



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE
GOVERNOR
MIKE MCCARTNEY
DIRECTOR
CHUNG I. CHANG
DEPUTY DIRECTOR

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Statement of
MIKE MCCARTNEY
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON HAWAIIAN AFFAIRS

Thursday, February 3, 2022
1:01 pm
Via Videoconference

In consideration of
SB3357
RELATING TO NATIVE HAWAIIAN AFFAIRS.

Chair Shimabukuro, Vice Chair Keohokalole, and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) offers comments on SB3357, which requires certain departments and agencies to provide grants to tax-exempt non-profit organizations that have experience and expertise in supporting and advancing Native Hawaiian communities.

DBEDT is tasked with managing non-profit contractors to provide support for the following projects: Pop-up Makeke Virtual Marketplace; A West Oahu Innovation Center: Culture Training Programs; and Community-based Tourism Management.

The Pop-up Makeke Virtual Marketplace supports local artisans and businesses to adapt to e-commerce. DBEDT has an active e-commerce support program so this initiative aligns with our current efforts.

A West Oahu Innovation Center that is a physical co-working space and an entrepreneur and resource center providing workshops, counseling, loan assistance, and broadband access also aligns with DBEDT's mission and current programs.

Managing a contractor to provide Culture Training Programs with military personnel, small businesses, and non-profit organizations does not have a fit with DBEDT's charge related to economic development, and that this responsibility be assigned to a more appropriate agency. Furthermore, \$200,000 to accomplish this broad mission might not be sufficient.

Regarding Community-based Tourism Management, including tourism impacts on the natural and cultural resources of local communities, we suggest, and they agree, that this responsibility be assigned to the Hawaii Tourism Authority.

Finally, in order to provide grants to specific organizations, this bill must provide for expenditures exempt from 103D (Procurement).

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR

JOSH GREEN
LIEUTENANT GOVERNOR



ANNE E. PERREIRA-EUSTAQUIO
DIRECTOR

JOANN A. VIDINHAR
DEPUTY DIRECTOR

JOVANIE DOMINGO DELA CRUZ
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
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IN REPLY, REFER TO:
OCS 22.1022

February 1, 2022

To: The Honorable Maile S.L. Shimabukuro, Chair,
The Honorable Jarrett Keohokalole, Vice Chair, and
Members of the Senate Committee on Hawaiian Affairs

Date: Thursday, February 3, 2022

Time: 1:01 p.m.

Place: Via Videoconference

From: Jovanie Domingo Dela Cruz, Executive Director
DLIR – Office of Community Services

Re: S.B. 3357 – RELATING TO NATIVE HAWAIIAN AFFAIRS

I. OVERVIEW OF PROPOSED LEGISLATION

SB 3357 would appropriate \$15,700,000, which would be assigned to several State agencies to provide grants to tax-exempt non-profit organizations that have experience and expertise in supporting and advancing Native Hawaiian communities.

Out of that total, the sum of \$920,000 is identified for the Department of Labor and Industrial Relations (DLIR) to be “used for staffing, cohorts, and software needs of the Hawaiian Trades Academy and Kuhana Small Business Program that prepares individuals and businesses for economic success and self-sufficiency.”

Other portions of the bill would provide specified sums to be administered by the Department of Agriculture to expand infrastructure, increase food production, and develop the economic stability of *loko i‘a* through hatchery and solar power programs, for *kalo* farming needs assessment, plus \$10 million for the development of a mill to process *ulu* and *kalo*; sums to be administered by DBEDT for the Pop-Up Makeke virtual marketplace and the West Oahu Innovation Center for workshops, counseling, loan assistance, and broadband access; plus other sums for culture training programs and community-based tourism management; and sums to be administered by DLNR for repatriation and reburials of Native Hawaiians nationally and internationally; and for operations, maintenance, and repairs at Iolani Palace.

II. CURRENT LAW

Native Hawaiians are served by funding coming from various revenue streams that have been established in State law over decades, including most prominently the Hawaiian Homestead Lands program and the programs established by the Office of Hawaiian Affairs (OHA) using funds set aside for OHA from land leases.

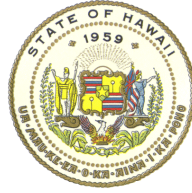
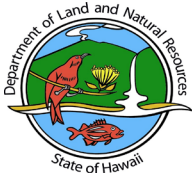
III. COMMENTS ON THE PRESENT BILL

OCS is an agency attached to the Department of Labor and Industrial Relations which was created by the Legislature by Act 305, SLH 1985, codified as Hawai‘i Revised Statutes Chapter 371K. The mission of OCS is to eliminate the causes and conditions of poverty for economically disadvantaged persons, immigrants, and refugees in the State of Hawaii, by facilitating and enhancing the development, delivery, and coordination of effective programs for these persons and communities to enable them to achieve and maintain greater economic self-sufficiency.

OCS welcomes the opportunity to provide services to all economically disadvantaged communities in our State. While this bill does not propose any role for OCS, OCS stands ready to assist if called upon, and OCS is strongly supportive of this bill and its goals.

Thank you very much for the opportunity to testify.

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committee on
HAWAIIAN AFFAIRS**

**Thursday, February 3, 2022
1:01PM
Via Videoconference**

**In consideration of
SENATE BILL 3357
RELATING TO NATIVE HAWAIIAN AFFAIRS**

Senate Bill 3357 proposes to appropriate funds to various agencies and directs those agencies to issue these funds as grants to qualified not-for-profit organizations with a substantial history of service to Native Hawaiian communities. **The Department of Land and Natural Resources (Department) appreciates the intent of this measure and offers comments on those portions of the measure relating to the Department.**

Senate Bill 3357 appropriates funds to various departments and directs them to issue grants to federal tax-exempt non-profit organizations that have previously received government assistance to support their organizational mission as well as possess at least twenty years of providing assistance and support to Native Hawaiian communities.

SECTION 2, paragraph (4) appropriates funds to the Department for repatriation and reinterment of Native Hawaiian human remains in the United States and internationally, and for operation, maintenance, and repairs of Iolani Palace. The Department limits its comments to paragraph (4).

SECTION 2, paragraph (4)(A) appropriates \$330,000 to be used for the repatriation and reburial of Native Hawaiians nationally and internationally. Unlike some of the appropriations made in this measure, the recipient of the grant funds is not specified. While the Department appreciates the intent of this appropriation the Department is concerned about its ability to administer a grant or grants under it. In the absence of a recipient specified in the measure, the Department will be faced with a substantial and time consuming administrative effort to identify and enter into a grant agreement to expend these funds in an effective, appropriate manner, and cost effective manner to not-for-profit entities that meet the qualifications specified in the measure. In order to avoid the potential administrative problems associated with issuing grants from this

appropriation, the Department recommends that a recipient organization be identified in the measure as is suggested below for the appropriation for Iolani Palace.

SECTION 2, paragraph (4)(B) appropriates \$210,000 to be used for operation, maintenance, and repairs at Iolani Palace. The Department supports this provision provided it does not adversely affect the priorities set forth in the Governor's budget request. The Friends of Iolani Palace is well established not-for-profit organization focused entirely on operating, maintaining, and preserving Iolani Palace. It meets Senate Bill 3357 meets the criteria established in the measure for receipt of grant funds. The Department recommends that paragraph (4)(B) revised as follows

(B) The sum of \$210,000; provided that the sum is allocated to the Friends of Iolani Palace to be used for Iolani Palace operations, maintenance, and repairs.

Thank you for the opportunity to comment on this measure.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

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

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON HAWAIIAN AFFAIRS
ON
SENATE BILL NO. 3357

February 3, 2022
1:01 p.m.
Via Videoconference

RELATING TO NATIVE HAWAIIAN AFFAIRS

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 3357 provides funds for grants to non-profit organizations to improve Native Hawaiian communities and culture and appropriates \$15,700,000 in general funds for FY 23 for this purpose to be allocated and expended as follows:

- \$10,790,000 for the Department of Agriculture.
- \$3,450,000 for the Department of Business, Economic Development and Tourism.
- \$920,000 for the Department of Labor and Industrial Relations.
- \$540,000 for the Department of Land and Natural Resources.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



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David Y. Ige
Governor

John De Fries
President and Chief Executive Officer

Statement of
JOHN DE FRIES

Hawai'i Tourism Authority
before the
COMMITTEE ON HAWAIIAN AFFAIRS

February 3, 2022
1:01 p.m.
State Capitol
via videoconference

In consideration of
SENATE BILL NO. 3357
RELATING TO NATIVE HAWAIIAN AFFAIRS

Aloha Chair Shimabukuro, Vice Chair Keohokalole, and members of the Committee on Hawaiian Affairs,

We appreciate the opportunity to provide testimony in **support** of SB3357, which requires certain departments and agencies to provide grants to tax-exempt non-profit organizations that have experience and expertise in supporting and advancing Native Hawaiian communities.

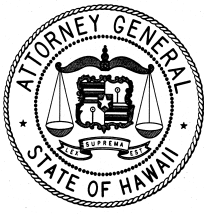
The Destination Management Action Plans, also known as DMAPs, were developed through significant and meaningful collaboration and direction of Hawai'i's communities. Contained within the six community-driven DMAPs are hundreds of actions and sub-actions identified by kama'āina that have become our commitment to our kama'āina. These three-year plans provide a clear path towards addressing the concerns and needs of our community.

As such, we would humbly request that, as part of this measure, that the Hawai'i Tourism Authority be identified as the attached agency to the Department of Business, Economic Development & Tourism responsible for funds provided for community-based tourism management, including tourism impacts on the natural and cultural resource of our local communities. We stand ready to assist the grantee(s) in these efforts.

February 3, 2021

Page 2

We appreciate the opportunity to offer these comments in **support** of SB3357 and request your consideration of our recommendations. We appreciate the opportunity to offer these comments on SB3357 and request your consideration of our recommendations. Mahalo.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY-FIRST LEGISLATURE, 2022**

ON THE FOLLOWING MEASURE:

S.B. NO. 3357, RELATING TO NATIVE HAWAIIAN AFFAIRS.

BEFORE THE:

SENATE COMMITTEE ON HAWAIIAN AFFAIRS

DATE: Thursday, February 3, 2022 **TIME:** 1:01 p.m.

LOCATION: State Capitol, Via Videoconference

TESTIFIER(S): Holly T. Shikada, Attorney General, or
Jodi K. Yi, Deputy Attorney General

Chair Shimabukuro and Members of the Committee:

The Department of the Attorney General provides the following comments regarding this bill.

This bill would appropriate out of the general revenues of the State of Hawaii the sum of \$15,700,000 or so much thereof as may be necessary for fiscal year 2022-2023 to be allocated to the Department of Agriculture, Department of Business, Economic Development and Tourism, the Department of Labor and Industrial Relations, and the Department of Land and Natural Resources to issue grants. Page 1, line 15, to page 4, line 6. The bill lists various amounts for each department, as well as a general purpose for the respective grant programs. Page 1, line 15, to page 4, line 6. The monies are to be expended by the respective departments “for the purposes of this Act.” Page 4, lines 7-8.

Article VII, section 4, of the Constitution of the State of Hawaii provides, “[n]o grant of public money or property shall be made except pursuant to standards provided by law.” This bill does not include any standards for making the grants (*see e.g.*, section 42F-103, Hawaii Revised Statutes), and without such standards, the various departments will not be able to make the administrative grants intended by this bill.

We therefore recommend this bill be amended to insert standards for making these grants. As an example, in section 1, page 1, line 15, a new paragraph could be inserted stating: “The grants shall be awarded in conformance with the standards in section 42F-103, Hawaii Revised Statutes.”

Alternatively, the term “grants” may be deleted from the bill and the funds could be awarded as contracts and subject to the procurement process.

Thank you for the opportunity to present this testimony.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
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PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

LATE

TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON HAWAIIAN AFFAIRS

FEBRUARY 3, 2022
1:01 P.M.
VIA VIDEOCONFERENCE

SENATE BILL NO. 3357
RELATING TO NATIVE HAWAIIAN AFFAIRS

Chairperson Shimabukuro and Members of the Committee:

Senate Bill 3357 proposes to appropriate funds to various agencies and directs those agencies to issue these funds as grants to qualified not-for-profit organizations with a substantial history of service to Native Hawaiian communities. The Department of Agriculture (Department) appreciates the intent of this measure and offers comments limited to portions of the measure relating to the Department.

The measure appropriates \$10,790,000 to the Department and directs the issuance grants to federal tax-exempt non-profit organizations that have previously received government assistance to support their organizational mission and possess at least twenty years of providing assistance and support to Native Hawaiian communities. The grants must be made to expand infrastructure, increase food production, develop hatchery and solar power programs for loko i'a, conducting a statewide kalo farming needs assessment, and develop an ulu and kalo processing mill.

The measure only provides the eligibility criteria for grant recipients and relies on the Department to identify and select the actual recipients. The Department's capacity for administering a grant program of this magnitude is extremely limited due to staffing constraints and a lack of expertise in assessing Native Hawaiian needs and practices.



The Department is particularly concerned by the lack of specified recipients in the measure because the requisite identification and selection process will need substantial effort and staffing resources to administer the program effectively and appropriately.

Thank you for the opportunity to testify on this important measure.



SB3357
RELATING TO NATIVE HAWAIIAN AFFAIRS

Senate Committee on Hawaiian Affairs
February 3, 2022 | 1:01 pm | Videoconference

Aloha Chair Shimabukuro and Vice Chair Keohokalole,

'Apoākea Native Hawaiian Innovation Institute (ANHII) is a start-up Native Hawaiian-wahine-led 501(c)(3) non-profit organization founded by Native Hawaiians with many years of institutional and advocacy experience and expertise to satisfy, in part, the gap areas and underserved needs of the Native Hawaiian community. ANHII **SUPPORTS SB3357 with recommendations** that would drastically increase the effectiveness of this measure in supporting, elevating, and advancing the Native Hawaiian community.

Funding availability is highly adverse to a Native Hawaiian-owned and operated start-up federal tax-exempt non-profit organization serving Native Hawaiian needs. ANHII has struggled immensely over the past four years following its establishment to secure any grant funding, despite ANHII founders being able, in their past work, to secure grant funding through larger and more established Native Hawaiian-serving organizations. The reason for this issue is often two-pronged: 1) Grant applicant qualifications require a minimum number of years of operation and service, and or 2) Granting agencies and organizations maintain an unwritten preference for larger and more established non-profit organizations.

The fallacy inherent within this preferential treatment is that a larger and more established organization has greater capacity to fulfill the needs of its beneficiaries. In truth, the expertise behind a start-up organization could very well outweigh the aged reputation of another organization.

ANHII was founded by Native Hawaiian advocates with years of experience in both the public and private sectors in order to address significant gap and



underserved areas posing substantial hurdles to Native Hawaiian advancement, financial stability, health, and overall well-being. In the past 20 years, the Native Hawaiian community has continued to face tremendous hardship in the areas of economic self-sufficiency and stability, health, homelessness, disproportionate representation within the criminal justice system, protection and preservation of culture and cultural resources, and housing - to name just a few. This is clear evidence that large and established organizations do not necessarily maintain all-encompassing solutions to Native Hawaiian problems and more often than not, these larger organizations lack the flexibility to overhaul established (and beneficiary-reliant) programs to meet emerging needs or to endeavor entirely different strategies in the pursuit of a solution.

Start-up organizations benefit greatly from being able to address new strategies and emerging issues, however, without available grant funding, these start-ups are never given the opportunity to grow and they die on the proverbial vine without their specific area of focus - again, typically in a gap and underserved area of significance - being met.

Grant funding should be made available to tax exempt non-profit organizations based on the merit of their proposed program/service/project rather than on the erroneous perception that a larger and more established organization can satisfy a need better than a younger organization ever could.

ANHII respectfully urges the Legislature to see the value of Native Hawaiian startup organizations in their desire to fulfill Native Hawaiian needs and to consider the recommendations made here. Mahalo nui loa for your thoughtful consideration and the opportunity to provide testimony on this measure. Me Ke Aloha Nō,

Makalani Hyden
Director/CEO
'Apoākea Native Hawaiian Innovation Institute

SB-3357

Submitted on: 2/1/2022 3:57:12 PM

Testimony for HWN on 2/3/2022 1:01:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mark T. Shklov	Testifying for The Friends of Iolani Palace	Support	No

Comments:

Testimony of Mark T. Shklov in Support of S.B. 3357

My name is Mark T. Shklov and I support S.B. 3357.

I am a Hawaii Lawyer and a Member of The Board of Directors of The Friends of Iolani Palace.

The Friends of Iolani Palace is the non-profit corporation whose Purpose is “to preserve, restore, interpret, share and celebrate the unique cultural, historical, and spiritual qualities of Iolani Palace and its grounds for the benefit of and to serve Native Hawaiians, the People of Hawaii, and the World”.

S.B. 3357 “shall provide grants to federal tax-exempt non-profit organizations that have previously received government assistance to support their organizational mission and also possess at least twenty years of providing assistance and support to Native Hawaiian communities.”

The Friends of Iolani Palace meets those conditions.

S.B. 3357 specifically provides “The sum of \$210,000; provided that the sum is used for Iolani Palace operations, maintenance, and repairs.”

Iolani Palace is a material and spiritual iconic symbol of Hawaii that provides assistance and support to Native Hawaiian communities by its presence. Iolani Palace provides the people of Hawaii with dignity, confidence, and self-respect. Iolani Palace represents Hawaii’s historical welcoming and friendly nature of Aloha.

Iolani Palace’s operations must be preserved and encouraged to fulfill these positive results. Iolani Palace must be maintained and repaired in order to continue to assist and support Native Hawaiian communities now and into the future.

S.B. 3357 will provide funds for the operations, maintenance, and repair of Iolani Palace.

I strongly support passage of S.B. 3357.

Mahalo,

Mark T. Shklov

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Unity, Equality, Aloha for all



To: SENATE COMMITTEE ON HAWAIIAN AFFAIRS
For hearing Thursday, February 3, 2022

Re: SB3357

RELATING TO NATIVE HAWAIIAN AFFAIRS.

Requires certain departments and agencies to provide grants to tax-exempt non-profit organizations that have experience and expertise in supporting and advancing Native Hawaiian communities.

TESTIMONY IN OPPOSITION

This bill seeks to appropriate \$15,700,000.00 to be distributed in specified amounts among 4 departments. Each department must then spend specific dollar amounts of its windfall for some projects exclusively for the benefit of "Native Hawaiians" [for example,

repatriation and reburial of bones], and for some broader projects generally regarded as focused on areas that are primarily the kuleana of Native Hawaiians [for example, Iolani Palace].

A paragraph in Section 1 makes the racism explicitly clear: "The grants shall be tailored toward improving Native Hawaiian communities and culture through various assistance programs, including but not limited to programs that offer food sustainability; development of renewable infrastructure; Native Hawaiian historic preservation; development of a mill to process ulu and taro [remember the failed mill OHA ran on Kaua'i?]; business training, entrepreneurship, and mentoring; farming; education; cultural training; and environmental management." Activities and products that could plausibly have multiethnic participation actually have a thinly-disguised ethnic focus such as loko i'a [fishponds], kalo [taro], ulu [sweet potato]; culture training programs with military personnel; software needs of the Hawaiian trades academy; Iolani Palace operations [twisted-history narratives by tour guides], maintenance, and repairs.

The main objection to this bill is that the State of Hawaii should not be singling out a punahele [favorite] race for largess of multimillions of taxpayer dollars while not providing corresponding EQUITY to any other races or ethnicities. Whatever happened to the latest liberal themesong DEI (diversity, equity, inclusiveness)?

Another major objection is that we already have an entire branch of the state government, OHA, whose primary purpose is "the betterment of Native Hawaiians." According to OHA's latest annual report, on June 30, 2021 OHA had assets of \$764,820,000.00. So let OHA pay the \$15.7 Million for these projects. Why do we have OHA anyway? If these projects are sufficiently worthy to be asking the legislature for a special appropriation to pay for them, then why did OHA not already recognize their worthiness and provide OHA's money for them?



IOLANI PALACE

Post Office Box 2259 Honolulu, HI 96804-2259 Telephone (808) 522-0822 FAX (808) 532-1051

**Testimony of
PAULA AKANA
Executive Director**

**Before the Senate Committee on
Hawaiian Affairs (HWN)**

**Thursday, February 3, 2022
1:01 PM**

**In Consideration of
SENATE BILL 3357**

RE: Testimony in SUPPORT of SB 3357, Relating to NATIVE HAWAIIAN AFFAIRS

Chair Shimabukuro, Vice Chair Keohokalole and committee members;

Aloha, I'm Paula Akana, Executive Director of The Friends of Iolani Palace, the State of Hawaii Museum of Monarchy History. Through a long-term lease with the State Department of Land and Natural Resources (State Parks), we maintain, preserve and operate Iolani Palace, the Hale Koa Barracks, the Coronation Pavilion and Kanaina, the old Archives building.

I fully support SB 3357. It would provide grants, via state departments, to federal tax-exempt, non-profit organizations to support their missions. All of the organizations included in this bill provide vital services to benefit Native Hawaiians. This measure would provide our organization, through DLNR, a grant of \$210,000 to be used for operations, maintenance and repairs. This would help us immensely as we care for and share the story of this wahi pana, very special place, as we are still feeling the impacts of closures and restrictions due to COVID.

Mahalo for your consideration.

Aloha,
Paula Akana
Executive Director
The Friends of Iolani Palace

SB3357
RELATING TO NATIVE HAWAIIAN AFFAIRS
Senate Committee on Hawaiian Affairs

February 3, 2022

1:01 PM

Videoconference

The Council for Native Hawaiian Advancement (CNHA), a member-based 501(c)(3) non-profit organization with a mission to enhance the cultural, economic, political, and community development of Native Hawaiians, **STRONGLY SUPPORTS** SB3357, which proposes substantial and much-needed additional state grant funding to support the Native Hawaiian community.

CNHA worked with its members to help develop this collection of grant program proposals. Our goal was to empower Native Hawaiian and local communities through the investment in our state's economy and unique heritage, with an eye towards setting critical foundations that can sustain and build upon hard-fought progress. We greatly appreciate the Legislature's willingness to consider new buckets of state grant funding that would supplement existing state funding opportunities for Native Hawaiian organizations with demonstrated track records of success.

Proposed Grant Programs

1. Loko I'a Hatchery & Solar Power Programs

This request proposes to fund two separate programs to expand infrastructure, increase food production and develop the economic sustainability of loko i'a statewide. Both are pilot projects that can be replicated at other loko i'a based on interest and commitment of sites.

○ **Solar Power Infrastructure for Loko I'a**

Waikalua Loko in Kāne'ohe is developing a nursery tank demonstration and training site to raise juvenile ama'ama (mullet), awa (milkfish), and native limu to stock loko i'a statewide. Request would fund:

- Installation of a 200 kw solar system (\$100k) and batteries (\$100k) at Waikalua Loko;
- Holding 3 workshops (\$12k each workshop) to train other fishponds to set up similar solar power systems;
- Provide initial solar equipment at \$10k each for up to 12 fishponds participating in workshops

○ **Turn-Key Hatcheries**

This program would replicate a pilot off-grid hatchery at Kaua'i throughout the state to allow loko ia to gain experience breeding, hatching and rearing crustaceans, sea

cucumbers and other marine life that can be sold to support the economic sustainability of loko ia. Loko i'a operators can then gain experience to transition the hatchery site to ama'ama and awa to stock fishponds. Request would cover:

- A turn-key hatchery setup including equipment, materials and fabrications at Keawanui loko i'a on Moloka'i (\$220k) and solar power system (\$10k), with 2 FTE technicians (\$50k each) for a total of \$330k
- A scalable proposal (optional to our request) could include up to 6 other sites statewide at \$230k per hatchery and solar. Other add ons may include:
- Contract for workshop to train additional hatcheries at \$12k per year for three years
- Fund hatchery technicians at \$50k per FTE, with up to two technicians at each site
- Contract for hatchery consultant at \$50k per year

2. Repatriation/Native Hawaiian Historic Preservation

This request would support the establishment of a program that addresses Native Hawaiian-specific historic preservation needs. This request would fund a program would:

- Conduct repatriations and reburials nationally and internationally under federal and international legal frameworks, as well as curate sacred objects that have been repatriated; Repatriations have been coordinated from multiple museums in Germany, Poland, France, England, New Zealand and North America. Small teams of culturally trained repatriation experts will be sent to each country to bring home human remains and artifacts. The entirety of the travel budget will be used for this activity and includes Air, Ground, Lodging, Freight, and per diem.
- Create and purchase reburial material for 3000+ Mōkapu Iwi Kūpuna; Kapa and boxes will need to be made or purchased for each kupuna. Items will be sourced from throughout the State of Hawai'i from traditional kapa makers, weavers, and wood workers.
- Assess the establishment of a Native Hawaiian Historic Preservation Office that will include national and international repatriation and reburial efforts and possible management of the burial sites program.
- FTEs would be responsible for overall coordination of first three bullets, which involves multiple stakeholders, cultural practitioners, museum outreach, travel logistics and reporting. Contract services will go to secure repatriation expertise and established relationships with institutions.

3. Hawaiian Trades Academy & KūHana Business Program

This request would expand CNHA's Hawaiian Trades Academy and KūHana Business Program to prepare more individuals and businesses for economic success and self-sufficiency.

- ***Hawaiian Trades Academy***

Launched in 2019, the Academy aims to provide workforce development for economically and socially disadvantaged communities, with the overarching goal of raising the household income of families in Hawaii. The Academy offers programs statewide to prepare individuals for careers in carpentry, firefighting, policing, commercial driving, and the solar field.

These programs consist of generally 10-week accelerator classes that require just three hours of course work per week. The programs offer certifications such as CDL licenses and OSHA-10 certification, as well respiratory and first aid training, financial literacy training, and job placement assistance. In addition to existing programs, CNHA would like to expand offerings to include a management track within the tourism industry.

- ***KūHana Business Program***

KūHana offers accelerator cohorts that help local and Native Hawaiian-owned entrepreneurs with 1-5 years of operations develop clear business strategies. Cohorts take a 10-week business plan development class that provides tools, technical assistance, and ample networking.

Each business walks away with a completed business plan, a polished business pitch, and collaboration opportunities with their fellow cohort participants. Prizes are awarded to top performing companies in each cohort with either technical assistance, cash prizes, or other forms of capital.

This request would cover two FTEs, nine Trades Academy cohorts, four KūHana Small Business cohorts, the purchase of new software for a CDL simulator and an evaluation component.

4. Kalo Farming Needs Assessment

This request would cover a Needs Assessment of the state's kalo farming needs, with the overall goal of supporting and elevating the heritage and cultural practice of kalo farming and empowering kalo farmers to be self-sufficient, successful and profitable. The assessment would work with kalo farmers of all sizes on each island, including sites with commercial, community and education purposes.

The assessment will include needs relating to food production, land and natural resource management, watershed management, infrastructure, labor, training, mentorship, kalo variety preservation and food systems transformation. A report and prioritized policy and funding recommendations will be completed in one year and submitted to the Legislature and shared with the community and potential private funders.

5. Pop-Up Mākeke

In April 2020, CNHA launched the Pop-Up Mākeke, a virtual marketplace supporting local artisans impacted by the global pandemic that shut down vital revenue streams from brick-and-mortar stores and community events. The success of the Pop-Up Mākeke demonstrates the need for a centralized e-commerce hub that leverages small business resources and creates new opportunities for Hawai'i's small businesses to thrive in an ever changing global market. The pandemic has shifted how consumers shop and as a result has caused many businesses needing to reimagine their business model to a more web-centric approach.

The Pop-Up Makeke will leverage data analytics to provide to artisans their sale history and market trends for them to make better business oriented decisions.

This request would allow Pop-Up Mākeke to provide increased support for Hawaii-based artisans to remain sustainable and thrive in a post-pandemic economy.

This request for funds would cover:

- Kūhana Management
- Pop-Up Mākeke Management
- Sector-expert consultants including branding and marketing consultants, and business development specialists
- Consignment support for participating businesses in Pop-Up Mākeke

CNHA will facilitate incubator courses to micro- and small-retail businesses to adapt to e-commerce. The course will include personalized assistance to each businesses needs from e-commerce, marketing, and logistics experts. Businesses that complete the incubation course will be allowed to participate in the Pop-Up Makeke to introduce their products to a global market as they prepare their own online presence.

Course syllabus will include:

- What does it mean for your products to represent Hawaii?
- How to effectively market your business online?
- How to leverage resources to scale your business? (i.e. wholesale model, capacity building, resources to capital)

6. Culture Training/Programs for military, Small Businesses and Non-Profit Organizations

There has been a request from military leadership for CNHA to provide cultural orientations for service men and women, DOD civilian personnel and ranking officials to acclimate them to working and living in Hawai'i. CNHA will provide 90-minute orientations with the goal of instilling in participants an increased aloha for Hawai'i's people, land, history and culture.

In addition, CNHA would also offer cultural programming and capacity assistance to small businesses and non-profit organizations across the State to help them utilize culture in an appropriate and effective manner.

This request would support 2 FTEs to conduct 24 Orientations:

- 24 Orientations (2 per month for one year), with each Orientation training up to 40 students
- Cultural Trainer
- Digital Designer
- Curriculum development

7. West O'ahu Innovation Center

The West O'ahu Innovation Center will serve as a physical co-working space, entrepreneur, and resource center. It will be an innovative entrepreneur center for the underserved-community of West O'ahu, providing collaborative, meeting and event space; offering business workshops and counseling; engaging 'Big Business' mentors for small and micro-business entrepreneurs; and delivering loan assistance and broadband access.

The facility will also feature CNHA's Hawaiian Trades Academy Technology Center and Classroom. By establishing these resources on the west side, small businesses will have the tools and support needed to start, grow and thrive.

This request for funding would cover the cost to retrofit an existing 10,000 sq ft facility to house the West O'ahu Innovation Center.

8. Community-Based Tourism Management

This program would invest in communities to better manage tourism and tourism impacts on neighborhoods as well as the local natural and cultural resources of communities. The program would take a community based approach to identify highly impacted communities and identify ways to empower those communities with information about legal frameworks that can protect their resources, develop educational campaigns, including monitors, advertising, signage, and establish lines of communication with the tourism industry to voice community concern. The goal for this program is to build capacity to communities to better provide a visitor experience that kama'āina and malihini can enjoy and appreciate - with ensuring the 'āina and resources are well managed for generations to come.

Program would include the following activities and actions:

- Manage an incentive program that supports cottage industry; and new and existing farms that employ organic and sustainable practices, agri-tourism, and internship-to-employment training programs for community members.
- Manage incentive programs to:
 - Steward 'āina, including receiving training to grow community capacity for this work
- Organize and host opportunities for community work days and voluntourism
- Develop educational online content about the history, traditions, and places of the ahupua'a and moku

- Design and implement gatherings open to residents and visitors that aim to share the traditions, practices, and history of a given area
- Manage grants for communities to gather and share mo'olelo, mele, images, and visitor guidelines
- Design a virtual tour experience for high traffic communities to reduce the environmental footprint.

9. 'Iolani Palace

'Iolani Palace is one of Hawai'i's most important historic sites and a cherished cultural symbol for Native Hawaiians. The Palace continues to struggle with funding to cover the operations, maintenance and repairs.

This request would cover the following costs:

1. Replace the damaged historic etched glass door panes that were vandalized in 2017. \$90,000
2. Six months (at \$20k per month) to operate the HVAC system, which runs 24/7, to control the temperature and humidity inside the Palace to protect the thousands of cultural objects housed there.

Further budget details can be provided for all programs.

In closing, CNHA urges the Legislature to pass SB3357. Mahalo nui loa for this opportunity to provide testimony on this measure.

Respectfully,

J. Kūhiō Lewis, CEO
Council for Native Hawaiian Advancement

LATE

SB-3357

Submitted on: 2/2/2022 5:53:15 PM

Testimony for HWN on 2/3/2022 1:01:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Leilani Williams-Solomon	Testifying for Friends of 'Iolani Palace	Support	No

Comments:

I am in strong support of SB 3357 requiring the named departments to provide grants to the tax exempt non- profit organizations listed that support Native Hawaiian communities. These organizations have clearly demonstrated their experience and ability to serve Native Hawaiians, and those services are critically needed at this time in our history. I humbly ask that you support and pass this bill. Me Ke aloha.

February 3, 2022



Working together for Kapolei

Committee on Hawaiian Affairs
Senator Maile S.L. Shimabukuro, Chair
Senator Jarrett Keohokalole, Vice Chair

Thursday, February 3, 2022
1:00 p.m. via Videoconference

RE: SB 3357 Relating to Hawaiian Affairs

Dear Chair Shimabukuro, Vice Chair Keohokalole and members of the Committee,

My name is Kiran Polk, and I am the Executive Director of the Kapolei Chamber of Commerce. The Kapolei Chamber of Commerce is an advocate for businesses in the Kapolei region which includes Waipahu, `Ewa Beach, Kapolei, Nānākuli, Waianae and Mākaha. The Chamber works on behalf of its members and the entire business community to improve the regional and State economic climate and help Kapolei businesses thrive. We are a member-driven, member-supported organization representing the interests of all types of business: small, medium or large, for profit or non-profit businesses or sole proprietorship.

The Kapolei Chamber of Commerce, **strongly supports SB 3357** which requires certain departments and agencies to provide grants to tax-exempt non-profit organizations that have experience and expertise in supporting and advancing Native Hawaiian communities. Specifically, **we extend our support for Section 2 (2)(B) which appropriates the sum of \$250,000 for a West O`ahu Innovation Center that is a physical co—working space and an entrepreneur and resource center that provides workshops, counseling, loan assistance, and broadband access.**

The West O`ahu Innovation and Entrepreneur Center is a partnership between the Council for Native Hawaiian Advancement (CNHA) and the Kapolei Chamber of Commerce (KCC) to create a co-working space and Innovation Center.

The Wai`anae Coast in West O`ahu, has the largest resident population of Native Hawaiians in the world and a higher rate of poverty than the rest of Honolulu County. Nevertheless, there is incredible growth in West O`ahu. According to the 2020 Census, the West O`ahu Council District grew 20.7 % since the last census (2010). The region expects 80,000 new housing units by 2025. This includes homes, businesses, and infrastructure. Yet, most residents still commute an average of two hours each day into town for work. During the pandemic, despite economic turmoil, the region continued to experience economic growth and housing development. **CNHA's online marketplace Pop-Up Mākeke, serves over 400 businesses and has had \$3 million in sales since its inception. Hundreds of the businesses in the Mākeke are from the west side.**

1001 Kamokila Boulevard, Campbell Building Suite 250, Kapolei, Hawaii 96707

Even though we are a burgeoning community – we lack the most critical infrastructure, connectivity, and business resources.

The Innovation Center itself is an innovation because **currently, there are no co-working spaces anywhere in West O`ahu.** Our vision is that the Center will be a place where small and micro business entrepreneurs will access free or discounted co-working space, where ideas, networking and innovation can flourish. Business professionals can nurture industry using Center resources including Wi-Fi, business training workshops, counseling services, mentoring, inspirational “BIZ Talks” (an innovation), computers, office machines and networking opportunities. **It will be a collaborative space, a meeting space, and even an event space, something that is also a rare commodity in West O`ahu. It is a unique approach to deliver long-term economic recovery, growth, and resilience to the Native Hawaiian community.**

The West O`ahu Innovation and Entrepreneur Center **will be a public and private partnership.** Monetary contributions are also being sought from private foundations and donors in addition to public funding and grants. The intention is to lease space in a location in the Kapolei area that is already built and has basic infrastructure already in place. The improvements would likely include electrical installations, internet cables, cabinetry and/or the installation of a kitchenette or bathroom. In-kind donations could include furniture, computer equipment, printers, Wi-Fi service, website maintenance and social media management.

The Innovation Center will utilize all funds received to stabilize operations during the first two years. If funds are available, the Center would like to subsidize memberships or offer discounted memberships to underserved community members.

After the initial two-year period, a professional management company (like BoxJelly or Regus) would be hired to manage the day-to-day operations of the Center. The partnership between CNHA, the KCC and the management company would be responsible for ensuring that the Center becomes self-sustaining and profitable.

By leveraging the expertise of our established business community to encourage networking and sharing and providing the physical space and tools to get started, we are creating an environment that supports and inspires our citizens in our Native Hawaiian and West O`ahu community to achieve success. **Overall, the West O`ahu Innovation and Entrepreneur Center will aid businesses to innovate, stabilize and expand as we navigate through the pandemic and beyond.**

Thank you for this opportunity to provide testimony.

Respectfully,



Kiran Polk
Executive Director

1001 Kamokila Boulevard, Campbell Building Suite 250, Kapolei, Hawaii 96707

SB-3357

Submitted on: 2/2/2022 12:17:25 PM

Testimony for HWN on 2/3/2022 1:01:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Shirley Swinney	Individual	Support	No

Comments:

Aloha Chair Shimabukuro, Vice Chair Keohokalole and members of the Committee,

My name is Shirley Swinney, and I am a Native Hawaiian resident of Hawai‘i. **I STRONGLY SUPPORT SB3357**, which would require certain departments and agencies to provide grants to tax-exempt non-profit organizations that have experience and expertise in supporting and advancing Native Hawaiian communities.

Please **PASS SB3357** which is tailored toward improving Native Hawaiian communities and culture through various assistance programs.

Mahalo for this opportunity to testify on this measure.

SB-3357

Submitted on: 2/2/2022 12:54:05 PM

Testimony for HWN on 2/3/2022 1:01:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Homelani Schaedel	Individual	Support	No

Comments:

I support the intent of this bill and ask that you reconsider changing the number of years from 20 to 10 or even 5 years a 501c3 organization has provided service to support Native Hawaiian communities. This change will provide space for younger organizations who good work the opportunity to compete for funding with more seasoned organizations.

Mahalo

LATE

SB-3357

Submitted on: 2/2/2022 3:54:13 PM

Testimony for HWN on 2/3/2022 1:01:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Edward Halealoha Ayau	Individual	Support	No

Comments:

Aloha nui,

I am Edward Halealoha Ayau and I testify in complete support of SB3357, in particular Section 2, Item (4)(A) relating to repatriation and reburial of Native Hawaiian iwi kupuna and moepu botgh nationally and internationally. I have been a repatriation advocate and practitioner for 32 years and have led efforts to repatriate close to 6,500 ancestral Hawaiians in 123 documented national and international cases in England, Germany, Sweden, Switzerland, Canada, Australia and New Zealand. In fact, we depart on February 5, 2022 for Germany and Austria where we will repatriate 58 iwi kupuna from 5 museums on behalf of OHA and with the support of the US Embassy in Berlin and Vienna. We will return in May to repatriate from 6 more European museums in Germany, England, France, Northern Ireland and Scotland.

The problem is although we are representing OHA on the national and international levels, they have not provided financial support for our travel costs in the past 2 years, and appear not to do so going forward. As such, we have obtained funding from other organizations willing to help including CNHA and out of our own pockets.

A funding source to support national and international repatriation and reburial is imperative to help restore the ancestral Hawaiian foundation to heal and empower our people, mahalo nui. Ola na iwi, the bones live!

LATE

SB-3357

Submitted on: 2/2/2022 4:19:08 PM

Testimony for HWN on 2/3/2022 1:01:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Brian Kealoha	Individual	Support	No

Comments:

As a member of the board of the Friends of Iolani Palace, I support all aspects of this bill, but in particular the much needed funding for the maintenance of the Palace. Mahalo for your consideration.