

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 WAYS AND MEANS
ON
SENATE BILL NO. 3359, S.D. 1

March 3, 2022
10:10 a.m.
Room 211 and Videoconference

RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

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

Senate Bill (S.B.) No. 3359, S.D. 1: establishes the Hawaiian Home Lands Special Fund that would generate revenues through legislative appropriations, grants, donations, contributions, accrued interest, and other moneys; appropriates an unspecified amount of general funds for FY 23 for deposit into the special fund and an unspecified amount of special funds for FY 23 for the Department of Hawaiian Home Lands to fulfill its fiduciary duties to beneficiaries and to enable beneficiaries of the Hawaiian Home Lands Trust to acquire a residence; and requires an annual report to the Legislature.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work, and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and

charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 3359, S.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining.

In addition, 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:

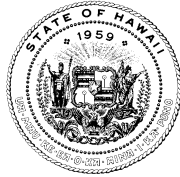
- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level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

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII



WILLIAM J. AILA, JR.
CHAIRMAN
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
DECISION MAKING ON MARCH 3, 2022 AT 10:10AM VIA VIDEOCONFERENCE

SB 3359, SD1, RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

March 3, 2022

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) strongly supports this bill appropriating funds for DHHL to enable beneficiaries of the Hawaiian home lands trust to acquire a residence and to enable the department to fulfill its fiduciary duties to beneficiaries. Rather than amending the Hawaiian Homes Commission Act (HHCA) by establishing the Hawaiian home lands special funds, DHHL recommends the proposed draft attached that appropriates funds into and out of the native Hawaiian rehabilitation fund for DHHL to fulfill its fiduciary duties to beneficiaries

DHHL appreciates this legislature for hearing our calls for funding and the commitment to fulfilling the state's obligation to our community. An investment of \$600 million toward the implementation of the HHCA would be a historic infusion of resources to address the needs of potentially thousands of beneficiaries on DHHL's Waitlist. DHHL continues to be open to all measures that would return native Hawaiians to the land, as intended by Prince Jonah Kūhiō Kalaniana'ole.

As we embark on the next 100 years acknowledging the significance of the 100th anniversary of the signing of the HHCA on July 9, 2021, this bill opens up opportunities for the over 28,000 beneficiaries and their families who continue to wait for the hope of Prince Kūhiō's promise to his people. Current costs for infrastructure development, borne by the Department, are in excess of \$150,000 per lot. In order to fulfill the needs of the current waitlist through this approach, DHHL would require over \$6 billion for infrastructure costs alone to serve its beneficiaries. This significant sum is separate and apart from costs for maintenance of existing lessee communities housing nearly ten thousand beneficiaries, upkeep of several utility systems, and other costs. Over the last decade, the Legislature has funded DHHL at levels higher than in years past, which has provided increased opportunity for DHHL to increase its reach. However, by conservative estimates following this approach, it will take DHHL at least another hundred years to meet the needs of its beneficiaries at current funding levels. This infusion of funds is expected to significantly address those who have been on the waitlist for decades.

____.B. NO._____

S.B. NO. 3359

A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the mission of the
2 department of Hawaiian home lands is to develop and deliver land
3 to native Hawaiians. The public land trust, created by Congress
4 through the Hawaiian Homes Commission Act of 1920, as amended
5 (HHCA), set aside lands to be used for the benefit of native
6 Hawaiians.

7 As required by the Admissions Act and as a compact with the
8 United States, the State of Hawaii and the people of Hawaii
9 adopted the HHCA as a provision of the Hawaii State Constitution
10 and agreed to faithfully carry out the spirit of the HHCA for
11 the rehabilitation of the Hawaiian race. These trust
12 responsibilities remain to this day.

13 The legislature also finds that today, the department of
14 Hawaiian home lands is responsible for the management of 203,500
15 acres of trust lands, 9,959 homestead leases statewide, and

____.B. NO._____

1 44,096 lease applications. However, over 28,700 applicants
2 remain on the waitlist for residential, agricultural, or
3 pastoral leases.

4 The challenges faced by the department of Hawaiian home
5 lands in fulfilling its mission are multi-faceted, and include
6 but are not limited to:

7 (1) Availability of beneficiary preferred land. The
8 greatest demand, and subsequently, the longest waiting
9 list, is for residential property on Oahu. However,
10 the department of Hawaiian home lands' land holdings
11 on Oahu represent only three per cent of its total
12 lands;

13 (2) Cost of infrastructure. Preparing the department's
14 lands for homesteading with adequate roads, water,
15 sewer drainage, electrical, and other necessities
16 requires a steady source of funding to ensure that
17 environmental compliance, planning, design, and
18 construction phases are coordinated; and

19 (3) Capital for mortgage financing. With one of the
20 highest costs of living in the nation, department of
21 Hawaiian home lands beneficiaries also face the

____.B. NO.____

1 challenging issue of obtaining capital for mortgages
2 to build homes and reside on trust lands.

3 The legislature further finds that the revenues collected
4 by the State as of fiscal year 2021 provide an unprecedented
5 opportunity to ensure critical long term access to adequate
6 funding for the department of Hawaiian home lands to meet its
7 challenges. Accordingly, the purpose of this Act is to provide
8 \$600,000,000 to the department of Hawaiian home lands to be
9 deposited into the native Hawaiian rehabilitation fund to pursue
10 a multi-pronged approach to eliminating its waitlist.

11 SECTION 2. The department of Hawaiian home lands is
12 authorized to expend the funds appropriated in this Act to:

- 13 (1) Develop lots or units;
14 (2) Purchase available land or units;
15 (3) Provide funding for an applicant on the waitlist or
16 the applicant's qualified relative as referenced in
17 section 208(5) of the Hawaiian Homes Commission Act of
18 1920, as amended, to purchase a residence in the
19 State; provided that a preference will be given to
20 applicants on the waitlist or the applicant's

____.B. NO.____

1 qualified relative who does not currently own a
2 residence; and

3 (4) Other services as necessary to address the waitlist.

4 SECTION 3. The department of Hawaiian home lands shall
5 submit an annual report to the legislature upon the first day of
6 each regular session that includes:

7 (1) An accounting of the expenditures from the native
8 Hawaiian rehabilitation fund for the purposes of this
9 Act in the previous fiscal year; and

10 (2) The number of applicants on the waitlist assisted.

11 SECTION 4. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$600,000,000 or so
13 much thereof as may be necessary for fiscal year 2022-2023 to be
14 deposited into the native Hawaiian rehabilitation fund; provided
15 that the appropriation included in this Act shall not bind the
16 department of Hawaiian home lands to conform to the executive
17 budget execution policies and allotment process for the
18 expenditure of funds.

19 SECTION 5. There is appropriated out of the native
20 Hawaiian rehabilitation fund the sum of \$600,000,000 or so much
21 thereof as may be necessary for fiscal year 2022-2023 for the

____.B. NO.____

1 department of Hawaiian home lands to fulfill its fiduciary
2 duties to beneficiaries.

3 The sum appropriated shall be expended by the department of
4 Hawaiian home lands for the purposes of this Act.

5 SECTION 6. This Act shall take effect on July 1, 2022.

____.B. NO. _____

Report Title:

Department of Hawaiian Home Lands; Appropriation

Description:

Appropriates funds into and out of the native Hawaiian rehabilitation fund for the Department of Hawaiian Home Lands to fulfill its fiduciary duties to beneficiaries.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

LATE



SB3359 SD1

**RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.
Committee on Ways and Means**

March 3, 2022

10.10 a.m.

Lumi 211

The Office of Hawaiian Affairs (OHA) **COMMENTS** on SB3359 SD1, which provides needed funding to assist Department of Hawaiian Home Lands (DHHL) in fulfilling its obligation to native Hawaiian beneficiaries and developing a multipronged approach to eliminating its waitlist.

Under the Hawaiian Homes Commission Act (HHCA), the United States and the State of Hawai‘i are entrusted with the solemn duty to administer the HHCA on behalf of native Hawaiian beneficiaries. The DHHL accordingly administers approximately 203,500 acres of Hawaiian Home Lands Trust lands set aside from the public land trust lands under the HHCA, for residential, agricultural, and pastoral use by native Hawaiian beneficiaries, for whom there are 10,000 existing homestead leases statewide, with over 28,700 waitlist applications.

The historic pronouncement by the House leadership to provide housing for native Hawaiians, reflects the State of Hawai‘i’s needed action to fulfill its statutory and fiduciary obligations to the beneficiaries of the HHCA trust. We understand that these much needed funds will assist DHHL, which seeks critical long term access to adequate funding to meet its challenges in managing HHCA trust lands. We applaud the intent of this measure to address the housing needs of over 28,700 applicants who remain on the waitlist for residential, agricultural or pastoral leases.

The Office of Hawaiian Affairs notes that the new section Hawaiian Home Lands Special Fund (a)(5), which provides for funding by “Any other moneys made available to the special fund from other sources,” is vague and ambiguous and should probably more clearly identify the source of funds for a special fund.

We urge the Committee to PASS SB3359 SD1. Mahalo for the opportunity to submit written testimony on this measure.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 3359 SD1: RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

TO: Senate Committee on Ways and Means

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawaii

Hearing: **Thursday, 3/3/22; 10:10 am; via videoconference**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members, Committee on Ways and Means:

Thank you for the opportunity to provide testimony **in Support** of **SB 3359 SD1**, which establishes the Hawaiian Home Lands Special Fund and appropriates funding for the Department of Hawaiian Home Lands (DHHL) to enable beneficiaries of the Hawaiian Home Lands Trust to acquire a residence and to enable DHHL to fulfill its fiduciary duties to beneficiaries. I am Rob Van Tassell, with Catholic Charities Hawaii.

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii for over 75 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawaii. Catholic Charities Hawaii has a long history of working in the areas of affordable housing and homelessness.

The time is now! It is time to pass this historic step forward towards the State's commitment to house native Hawaiians. **Catholic Charities Hawaii supports this bill as a Social Justice issue.** Long ago at statehood, the State promised to house native Hawaiians following the Hawaiian Homes Commission Act of 1920. The native Hawaiian community needs affordable housing. The lack of housing has had an immense negative impact. Native Hawaiians are over represented among the homeless. They have suffered many social, health and economic ills over the years that could have been prevented if stable and affordable housing was available.

The time is now. The State's economic forecasts are promising as Hawaii comes out of the COVID-19 pandemic. Catholic Charities Hawaii **supports \$600 million** to fund the DHHL's work to create affordable for-sale homes. This offers great hope and promise not only to native Hawaiians who will move into these homes, but generations to come. It will provide stability and enable them, their children and their grandchildren to remain in Hawaii and become strong participants in our community. Their strong values for family, respect for the Land, and cultural pride provide a rich heritage for everyone in our community.

Let's not miss this opportunity to create a Hawaii that we can all be proud of. Please pass SB 3359 SD1. Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or alohabettylou@hotmail.com if you have any questions.



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822
Phone (808)373-0356 • bettylou.larson@CatholicCharitiesHawaii.org



PARTNERS IN CARE

Oahu's Continuum of Care

Our mission is to eliminate homelessness through open and inclusive participation and the coordination of integrated responses.

TESTIMONY IN SUPPORT OF SB 3359 SD1: RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

TO: Senate Committee on Ways and Means

FROM: Partners In Care (PIC)

Hearing: **Thursday, March 3, 2022; 10:10 am via videoconference**

POSITION: SUPPORT

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members, Committee on Ways and Means:

Thank you for the opportunity to provide testimony **in strong support** of SB 3359, SD1: which establishes the Hawaiian Home Lands Special Fund to enable beneficiaries of the Hawaiian Home Lands Trust to acquire a residence. The bill appropriates funds into and out of the special fund for the Department of Hawaiian Home Lands (DHHL). Partners In Care (PIC), is a coalition of more than 60 non-profit homelessness providers and concerned organizations.

Partners In Care's mission is to end homelessness on Oahu. We find that Native Hawaiians are over represented among the homeless. There is a dire need for more affordable housing for this community. Long ago, the State promised to house native Hawaiians. The ongoing lack of housing has very troubling consequences for health, safety, and of course homelessness among this community.

The Department of Hawaiian Home Lands requires an immense infusion of funding to enable native Hawaiians to acquire a residence. This funding is needed for costly infrastructure as well as construction of homes. Over 28,000 native Hawaiians are on the waiting list for a home. With the State's forecasts of growth in revenues coming out of the pandemic, it is time to address this great need.

PIC urges your support for a \$600 million allocation to the Special Fund to increase the Department of Hawaiian Home Land's capacity to provide housing for the thousands of native Hawaiian beneficiaries who sit on its waitlist. It is time to give them hope for their future, and that of their children and grandchildren.

Mahalo

SB-3359-SD-1

Submitted on: 3/1/2022 2:01:24 PM

Testimony for WAM on 3/3/2022 10:10:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kenneth R. Conklin, Ph.D.	Testifying for Center for Hawaiian Sovereignty Studies	Oppose	No

Comments:

This bill originally called for \$600 Million for houses for the 28,000 families on the DHHL waitlist. Although the dollar amount has now been deleted (i.e., hidden) from the SD1 amended version, the intent is clear and the dollar amount could even be increased when the bill eventually goes to a conference committee hidden out of public view behind closed doors.

Also another bill already approved in committee calls for \$638 Million in arrears plus \$79 Million per year in future for OHA from ceded land revenues, exclusively for "betterment of Native Hawaiians" who comprise 20% of Hawaii's people; with no set-aside of 4 times those amounts exclusively for the other 80% of Hawaii's people who lack a drop of Hawaiian blood. What about money for my own favorite government agency DHHL: Department of Haole Homelands? Then there's SB3357, also before this committee today, that would appropriate megabucks to various departments for exclusive benefit of ethnic Hawaiians -- which has also had the dollar amounts deleted (i.e., hidden). And don't forget another bill SB879, which has already passed its committee, that will force each county government to pay the construction costs and maintenance of water, roads, and other infrastructure on the DHHL lands it hosts.

\$600 Million + \$638 Million = \$1.238 BILLION just this year alone! And more in various other bills now passing their committees with zero "Nay" votes. Exclusively for "Native Hawaiians" even while they also continue to benefit from all the remaining government programs that benefit all our people. As the late Senator Everett Dirksen of Illinois might say: A Billion here, a Billion there -- pretty soon you'll be talking about real money!

Hmm ... Checking the arithmetic. \$600 Million to help 28,700 waitlisters. That's \$20,906 per house. In our Hawaii real estate market that might be enough for a 2-hole outhouse like my grandparents had in rural Michigan. But will the money simply be handed over to the waitlisters? Of course not. It must be filtered through a huge bureaucracy and given to construction contractors to build roads and water lines on the racially segregated ghettos where houses can only be "owned" in leasehold. How much more money will be demanded every year forever for DHHL?

Here's a better idea. According to OHA's latest annual report, on June 30, 2021 OHA had assets of \$764,820,000. So let OHA pay the \$600 Million, and they'll still have \$165 Million to play

with. Then the \$600 Million which the legislature wants to squander on DHHL can be used to provide tax reductions for our hard-pressed taxpayers, or books and toiletpaper for our schools. Why should OHA be expected to pay the \$600 Million to DHHL? Because they can! And because when the original version of this bill was heard on February 2 OHA sent out an email or text message to everyone on its roster a day or two before the hearing, asking for testimony to support this bill. Clearly OHA favors the bill. Clearly OHA believes it is part of OHA's kuleana to use government money to engage in political lobbying for bills providing benefits exclusively to people of its highly favored race. So let OHA put its money where its mouth is. You legislators have the power to "raid" money from any special fund or any department of the state government, as you have often done with the Hurricane Relief Fund or the money controlled by the Highway Department. It's time for you to exercise that power to rein in OHA and DHHL and save the rest of Hawaii's people from the racial entitlement monsters that threaten to devour the State.



SENATE COMMITTEE ON WAYS AND MEANS
Chair Sen Donovan M. Dela Cruz, Vice Chair Sen Gilbert S.C. Keith-Agaran
Thursday, March 3, 2022, 10:00 a.m., Conference Room 211 & Videoconference
SB 3359 SD 1 – Relating to Hawaiian Home Lands
TESTIMONY

Piilani Kaopuiki, Legislative Committee, League of Women Voters of Hawaii

Chair Dela Cruz, Vice Chair Keith-Agaran and Committee Members:

The League of Women Voters of Hawaii strongly supports SB 3359 marking \$600 million to help clear the backlog of Native Hawaiians waiting to get into livable homes. This legislation will prove historic when the backlog is reduced significantly as homes become occupied within a reasonable time.

The bill should prioritize the solutions needed on the multi-faceted challenges: earmarking land, cost of infrastructure, mortgage financing. Top priority should be given to acquiring desirable land on Oahu. Residents of Oahu should not be penalized because they live on an overpopulated island.

The state's Rainy Day Fund should not bear the brunt of funding the commitment. The Rainy Day Fund is an important safety net the state needs to maintain security for all its residents.

The bill should establish the special fund as a trust to continually support overcoming the multi-faceted challenges to fulfill mission of the Department. Having the money held in trust safeguards the money for the purposes of the trust. An independent trustee answerable only to the Administrator, Department of Hawaiian Home Lands/Chairman, Hawaiian Homes Commission, should be appointed to administer the trust. The capable trustee must be free of entanglements subject to conflict-of-interest concerns. The trustee should be able to report funds management directly to the legislature in some fashion.

The current requirement of 50 percent blood quantum is a silent threat hanging over all applicants. As applicants die off the list, their families will have lost the opportunity envisioned and provided for by Prince Kuhio. Successor rights are allowed to 25 percent blood quantum of certain relatives, but the land must be in

the hands of a beneficiary first. Persons with 50 percent quantum are being lost all too quickly.

Accomplishment of the legislator's intent will be historic in view of the decades and generations of neglect given to the Admissions Act and its compact with the Hawaiian people. The measure should also help mitigate the extreme shortage of affordable housing in Hawaii.

Mahalo for the opportunity to submit testimony.



Board Members

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Managing Partner,
Commercial & Business Lending

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Marcus Kawatachi
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Hawai'i Civil Rights Commission

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O'ahu Resident

Derrick Kiyabu
Hawai'i Island Resident

Philip Garboden
Assistant Professor,
University of Hawai'i at Mānoa

HACBED Staff

Brent N. Kakesako
Executive Director

Merri Keli'ikuli
*Office Manager & Program
Support*

Corin Thornberg
Project Associate

Date: March 1, 2022
To: Senator Donovan M. Dela Cruz, Chair, Gilbert S.C. Keith-Agaran,
Vice-Chair, and members of the Committee on Ways & Means
From: Brent Kakesako, Hawai'i Alliance for Community-Based Economic
Development (HACBED)
Re: Support for SB 3359 SD 1

Aloha e Chair Dela Cruz, Vice-Chair Keith-Agaran, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) supports SB 3359 SD 1, which establishes the Hawaiian Home Lands special fund, appropriates funds into it for beneficiaries to acquire a residence, and enables the Department of Hawaiian Home Lands (DHHL) to fulfill its fiduciary duties to its beneficiaries.

HACBED was established in 1992 as a nonprofit statewide intermediary to address social, economic, and environmental justice concerns through community-based economic development and asset building strategies. It advances its mission with core competencies in the areas of community and organizational capacity building, community and economic development planning, and asset policy development and advocacy. HACBED is humbled to work in collaboration with both homestead communities as well as the Department of Hawaiian Home Lands (DHHL) on a range of work including, strategic plans, organizational assessments, and business plans for a range of homestead associations and their projects as well as broader community planning with DHHL and the communities it serves. From these different aspects of work over the years, HACBED team members have heard a range of beneficiary voices that support the DHHL receiving increased funding to carry out its trust purposes, including housing its beneficiaries. As such, HACBED supports SB 3359 SD 1 to establish a special fund and appropriate funds to support DHHL in fulfilling its charge under the Hawaiian Homes Commission Act of 1920.

SB 3359 SD 1 would appropriate much needed and long overdue funding to DHHL to enable native Hawaiian people to acquire residences. We are excited about the potential SB 3359 SD 1 has to fulfill Prince Kūhiō Kalaniana'ole's vision of rehabilitating native Hawaiians.

Mahalo for this opportunity to testify,

Brent N. Kakesako
Executive Director
Hawai'i Alliance for Community-Based Economic Development

LATE



Chair Donovan M. Dela Cruz
Vice-Chair Gilbert S.C. Keith-Agaran
Senate Committee on Ways and Means
Tuesday, March 3, 2022
10:10 A.M.
Written Testimony Only

RE: Strong Support of SB3359 SD1 - Appropriation to DHHL

Dear Chair Dela Cruz, Vice-Chair Keith-Agaran & Committee Members,

Thank you for the opportunity to testify on behalf of the Chamber of Sustainable Commerce in strong support of SB3359 SD1. As business owners who believe in strengthening our economy without hurting employees, communities and the environment, we urge this committee to vote in favor of SB3359 SD1.

A majority of our members are settlers, or descendants of settlers, in Hawaii. We recognize the role that large business interests played in the initial occupation of Hawaii and the displacement of Kanaka Maoli from their lands.

The unsustainable economic model established by the Big Five landowners continues today through unbridled real estate speculation and profiteering that lawmakers have failed to mitigate. Allowing settlers and foreigners to treat land solely as a commodity, further dispossesses Kanaka Maoli from living on their ancestral lands.

If passed into law, SB3359 SD1 will appropriate funds (hopefully more than \$600M) to the Department of Hawaiian Homelands and begin to redress the Legislature’s past disregard for the Hawaiian Homes Commission Act of 1920, the Admissions Act and compact with the United States.

We hope this is the first of many legislative sessions when the Hawaii Legislature will fulfill its kuleana to Kanaka Maoli by allocating substantial funds to DHHL until there is no waitlist and all beneficiaries have a home on their land.

Hawaii Legislative Council	Kim Coco Iwamoto AQuA Rentals, LLC Honolulu	Elle Cochran Maui Surfboards Maui	Russel Ruderman Island Naturals Hilo / Kona	Joell Edwards Wainiha Country Market Kauai	Maile Meyer Na Mea Hawaii Honolulu
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LATE

HAWAI‘I STATE LEGISLATURE TESTIMONY



SB3359, SD1

**RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS
Senate Committee on Ways and Means**

March 3, 2022

10:10 AM

Videoconference

We are a hui of organizations that provide direct-delivery and support services to the Native Hawaiian community across a variety of areas, including health, education, culture, ‘āina, and resource management. We **STRONGLY SUPPORT** SB3359 SD1 and ask that it be amended to re-insert the original draft of the bill’s \$600 million appropriation. This much-needed and long-overdue funding to the Department of Hawaiian Home Lands (DHHL) would enable native Hawaiians to acquire residences and help DHHL fulfill its fiduciary duties to beneficiaries.

During the first quarter of the 20th century, Prince Joseph Kūhiō Kalaniana‘ole, Hawai‘i’s Congressional Delegate at the time, advocated for the United States to set aside approximately

HAWAI‘I STATE LEGISLATURE TESTIMONY

200,000 acres of land to establish a permanent homeland for native Hawaiians, who were identified as a landless and “dying” people as the result of disease, intermarriage, and loss of lands.

“After extensive investigation and survey on the part of various organizations organized to rehabilitate the Hawaiian race, it was found that the only method in which to rehabilitate the race was to place them back upon the soil,” Prince Kūhiō wrote to U.S. Senators.

Finally enacted in 1921, the Hawaiian Homes Commission Act (HHCA) intended to return native Hawaiians to the land while encouraging them to become self-sufficient farmers, ranchers, and homesteaders on leased parcels of reserve land.

The federal Admission Act in 1959 mandated that the State of Hawai‘i, as a compact with the U.S., administer the Hawaiian Homes Commission Act and the approximately 200,000 acres of “ceded land” set aside for Native Hawaiian homesteading, with oversight by the U.S. Congress.

Since then, the State of Hawai‘i has struggled to fulfill the promise it made in exchange for statehood to house native Hawaiians under the HHCA program. The DHHL waitlist has steadily grown over the past decade, increasing from nearly 26,000 in 2010 to more than 28,700 today.

SB3359, SD1, represents a historic step towards the State of Hawai‘i fulfilling its fiduciary obligations to beneficiaries of the HHCA trust. If enacted, this would be the single largest state or federal investment in the program in any one year in the 100-year history of HHCA. SB3359, SD1, holds the potential for generational change for native Hawaiians who have languished on the waitlist for far too long by offering the chance for homeownership in their kulāiwi.

In closing, we urge the Committee to PASS SB3359, SD1, with the original draft bill’s \$600 million appropriation. Mahalo nui loa for this opportunity to provide testimony.

Should you have any questions about our testimony, please contact Sterling Wong, Vice President of Advocacy at the Council for Native Hawaiian Advancement, at sterling@hawaiiancouncil.org.

SB3359, SD1
RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS
Senate Committee on Ways and Means

March 3, 2022

10:10 AM

Videoconference

The Council for Native Hawaiian Advancement (CNHA) **STRONGLY SUPPORTS** SB3359, SD1 and ask that it be amended to re-insert the original draft of the bill's \$600 million appropriation. This much-needed and long-overdue funding to the Department of Hawaiian Home Lands (DHHL) would enable native Hawaiians to acquire residences and help DHHL fulfill its fiduciary duties to beneficiaries.

The State of Hawai'i holds a fiduciary obligation to Hawaiian Homes Commission Act (HHCA) beneficiaries, as part of its compact with the United States in exchange for admission into the Union and subsequently upon adopting the HHCA as a provision of the State's Constitution. The State later expanded its obligations to include enabling qualifying Native Hawaiians "to return to their lands in order to fully support self-sufficiency" and to support "the self-determination of Native Hawaiians."¹ Due primarily to inadequate State funding, DHHL has amassed a waitlist of over 28,700 beneficiary-applicants, with countless applicants having passed away while awaiting the State to fulfill its obligation to them.

Prince Jonah Kūhiō Kalaniana'ole advocated for the passage of HHCA in 1921 on behalf of the Native Hawaiian people. After a century during which over 84% of the indigenous population was decimated by foreign-introduced diseases, pushing them to near extinction, 'Ōiwi leaders determined that the only way to rehabilitate Native Hawaiians, who the U.S. government characterized as "landless and dying,"² was to "place them back upon the soil."³

¹ Hawaiian Homes Commission Act, 1920, as amended, §101 (Purpose).

² The findings of Pub. L. 106-569, title V, §512, Dec. 27, 2000.

³ The testimony of Prince Jonah Kūhiō Kalaniana'ole as quoted in the Department of Hawaiian Home Lands 2021 Legislative Fact Sheet.



Appropriating \$600 million for the purpose of administering the HHCA through the DHHL would be a significant step in the right direction toward the State fulfilling its numerous obligations to the Native Hawaiian people.

Therefore, CNHA urges the Legislature to pass SB3359, SD1, with the original draft bill's \$600 million appropriation.

Mahalo nui loa for this opportunity to provide testimony on this measure.

Respectfully,

J. Kūhiō Lewis, CEO
Council for Native Hawaiian Advancement

About Council for Native Hawaiian Advancement

CNHA is a member-based 501(c)3 non-profit organization with a mission to enhance the cultural, economic, political, and community development of Native Hawaiians. For more information, visit www.hawaiiancouncil.org/.

SB-3359-SD-1

Submitted on: 3/1/2022 2:23:46 PM

Testimony for WAM on 3/3/2022 10:10:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ellen Godbey Carson	Individual	Support	No

Comments:

Please support this bill. It's a matter of justice, equity, and doing what's right by the Hawaiian people. Too many Native Hawaiians have died on the waiting list for properties they were promised, that. have never materialized. Let's do what's pono, and get people off the waiting list and into the homes and lands they deserve.

Thank you for your consideration of this measure.

SB-3359-SD-1

Submitted on: 3/1/2022 4:01:06 PM

Testimony for WAM on 3/3/2022 10:10:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kaimo Muhlestein	Individual	Support	No

Comments:

Aloha,

My name is Kaimo Muhlestein.

I submitt testimony for SB 3359 SD1.

Article X11, Section 1 of the Hawaii State Constitution states: (THE Legislature shall make sufficient sums available for the following purposes: (1) development of home, agriculture, farm and ranch lots; (2) home, agriculture, aquaculture, farm and ranch loans; (3) rehabilitation projects to include, but not limited to, educational, economic, political, social and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved; (4) the administration and operating budget of the Department of Hawaiian Homelands; in furtherance of (1),(2),(3) and (4) herein, by appropriating the same in the manner provided by law.)

Again my name is Kaimo Muhlestein and I am the daughter of Richard Nelson III, litigant in a suit filed with Kaliko Chun, James Akiona,SR., and other against the state and the Hawaiian Homes Commission in 2007 claiming that the State violated its constitutional duty to sufficiently fund the Department of Hawaiian Homelands.

My father was also a farmer Hawaiian Homes Commisioner for West Hawaii and a beneficiary on the DHHL waitlist.

I regret to advise that my father passed away this Sunday February 27, 2022. He was aware of the initiative of both the House and Senate to establish the Hawaiian Homelands Special Fund and to appropriate \$600,000,000 in special funds for FY 23 for the DHHL to fulfill its fiduciary duties to beneficiaries. This was encouraging to him that after all these years, the legislator was taking proactive action to correct the underfunding of DHHL.

Thus, in honor of my father's legacy of fighting for sufficient funds for DHHL to provide opportunity for homes for Native Hawaiians, I urge your committee to pass SB 3359 SD1.

Mahalo

LATE

SB-3359-SD-1

Submitted on: 3/2/2022 1:52:25 PM
Testimony for WAM on 3/3/2022 10:10:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Leah Gouker	Individual	Support	No

Comments:

Aloha,

It is critical that DHHL is adequately funded and begins to fulfill the legal obligations set forth by Federal law.

The DHHL also needs to be held accountable on the proper spending of these funds to ensure that the consistent violations of the law do not persist. There must not be any more leases granted to non-Hawaiians until the waiting list is exhausted!

LATE

SB-3359-SD-1

Submitted on: 3/2/2022 1:55:35 PM
Testimony for WAM on 3/3/2022 10:10:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kailen Kamakeeaina	Individual	Support	No

Comments:

I Support Them On Getting The 6 million but it needs to be held accountable. Their money needs to go to the Hawaiians on the waiting list. For them to start building and getting more infastructures and lands to the Hawaiians on the waiting list. To exhaust it , I only would agree if they would do that.

LATE

SB-3359-SD-1

Submitted on: 3/2/2022 2:24:58 PM

Testimony for WAM on 3/3/2022 10:10:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kuuiipo Sylva	Individual	Support	No

Comments:

The department of Hawaiian Homelands could utilize the money for the proper uses. Hawaiians have been on the waiting list for years and have not recieved the proper land. Therefore with the money they should and could utilize it to make the lands aplecable to live on and safe for the Hawaiians who especially need it because of homlessness.

LATE

SB-3359-SD-1

Submitted on: 3/3/2022 3:03:02 AM

Testimony for WAM on 3/3/2022 10:10:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Johnnie-Mae L. Perry	Individual	Support	No

Comments:

SB 3359, SD 1 Relating To The Department of Hawaiian Homes Lands “Special Fund” of \$600M to address the backlog of “wait-list” of beneficiaries that have been waiting for decades and some has died while waiting!

SB 3359, SD 1 will authorize the deposit \$600,000 in the special funds for FY 23 for the DHHL to fulfill its fiduciary duties to beneficiaries and require an annual request to the Legislature.

- Did you know the cost of a **home in Hawai’i is almost a million dollars?**
- Did you know first time buyers of homes is **paying thousands of dollars over the asking price because of the shortage of inventory of homes?**
- Did you know that when a “beneficiary of 50% or more “dies” on the “wait-list” **the successor with less than 50% cannot inherit the decease award?**
- Did you know the **highest population of homelessness** is Native Hawaiians as reported by the media?
- Did you know that Gov. David Ige’s speeches addressing the amount of **shortage of “affordable housing” in Hawai’i is approximately 62,000!**
- Did you know that this **\$600M dollars will “support” the construction industry** in Hawai’i since the pause due to the COVID-19 pandemic?
- FYI. **The public testimonies “overwhelming supported SB 3359 which is the companion to HB 2511, HD1** at the public hearing on Feb. 3rd @ 1:01p.m.
- FYI. **SB 3359 which past second reading, as amended SD1 on Feb. 9th in committee is the companion to HB 2511, HD1.**
- FYI. **Who? What? Why? And How? Did DHHL a state agency come into such a crisis? As decision makers and individuals on this committee will you be the “SOLUTION” or the continuous “problem?”**

I, Johnnie-Mae L. Perry, **strongly support SB 2511, SD1** for the above reasons and I appreciate and encourage this committee to join me. Thursday, March 3, 2022