinck
Phone: (808) 594-1999
Fund type (MOF) Trust and Special (see Purpose)

T-901, T-902, T-910, T-930,
T-938, T-939, S-310, S-315,

Legal Authority Hawaii State Constitution, Article XII, Section 4

Appropriation Acct. No. S-320

Intended Purpose:

To account for OHA's portion of revenues derived from the public land trust as defined in Section 10-2, HRS. To provide budget for continuous management, maintenance and repair of the Palauea Cultural Preserve of culturally and archaeologically significant sites. To account for the activities related to OHA's management and stewardship of the Forest Reserve, and to receive revenues from the sales of advertising space on OHA's monthly newspaper, Ka Wai Ola. All the appropriation account numbers identified above are Trust assets and during a recent State Review of OHA's funds (Special, Revolving, and Trust Funds), it was determined that these 'Special' funds will be characterized as Trust Funds going forward.

Source of Revenues:

- Ceded land revenue at \$15,100,000 per annum
- Dividend and Interest income from investments
- Realized gains from sales of investments
- Interest earned from Consumer Micro Loan Program
- Revenues generated from OHA's commercial properties operations Kaka'ako Makai parcels & Na Lama Kukui
- The Declaration of Covenants, Conditions, and Restrictions of the One Palau'ea Bay Community Association require payment of a Historical Archeological Enhancement Fee equivalent to 0.5% of gross selling price each time a lot within One Palau'ea Bay is transferred
- Sales of advertising space on OHA's monthly newspaper, Ka Wai Ola.
- OHA's trust fund as a funding source, when necessary.

Current Program Activities/Allowable Expenses:

OHA's ongoing operating and program costs in addition to grants and scholarships funding. Program, grants and scholarship costs are for the betterment of native Hawaiian conditions.

Purpose of Proposed Ceiling Adjustment (if applicable):

N/A

Variances:

Financial Data (\$1,000)			
	FY 2021	FY 2022	FY 2023
	(actual-not final)	(estimated)	(estimated)
Appropriation Ceiling	N/A	N/A	N/A
Beginning Cash Balance	57,849	73,576	77,702
Revenues	53,452	49,053	50,395
Expenditures	37,724	44,928	47,700
Transfers			
List each net transfer in/out/ or projection in/out; list each account number			
Transfer in			
Transfer out	0	0	0
Net Total Transfers	0	0	0
Ending Cash Balance	73,576	77,702	80,396
Encumbrances	20,586	20,586	20,586
Unencumbered Cash Balance	52,990	57,115	59,810

Additional Information:

Amount Req. by Bond Covenants	N/A	N/A	N/A
Amount from Bond Proceeds	N/A	N/A	N/A
Amount Held in CODs, Escrow Accounts, or Other Investments	N/A	N/A	N/A

Report on Non-General Fund Information
for Submittal to the 2022 Legislature

ATTACHMENT B

Department: Office of Hawaiian Affairs
 Prog ID(s): _____
 Name of Fund: Federal Fund
 Legal Authority: HRS 10-13

Contact Name: Ramona Hinck
 Phone: (808) 594-1999
 Fund type (MOF) Special
 Appropriation Acct. No. S-200, S-202

Intended Purpose:

S-200 - Hālawā Luluku Interpretive Development (HLID) was created largely to mitigate any adverse impact resulting from the construction of the Interstate H-3 Highway.

S-202 - To provide Native Hawaiians individuals and Native Hawaiian-owned businesses better access to financial capital and financial services

Source of Revenues:

S-200 - Federal Highways Administration - 90% funding; Hawai'i Department of Transportation - 10% funding

S-202 - Principal repayments, Interest earned from loans, Interest earned from investments, Miscellaneous revenue derived from loan fees, Recovery of loans written-off.

Current Program Activities/Allowable Expenses:

S-200 - Salaries and CIP to maintain the H-3 Highway

S-202 - Expenditures consisted of loan disbursements, loan application fees, legal services, technical assistance, investment management, bad debt,

Purpose of Proposed Ceiling Adjustment (if applicable):

N/A

Variances:

Financial Data (\$1,000)			
	FY 2021	FY 2022	FY 2023
	(actual-not final)	(estimated)	(estimated)
Appropriation Ceiling			
Beginning Cash Balance	17,942	18,116	18,116
Revenues	1,541	1,552	1,376
Expenditures	1,367	1,552	1,376
Transfers			
List each net transfer in/out/ or projection in/out; list each account number			
Transfer in	0	0	0
Transfer out			
Net Total Transfers	0	0	0
Ending Cash Balance	18,116	18,116	18,116
Encumbrances	1,508	1,508	1,508
Unencumbered Cash Balance	16,608	16,608	16,608
Additional Information:			
Amount Req. by Bond Covenants	N/A	N/A	N/A
Amount from Bond Proceeds	N/A	N/A	N/A
Amount Held in CODs, Escrow Accounts, or Other Investments	N/A	N/A	N/A

Office of Hawaiian Affairs Award & Expenditure Matrix

State of Hawaii General Fund Appropriations (Act 037 (19) HB172 and Act 029 (21) HB204

Description		FY2021 Act 037 (19) HB172					FY 2022 Act 029 (21) HB204					Notes
		Budget			Uses		Budget			Uses		
		General Funds	Trust Fund Match	Total	Expenditures & Encumbrances	Remaining	General Funds (Note 1)	Trust Fund Match	Total	Expenditures & Encumbrances	Remaining	
1	Legal Representation Services	\$ 643,830	\$ 643,830	\$ 1,287,660	\$ (1,287,660)	-	\$ 524,400	\$ 524,400	\$ 1,048,800	\$ (1,048,800)	-	Purchase of Service (POS) via Professional Services List - Awarded to Native Hawaiian Legal Corporation
2	Social Services (Multi-Services)	415,000	415,000	\$ 830,000	(830,000)	-	415,000	415,000	\$ 830,000	(830,000)	-	Review of distribution method pending Administrative review. OHA expects to fully expend or encumber FY22 funding no later than 6/30/2022.
3	Community Grants: Housing		500,000	\$ 500,000	(500,000)	-	500,000	500,000	\$ 1,000,000	(1,000,000)	-	Review of solicitation pending Administrative review. OHA expects to fully expend or encumber FY22 funding no later than 6/30/2022.
4	Community Grants: Education					-						
	a. Moloka'i Community Service Council	27,206	27,206	54,412	(54,412)	-					-	
	b. Boys & Girls Clubs of Maui, Inc	50,935	50,935	101,870	(101,870)	-					-	
	c. Kaala Farms, Inc	131,642	131,642	263,284	(263,284)	-					-	
	d. Educational Services Hawaii Foundation	40,217	40,217	80,434	(80,434)	-					-	
	Subtotal - Community Grants: Education	250,000	250,000	500,000	(500,000)		-	-	-	-		
5	NH-Focused Education	365,000	365,000	730,000	(730,000)	-	615,000	615,000	1,230,000	(1,230,000)	-	Review of solicitation, pending Administrative review. OHA expects to fully expend or encumber FY22 funding no later than 6/30/2022.
6	Personnel	1,067,175	3,959,000	5,026,175	(4,942,610)	83,565		3,959,000	3,959,000	(3,959,000)	-	
7	Operations	296,874	296,874	593,748	(593,748)	-		416,304	416,304	(416,304)	-	Expenditures & Encumbrances through 11/30/2021. OHA expects to fully expend or encumber FY22 funding no later than 6/30/2022.
8	CLA Audit						200,000		200,000	(200,000)		Purchase of Service (POS) via Professional Services List in Progress. OHA expects to fully expend or encumber FY22 funding no later than 6/30/2022.
Total (1 - 8)		\$ 3,037,879	\$ 6,429,704	\$ 9,467,583	\$ (9,384,018)	\$ 83,565	\$ 2,254,400	\$ 6,429,704	\$ 8,684,104	\$ (8,484,104)	\$ -	

NOTE >

(1) General Funds FY21, FY22, FY23 figures from Section 10 of Act 29 approved 5/28/2021, 2021 HB204 SD2 CD1, Relating to the Budget of the Office of Hawaiian Affairs.

(2) This report details all programmatic and operational awards, as well as expenditures and encumbrances made through November 30, 2021, pursuant to the reporting obligations in Act 029 (21) HB204 [Section 12].