

**STATE OF HAWAI'I
OFFICE OF HAWAIIAN AFFAIRS
560 N. NIMITZ HIGHWAY, SUITE 200**

**JOINT MEETING of the
COMMITTEE ON BENEFICIARY ADVOCACY AND EMPOWERMENT (BAE)
and the COMMITTEE ON RESOURCE MANAGEMENT (RM)
MINUTES**

February 10, 2021 10:00 a.m.

ATTENDANCE:

RM Chairperson John Waihe'e, IV
RM Vice-Chairperson Luana Alapa
BAE Chairperson Kaleihikina Akaka
BAE Vice-Chairperson Keola Lindsey
Trustee Leina'ala Ahu Isa
Trustee Dan Ahuna
Trustee Keli'i Akina
Trustee Brendon Kalei'aina Lee
Trustee Carmen Hulu Lindsey

ADMINISTRATION STAFF:

Sylvia Hussey, Ed. D., Administrator / Ka Pouhana / CEO
Casey Brown, Ka Pou Nui / COO
Carla Hostetter, RES
Daniel Santos III, IT
Everett Ohta, CC
Kevin Chak, IT
Lisa Watkins-Victorino, RES
Maile Lu'uwai, GRANTS
Raina Gushiken, CC
Ramona Hinck, CFO

BOT STAFF:

Crayn Akina
Dayna Pa
Melissa Wennihan

GUESTS:

Germaine Meyers
Lu Ann Lankford-Faborito

I. CALL TO ORDER

RM Chair Waihe'e calls the Joint Meeting of the Committee on Beneficiary Advocacy and Empowerment and the Committee on Resource Management for Wednesday, February 10, 2021 to order at **10:00 a.m.**

RM Chair Waihe'e notes for the record that **PRESENT** are:

MEMBERS			AT CALL TO ORDER (10:00 a.m.)	TIME ARRIVED
RM CHAIR	JOHN	WAIHE'E, IV	PRESENT	
RM VICE-CHAIR	LUANA	ALAPA	PRESENT	
BAE CHAIR	KALEIHIKINA	AKAKA	PRESENT	
BAE VICE-CHAIR	KEOLA	LINDSEY	PRESENT	
TRUSTEE	LEINA'ALA	AHU ISA	PRESENT	
TRUSTEE	DAN	AHUNA	PRESENT	
TRUSTEE	KELI'I	AKINA	PRESENT	
TRUSTEE	BRENDON KALEI'AINA	LEE	PRESENT	
TRUSTEE	CARMEN "HULU"	LINDSEY		ARRIVED at 10:04 a.m.

At the Call to Order, **EIGHT (8) Trustees are PRESENT**, thereby constituting a quorum.

II. PUBLIC TESTIMONY on Items Listed on the Agenda*

RM Chair Waihe'e states for the record - *Public testimony should be limited to matters listed on the meeting agenda and will occur during the Public Testimony portion on the agenda. If you begin to address other issues not on today's meeting agenda, the Chair will call you out of order and direct you to limit your testimony to items listed on the agenda. Testifier names will be announced, and your microphone will be unmuted when it is your turn to testify. If you are not audible, you will be muted, and the next testifier will be called. State your name, organization (if applicable), agenda item(s) you are testifying on and your position (support, oppose or comment) on each of the agenda item(s). Oral testimony online will be limited to five (5) minutes. A timer will on the screen to count down the five (5) minutes. A chime will sound when you have 30 seconds left and a second chime when your testimony time expires. Your mic will be automatically muted once you have completed your oral testimony or if your allotted time for testimony expires. I will call on staff to call on the list of testifiers.*

Crayn Akina: Good morning Trustees, Pouhana, and Administration. We did receive written testimony from Nicholas Carroll, which was distributed to you. It was relaying a statement of Joe Kūhio Lewis, President and CEO of the Council for Native Hawaiian Advancement, so that was distributed by email yesterday. Anything that comes in later will be distributed after this meeting.

So far, we have one registrant online to testify orally and it is Germaine Meyers.

Germaine Meyers: Aloha, Mahalo Chair Waihe'e & Chair Akaka. My name is Germaine Meyers and I am an OHA beneficiary for beneficiary advocacy and empowerment. I'm also a Nānākuli Hawaiian homestead lessee.

Today I wanted to provide to you my testimony regarding the agenda items. Specifically, I wanted to address the policy framework that is listed on today's agenda. I reviewed the packet (02/10/2021 RM Electronic Folder), and my concern is that the previous strategic plan was effective from 2010 to 2018; an eight-year period.

My concern was that we don't have for 2018 to 2021, the last three years we don't have a strategic plan that is being implemented, but instead that the framework of the implementation is being discussed at this time.

So, I am in support of further advancing to the point where the lāhui can understand or leaders in the community can understand what is OHA's strategic plan and how OHA has been implementing it.

My other concern has to do with what is on today's agenda with regards to the grants that were awarded in the past. I looked at the packet. I saw that there was the outcome of a \$2.1 million grant that was awarded, and I believe I saw that 77 families statewide were assisted.

My concern in vetting future opportunities for grants is that again, in understanding the strategic plan and having a greater impact, my belief is that OHA doesn't have unlimited funds. Of course, I understand from being involved in the legislative process that OHA has a bill - in trying to ask that our allotment is increased as far as for OHA from the State. With that in mind, we don't have unlimited funds, and so when I look at 77 families benefited from \$2.1 million my concern is that it's just a Band-Aid for a temporary fix for a situation.

Instead of looking to take beneficiaries and growing them into benefactors by empowering them. I guess I'm concerned that the approach is more of a band-aid instead of guiding people towards getting resources that can help them in a long-term effect.

For example, some of the data that I've researched is from my own personal experience. Sometimes beneficiaries don't even have something simple - as in the financial means to acquire their criminal background when they're applying for something.

They don't have a credit card or they don't have a checking account. So, they don't have the means to order, to download certain reports online to help them in the application process, whether for food stamps or for housing, etc.

I'm not sure if OHA has looked into how they can use fewer resources to impact more people. I look at and I see 77 as being such a little amount for \$2.1 million. So, I'm just looking at - is there a way in which taking the limited resources that OHA has and being able to, you know, help more.

I guess I can only come back from my own experiences at church to inform me about this agenda item. Looking at how we don't just tap into one resource or have one band-aid when we're doing outreach. We look at many ways in which we can assist. It's not just from the collections, but it's like asking people to bring in canned goods, etc.

So, I guess I'm just looking for a broader understanding of OHA and how OHA can help more. I see my time is ending, so, *a hui hou*.

Trustee Lee: *Can you clarify some things for me?*

I'm a little confused. *Where are you getting this number of 77 people?*

What \$2.1 million allocation are you talking about?

We have an action item today to reallocate \$2.17 million, but \$2.17 million has not been paid out to anybody.

What agenda item are you talking about?

Germaine Meyers: I'm talking about today's agenda item and it's within the packet. Chair Waihe'e, whenever I give public testimony so that I don't have this type of questioning about it, I can actually email to you guys the packet information that I got my fundamental information from in order to answer Trustee Lee. So, if you don't mind - I can provide that after the meeting instead of holding up the meeting.

RM Chair Waihe'e: Ok, you're not obligated to respond.

Trustee Lee: You're not holding up the meeting.

Germaine Meyers: Oh no; because it's in the packet.

Trustee Lee: Right, and I'm looking at the packet.

Germaine Meyers: The packet is very long and so I don't know if you're looking at the same place that I looked at. There was the update portion of the packet regarding the agenda items.

Did you see the updated packet form?

Trustee Lee: *Well, so I'm looking at the agenda, right?*

So, the agenda isn't long, it's only one page and the agenda has four - well, if you take out the approval of minutes, the agenda has only four items on it. One is a workshop on proposed policy for grantees.

Trustee Hulu Lindsey Point of Order. I don't believe we're supposed to be questioning the testimonies.

Trustee Lee: We have every right to question; we can ask questions about an agenda item because an agenda item is listed on sunshine, we cannot ask questions about Community Concerns that are not agenda items.

Germaine Meyers: I'll go ahead and look at my screenshots in order to help, since he's questioning me - I'll go ahead and look for the screenshot of the agenda packet, and then I'll go ahead and email it to all of you so that Trustee Lee can understand where I'm getting my information from.

Trustee Lee: OK, thank you Germaine.

RM Chair Waihe'e: Thank you Germaine.

Germaine Meyers: You're welcome.

Lu Ann Lankford-Faborito: You know what based on that, I'm just gonna hang back, but thank you another time. Thank you very much. Sorry.

III. APPROVAL OF MINUTES

- A. JOINT BAE-RM Meeting Minutes of December 18, 2019
- B. JOINT BAE-RM Meeting Minutes of October 7, 2020

Trustee Ahu Isa moves to approve the JOINT BAE-RM meeting minutes of December 18, 2019 and October 7, 2020.

BAE Chair Akaka seconds the motion.

RM Chair Waihe'e asks if there is any discussion or corrections. There is no discussion.

RM Chair Waihe'e calls for a ROLL CALL VOTE for the RM Committee.

RM COMMITTEE							10:13 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA	1		X			
DAN	AHUNA			X			
BAE CHAIR KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
RM VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'AINA	LEE			X			
CARMEN HULU	LINDSEY			X			
BAE VICE-CHAIR KEOLA	LINDSEY			X			
RM CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				9	0	0	0

RM Chair Waihe'e calls for a ROLL CALL VOTE for the BAE Committee.

BAE COMMITTEE							10:13 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA	1		X			
DAN	AHUNA			X			
KELI'I	AKINA			X			
RM VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'AINA	LEE					X	
CARMEN HULU	LINDSEY			X			
BAE VICE-CHAIR KEOLA	LINDSEY			X			
RM CHAIR JOHN	WAIHE'E			X			
BAE CHAIR KALEIHIKINA	AKAKA		2	X			
TOTAL VOTE COUNT				8	0	1	0

MOTION: [] UNANIMOUS [X] PASSED [] DEFERRED [] FAILED

Trustee Lee: *Can the RM Chair call a vote for another committee?* I understand his reasoning for calling for the separate vote, but I believe that vote is supposed to be called by that chair so I will *kanalua* on this vote.

Note:

These JOINT BAE-RM MEETING Minutes may need to be voted on again at the next JOINT BAE-RM MEETING where two separate roll call votes are taken by first the BAE committee called by the BAE Chair, and secondly by the RM committee called by the RM Chair

IV. UNFINISHED BUSINESS

None

V. NEW BUSINESS

A. WORKSHOP

- 1. Introduction of a Proposed Policy Framework for OHA**
- 2. Facilitated Discussion re: Development of a T-Level Grant Policy**

RM Chair Waihe'e: I will turn it over to our Pouhana Sylvia Hussey.

Ka Pouhana Hussey: Thank you Chair Waihe'e. Trustees this section is open discussion for the Strategic Granting Policy. What we're trying to do is to continue and extend the work of the Board Governance Framework that you undertook in the spring of 2019 and then continuing down the triangle, if you will.

If you see in the picture in the memo, you know that we've passed the bylaws, and we're now into the policies and focusing on what we're terming T-Level policies or Trustee level. These are policies that establish the '*whys*' of why we do and what we have identified as C-Level policies or CEO policies being the '*hows*'.

So, for example, in strategic granting, the discussion today is about the *whys* of granting and a C-Level policy as it relates to solicitations, awarding, contracting, monitoring, and closeout would be part of C-Level policies of how the implementation of the Strategic Granting Policy would be. So just for framing today, it is just for discussion.

We have our Strat-plan Hui; Lisa Watkins-Victorino as well as Carla Hostetter taking notes so that we can come back to the board with a T-Level Strategic Policy for adoption. That's the context today and in the memo, there were some prompts that were there. I'll put my Educator hat on and in education there's this strategy called popcorn. You pop-up all the answers.

Trustee Ahuna is nodding because he knows the popcorn methodology and all that means is people popcorn their answers, their thoughts, there's no motions, there's no speaking out of turn, it's just idea

generation. It's also not judgment of ideas, and so I hope as trustees you can model great thinking behavior about just throwing things out and then administration will organize those thoughts and bring that back for your review.

So again, no judgment. This is the opportunity for trustees to really share their long-term vision of granting, especially as we're looking at our 15-year period.

So, I'm going to put on my facilitator hat and just facilitate. You have your prompt questions there and anyone who wants to get started to throw something on. The best ways are always that you're feeding off the thoughts of each other and so we would like to just set that context.

Think of nine of you in a room, talking story about granting and what you imagine and what you have observed.

I'm going to start with that and if anyone wants to be the first one to throw up their popcorn idea that would be great. Or it's going to be a short session.

Trustee Akina: Sylvia, I'll throw one out. Sustainable funding.

When we fund an organization, we want to empower it to be able to self-fund itself into the future. So, they can take the funds we give them over a period-of-time and invest it in building the capacity to become more self-sufficient in funding.

Trustee Hulu Lindsey: I think I would like to know the results of the benefits of our grants.

- *What are these monies doing in the different strategic-focused areas that is helping our beneficiaries?*
- *How do we know our money is helping beneficiaries out there?*

Trustee Ahuna: When I usually think about grants, I usually think about two things, and the reason why I think about these two things is because about value - maximizing value, never leaving value on the table. Intentionality and functionality; two things that is very important.

For me, 'grants' is about how it impacts our beneficiaries. So just because money is being given to a grant, it still could be an investment if we can plan. Or we can structure a way of creating what kind of value we want to get out of it, so we can be broad on how we approach our beneficiaries.

Trustee Akina: Maximum impact rather than spreading our resources too thin. By which I mean we shouldn't be trying to give funds to every single cause under the sun. We should identify some for which we can have strong strategic impact. For example, housing could be one. Affordable housing or something like that.

Trustee Keola Lindsey: To the extent possible, that our granting is aligned with our policy development and advocacy. The way I look at it is if we were granting and I don't want to get into specific issues, but if we are granting to address the issue or a cause.

At a certain level or point in that issue and we look back at our granting to that issue and we're still granting for the same reasons. We would need to look at where our policy and advocacy is at on that issue to see if that can affect movement forward. I hope that makes sense.

I think there are a lot of issues that we've granted towards that to no fault of the organization, it's the policies and laws and issues that are holding them in a certain place. So, looking at those two fronts, the granting with 1) advocacy and 2) policy, moving together.

Trustee Lee: I agree that granting is strategic. I don't see how granting is a T-Level policy. Granting is the mechanism by which we fund our strategic plan; that's just a fact.

Maybe that could be a T-Level policy that granting is the mechanism by which we fund our strategic plan, but as far as the specifics for granting, I don't see that.

That would be like asking the Kamehameha Schools Trustees to weigh in on how scholarships are spent that's not a T-Level policy for Trustees to weigh-in on. A T-Level policy at Kamehameha Schools might be that we give out scholarships and then the C-Level policies would be how that would be implemented and how that would be handled - but not at the trustee level.

I kind of feel the same way about grants. I don't see how grants, per se, is a T-Level policy. I understand that because we are elected officials, ultimately, we must approve all the grants and that could be a T-Level policy that trustees must approve all grants, but beyond that the mechanisms by which grants are done, the policies by which grants are handled - that to me seems like C-Level policies.

I also understand there are times when trustees will weigh-in on certain C-Level policies and I won't get into details because we're going to be talking about this in the agenda-listed item coming down on today's agenda, but when those times happen, they don't happen often that I'm aware of.

They probably happened a lot in the past, but over the last two years, it hasn't happened a lot. To my recollection, it's only happened once and it was regarding COVID - where trustees weighed-in and said we don't care what the State Auditor says, we don't care about what repercussions or ramifications come back on OHA. We the Board of Trustees will take those ramifications if-and-when they come.

Release the money and help our people that are suffering during COVID-19. That's not, per se, a policy; that was an emergency situation. I guess that could be another T-Level policy that under an emergency situation, Trustees will have the authority to override C-Level policy. I'm trying to think at that, not 30,000-foot level, but maybe the 15,000-foot level. I guess that's kind of where T-Level is underneath the bylaws. So broad, but not super broad.

Does that make sense?

Pouhana Hussey: It does. So, I think what you're pointing out is the implementation of *T*, and when *T* starts to blend into *C*, and those exception cases. So, you should always have at least what to do when there is an exception and build the implementation of the policy around the exception.

Trustee Lee: Right; because that also gives you, Ka Pouhana and our Granting Department some cover. When I say that, I mean the trustees can't later come back and say, well, you violated the C-Level policies, so you're fired. *Right?*

There's a T-Level policy that says, under certain conditions, the trustees will cancel out your C-Level policies and you will do what the trustees say. Then, if they try and say, well, you didn't follow a policy and procedure; you're fired. Then your reply would be that the Trustees implemented T-Level Policy for granting exceptions and so Administration followed thusly.

Pouhana Hussey: Agree.

Trustee Ahuna: What Trustee Lee brought up, brings up a discussion that I had with myself in the past when we had our Trustee Allowance.

- *That would be a T-Level policy, right?*
- *That wouldn't be a C level, so those are the type of things that you're looking at right now, right?*

Pouhana Hussey: Right. So, on the *whys* of granting - the strategic nature as you pointed out; the investments, the outcomes, and then the C-Level to your points are operational. Then every policy you want to have some mechanism for exceptions. You don't implement the policy based on exceptions, but you want to have a mechanism for exceptions, should you need to activate it.

Trustee Ahuna: So, my thing was how we give money should be very broad. Which means we can give money from loans. Where they're borrowing money all the way up to grants and then intermediaries where they can match, but along those lines of how we grant money is very important to how we look at how grants work.

That is why I think everyone is important in this, in this broad field - even the trustees. I supported the Trustee Allowance back in the day and the reason why is because within C-Level and T-Level the people that have the direct communication or impact for maximum value of our Trustees are in the Community. So how we write things, the functionality of the grant, and the intention is very important. I want to be clear why those two things are very important to T-Level policies.

Pouhana Hussey: So, if I'm hearing and parroting back; a community-based data to inform action is important.

Trustee Ahuna: Yeah, I mean a lot of times you're from the island (Kaua'i) and you have direct impact or what you have is very critical during the floods; during certain things. So how we communicate and how we write it is very important. Trustee Lee brought up a great point; you know how we give money to our beneficiaries. Thank you.

Trustee Keola Lindsey: Two of the prompts in the memo did get me thinking. They were looking at other organizations in: Hawai'i, nationally, internationally, and any Native American or Native Alaskan groups. I admit I'm not familiar enough with any of those outside organizations to really comment on it, but I think it was a valuable prompt that we should investigate moving forward and I'll do some research on this.

Maybe at some point it would be good to go - when we look at some of the comments that have come back from trustees - if we are going to put value into those outside examples for consideration. It would be good to know how any of the Trustee's comments do match up with some of the examples out there. I don't know if we would see that in a memo or a presentation, knowing that at OHA, we have our own set of requirements and processes, all which are important; but open to thinking beyond.

Pouhana Hussey: So, Administration envisions another workshop. Here's after looking at other indigenous models that have these features, there are some commonalities across indigenous granting. There are some commonalities around large philanthropy, and then there are other models in Hawai'i.

So, we anticipate bringing that kind of analysis back to inform why the draft looks the way it does the first time around, so that you can look at what lens the draft came through. Then we can discuss further before taking the actual Action Item of Policy and subsequent the two Board readings.

So, we envision another workshop with a little bit more of information, input from the Trustees, as well as those other models, and then come back for another talk story.

Trustee Lee: A couple of things to keep in mind when we look outside, to others and the way they grant. Using the example of the Hershey's Foundation, it's their money. They can do whatever they want; they don't answer to the State Legislature.

Although we have a certain amount of autonomy, I would agree that the \$15.1 million that we get every year, which is low, is still money for which we are accountable; even though by law they must give it to us.

I don't even know if this is T-Level or not, but the way we grant from the Native Hawaiian Trust. I believe we are accountable to ourselves and our beneficiaries to that alone, and the State Legislature can try and weigh-in on that all they want, but they cannot say that's State money. Especially because we're not spending from the corpus we spend based on the Performance of the Portfolio.

The stock market, to my knowledge is not tied to the State or the Legislature or Real Estate Investments or so on. Maybe a T-Level Policy, I'm not sure, but maybe there needs to be two different categories of granting.

So, you know, the \$15.1 million in the way we grant that money out is clearly accountable, in my opinion, to the Legislature. Others might opine differently that you're required by law to give us this money. It doesn't require by law to say how we're going to spend it.

The way we spend the Native Hawaiian Trust is on us. So, maybe there needs to be two separate types of granting so that those funds do not comingle.

Just another popcorn.

Pouhana Hussey: So that popcorn ties into Board Governance work in the initial work. There was a bifurcation of identity which then would drive bifurcation of spending policy, including granting among the largest line items. So that would be consistent with all the T-Level policy work - whether its fiscal integrated with granting; integrated with spending.

Trustee Lee: The way we left that was that those separate policies would still drive as it stands right now at 5% from the Native Hawaiian Trust. Although we are now viewing it separately, it still gets put back into OHA as the amount of money to spend. We haven't bifurcated that out yet.

Pouhana Hussey: We haven't bifurcated that, nor have we bifurcated any resources from the Commercial Assets. Those are all sitting outside of the Native Hawaiian Trust Fund at present.

Trustee Lee: Right, but we can't have this discussion without that.

Pouhana Hussey: Oh, for sure, yeah.

Trustee Ahuna: So maybe that T-Level could be mission-driven, staying focused to that.

Pouhana Hussey: Absolutely.

Trustee Hulu Lindsey: Sylvia, as I mentioned to you the other day - portions of our Strat. Plan may require assistance from for-profit entities that our nonprofits cannot provide. At that point, I think that we should consider for the sake of accomplishing the success of our portion of our Strat. Plan that we should be able to give grants to a 'for-profit' to accomplish the work that we need to accomplish.

Pouhana Hussey: As Trustee Hulu is mentioning that I'm pulling up the §1017. §1017 has several entities; we have historically focused on nonprofits. §1017 talks about; name of the organization, purpose, etc.

Pouhana Hussey: To receive a grant, an applicant can be:

- A. for-profit, subsidiary of a nonprofit organization,
- B. they can be a nonprofit community organization exempt from federal income tax,
- C. a Cooperative Association,
- D. an individual who in the board's determination is able to provide the services or activities proposed in the application for the grant.

So, there are other grantee classifications. Conservatively, OHA has held to the Nonprofit sector, but §1017 does allow for other recipient or applicant types in there. I would say probably the one I have the most knee-jerk reaction is an individual who in the board's determination is able to provide the services or activities proposed in the application or grant.

So, while it is there in §1017, whether we should activate that is discussion maybe at the C-Level. That is in Chapter 10 and that is up for discussion as well, in implementation of a grant policy.

Trustee Akina: I think that over the last year-and-a-half, we've made major strides in our Grants Administration, and the Administration is to be commended for this. I really feel good about the direction we're going and most of that growth has come with the implementation of C-Level activity and C-Level policy, so that's very good.

It raises the questions that I have every time we are talking about grants, and that is –

- *Where do we as Trustees intersect?*
- *Where do we come into the actual Grant process?*

I think there are two sides of that; first is forward-looking. We set up the Strategic Plan, and that's where we give our greatest input and mana'o with the strategic plan and I hope we can be very focused on that.

The other one is on the level of accountability. When we approve the budget and I have to confess that whenever it comes time to approve the budget, I feel a little bit inadequate because I'm not sure we have all the tools we need and this kind of reflects some comments made by Chair Hulu earlier.

I hope that when it comes to budgeting input that we give as trustees approving it; we move much more closely to what I've spoken of before as a program, planning, budgeting system. I think we're heading in that direction and Sylvia, you are to be commended for that.

I think it's very important for us; when the budgeting cycle comes, for us to be able to say this money actually accomplished this purpose. I know that's been mentioned before, but I think it's worth mentioning again. We need to be able to tell very clearly where we're performing in terms of the dollars spent through graphs and what the outcomes are.

Pouhana Hussey: So, as it relates to Budget construction and the Program-based Fiscal Year Biennium year 2022-2023 - we'll see those budgets constructed in that way, and perhaps maybe just in learning, when we have the workshops and they're pretty-meaty workshops because the budgets have so many different components that perhaps we should just have a workshop just for Granting.

Then we can talk about the granting and: what the line items are, what the buckets and pools are, and what is just an allocated dollar amount that now on the awarding comes back to the Trustees. Now there's faces and numbers to the bucket that was put out. That guides Administration when we're bringing the budgets forward and we're doing the budget books; that we bring them in these chunks of discussion.

Then of course have an overall discussion, so we're likely going to ask Trustees to engage in a more targeted discussion instead of just one day, so we oversee the entire core budgets, noncore budgets, etc... So that the Trustees have adequate time to focus on each of the pieces, as well as the overall budget and then set up the action item.

That way, at least there's chunked pieces to review budgets in the context of the entire next two years.

Then, because our strategic plan is based on a three-year cycle, those budgets need to be in the context of the three-year implementation phase.

Trustee Akina: Sylvia, I absolutely appreciate the direction you're going there, and the transparency shows. My only fear is that it might be more information than we can actually process and handle at the Trustee level. We're trusting in the analytical capacity of our C-Level to communicate to us in broader terms.

I'm speaking of very simple things; for us to take a look at the budget, and it shows that we set aside this much money for organizations we're related to. For example, affordable housing for Hawaiians. Then being able to connect that money to actual outcomes in terms of affordable housing. So, we need some prioritizing and some selecting of metrics that represent the impact in a way that we can connect money to outcomes.

Does that make sense?

Pouhana Hussey: It does.

Trustee Akina: Thank you.

Pouhana Hussey: Chair Waihee, that's it for the workshop session.

RM Chair Waihe'e: Thank you Ka Pouhana - *are there any questions?*

There are zero questions.

V. NEW BUSINESS

B. ADMINISTRATION UPDATE - re: Status of Contract 3363 dated December 20, 2019 between OHA and the Council for Native Hawaiian Advancement for \$1,660,000, awarded as a result of Grant Solicitation OHA 20-10 dated September 13, 2019 and approved via Action Item BAE-RM #19-09 dated 11/20/2019, including related Dispute Resolution Activities

RM Chair Waihe'e: I will once again turn it over to our Pouhana Sylvia Hussey.

Pouhana Hussey: Thank you. The memo was provided by Administration based on a request of an update. I would like to ask Grants Manager Maile Lu'uwai to provide two background items.

One is the actual contracting; it was solicited. It was awarded and then contracting started which is summarized in the memo.

Then I'd like her to summarize the Grant monitoring process. The grant monitoring process was implemented in 2018. It is part of our State Audit 18-08 and our response is due to the Auditor by the end of February.

So, I'd like her to give those two strands as a context for the memo and the update, and then open it up for questions.

Grants Manager Lu'uwai: I'm going to give an abbreviated timeline of where we started with the CNHA contract and where we ended up today regarding CNHA's termination of the contract.

Most of the Trustees were here when we first went out for solicitation and I came to you with recommendations for award, for this contract. I actually issued a solicitation way back on August 22, 2019. We scored those applications. I came to the table with the award recommendation actually at that time for Alu Like. They scored higher than CNHA; CNHA actually came in second place on that score.

We did have a very good discussion regarding some of the concerns that the Trustees had at that time, and the Trustees actually did not vote to support awarding the contract to Alu Like. I was told to go back and redo the solicitation.

Trustees really wanted to ensure that we had a contractor who had statewide offices and that our applicants, our beneficiaries, could walk-in and have those types of more integrated services for Emergency Financial Assistance.

We took your recommendations. We created another solicitation. We went back out with that solicitation. We got our external reviewers for that solicitation and we came back to the table.

I came back on November 21, 2019, with an award recommendation for CNHA. CNHA actually scored the highest for that solicitation. One of the reasons that they were scored the highest was because CNHA in their application had partners; Solutions Pacific and Hawaiian Community Assets and that enabled CNHA to have that statewide-integrated reach that Trustees wanted for our beneficiaries. You approved that on November 21, 2019.

A couple of months later, in January 2020, we created a contract - and that contract was implemented with CNHA. Disbursements started going out quickly. There was a lot of need and this was pre-COVID January through the end of February; Kūhiō let me know of this EFA money.

Per our contract, we do a reconciliation. We sample all the disbursements that have gone out to make sure that they comply with our contract and eligibility requirements. That's what we did, and for those of you who were here in March of last year, we did a compliance review.

We sampled 23% of those files and we found that 100% of those files were non-compliant with our contract. They were missing a Native Hawaiian Beneficiary certification, which is basically like a birth certificate. So, some of them we didn't know that they were Native Hawaiian. They were missing income documents; they didn't attend financial literacy classes.

There were lease agreements that were unsigned. So, they would pay for someone's rent, but the lease agreement was an unsigned lease agreement. So, there was no verification for us that that person was clearly renting. Those were the issues that came up, so I issued their first Corrective Action Determination letter on March 19, 2020 and CNHA signed off on that Corrective Action Determination letter.

We followed up with them. They confirmed that they were in the process of making sure that they were having proper oversight and monitoring. Basically, somebody has to just go through the checklist and make sure all those documents are *pa'a* (*adhering and complete*).

Once it's *pa'a*, you approve disbursement, and that's what we were looking for them to do; that was direly needed.

So that was positive, and I was like "OK, let's go, we will move on with your corrective action."

As we moved forward through the summer, they needed another round of disbursements for their EFA funds and so we did another compliance review and that compliance review...actually, I should really say one really important component that I missed was the fact that COVID hit and that's critical to note.

COVID hit and what happened to all our grantees; we had to immediately pivot the majority of our grants. So, we did modification plans for everyone, including CNHA, because nobody can walk into the offices. There are all kinds of things that happened with COVID.

I worked with Kūhiō, I actually reduced their requirements because it would be hard to service their contract based under these COVID conditions. I was given a directive to remove all their income requirements. As you know, our EFA program has income thresholds. There is a targeted group of our Beneficiary community that these funds were supposedly going to.

I was directed to remove the income requirement so moving forward, there were no income requirements for Emergency Financial Assistance. Anyone who lost their job, anyone who had reduced hours, even if you made \$200,000 a year could qualify now for our Emergency Financial Assistance.

Money kept going out; CNHA was churning it out and they needed another round of EFA funds.

We did another check on disbursements, another compliance review. I think we did another 20% of their files from February 4th to May 26 and in that compliance review again we found significant issues; 60% of those files failed to meet the modified requirements.

It was basic stuff, not difficult. You know how people are saying OHA is harsh; they're heavy-handed. Well, it again was basic things that should have been in the file. We were still missing some Native Hawaiian Birth Certificates. So, we didn't even know if the money went to somebody who was supporting somebody who is Native Hawaiian.

We had lease agreements that were blank or lease agreements that were not signed, but the rent was paid on those lease agreements.

We had one beneficiary who said their income was reduced, but the documents that we saw in our review showed that their income increased. So, through that compliance review, we issued the determination letter to CNHA on July 23, 2020; their corrective action plan was due on August 3rd.

On August 3rd, Kūhiō filed a contract dispute resolution with Sylvia. So instead of us having a Corrective Action Plan submitted, they actually filed a Contract Dispute Resolution and Sylvia can talk to you more about that. In all our Grant Contracts, there is a Contract Dispute Resolution provision and that allows for any one of our grant contractors to dispute anything that they disagree with in their contract. Then I move aside, and it goes on to the CEO's plate.

The CEO, or her designee, actually makes the determination regarding the Contract Dispute.

Sylvia took it, she reviewed all the documents. We had multiple meetings with CNHA and then Sylvia issued her Contract Dispute Resolution analysis and her Resolution letter, and I think you all have that from November 6, 2020. That was issued on November 6 and in the meantime, I was waiting to do their Contract Amendment.

Kūhiō and I had had agreed in August. We met and we were going to do the Contract Amendment and some budget line-item changes; and I sent that to eSign.

Sylvia told me to wait until the Contract Dispute was completed and then we could move forward, which of course made a lot of sense and so that's what happened.

Once that was issued, if you look at Sylvia's November 6th letter, what I tried to do is comply with what she wanted. We needed to do the Contract Amendment first and once that's approved, we will take those provisions and put them into the new contract and I think that's where we're at today.

We worked on the Contract Amendment. Lead Grant Specialist Edna Johnson, Sylvia, our CFO Ramona, along with myself met. We reviewed it and put all those provisions in there that our CEO and our Executive Level wanted.

After approval from Sylvia, we issued that Contract Amendment to Kūhiō Lewis and then we received the letter of termination from CNHA. Sylvia can speak more toward her analysis regarding the Contract Dispute resolution.

Does anybody have any questions?

Trustee Hulu Lindsey: I just want to thank Maile for such an efficient way that we've never experienced the running of our grants in the past nine years that I've been here. I really want to commend her for her strong stand and her reasonable reviews prior to whatever discussion is going to happen. I just want to say thank you, Maile.

Grants Manager Lu'uwai: Mahalo Trustee.

RM Chair Waihe'e: *Are there any other comments or questions Members?*

No questions are fielded.

RM Chair Waihe'e: Pouhana - if you don't have anything more to add, then we shall move on to Item V.C.

Trustee Lee: I was under the understanding that Sylvia was going to continue further, after Maile. That's why I didn't ask any questions. Sylvia said she was going to give another five-minute thing after Maile and Maile alluded to a bunch of things as far as the contract resolution, that Sylvia would talk about. We're moving on the agenda. *So, is that not going to happen?*

Pouhana Hussey: Trustee Lee, it was Maile to provide an overview of the contract and included in that was the various grant monitoring procedures you heard about; the testing, the findings, and the documentation. Then I was just going to open it up for questions from the Trustees on the memo and the process.

RM Chair Waihe'e: We haven't moved officially on anything. So, if you had questions, we can still...

Trustee Lee: Yeah, in that case, Chair Waihe'e, I do have a few questions. I understand that based on the memo in the documentation provided to us that the Contract Resolution was reached in November and that a new contract was forthcoming for CNHA.

Why the three months delay?

Pouhana Hussey: The three months delay was when we were going through post budgeting kinds of things and it took literally that long to review all the documentation; put it in order. I felt almost like it was a dissertation because there were so many tendrils and so much correspondence that I had to make sure to include in my Dispute Resolution analysis, separating risk.

One of the things that I looked through with an eye toward what risk; there definitely was program risk. If the disbursement was made to a non-Hawaiian for babysitting services, as an example. That does not comply with the agreement as it was written. If the applicant was not serviced or responded to within the 48-hour service level agreement that was also in the contract. That's a service level that's non-compliant as well, but it's a different risk of noncompliance.

Going through all the testing items, the review items, the basis for that was to say OK - *is this a program risk or is this a process risk?*

If this is a program risk for sure there are issues there. If it's a process risk, then this is a process improvement kind of risk and so that's why it took so long to follow up on each of the tendrils of the monitoring report, as Maile pointed out. There are a number of test items and each test item has a different combination of noncompliance items. So, I take full accountability for the gap in time.

Trustee Lee: So, to go back to one of the examples you just gave; a program risk. If a Native Hawaiian because of COVID needs help paying their babysitter, but their babysitter is not Native Hawaiian, then that's not compliant. That that doesn't meet the qualifications of the grant. The Native Hawaiian can't pay the babysitter if their babysitter is not native Hawaiian.

Did I hear that correctly?

Pouhana Hussey: No, it is not the babysitter. It's the fact that it's babysitting services and not rent, mortgage or utilities. So, it's that category of service. I'm sorry that was a bad example.

Trustee Lee: OK. I get it. I misunderstood, that's why I wanted to clarify.

Pouhana Hussey: Yes.

Trustee Ahuna: So, because of all of this - *we're not going to provide Emergency Services anymore?*

Pouhana Hussey: *Is that something you want to talk about with the action item or... ?*

Trustee Ahuna: Is it because of what just happened, because for me it's about the termination of contract like, the process.

- *Is the process that we update the Trustees and then just re-appropriate money right there?*
- *Is that the process, is that what we're gonna do?*

Pouhana Hussey: In receiving the termination, then there's closeout procedures. One of the first closeout procedures is to reconcile. So, your Attachment 2 of the memo is the reconciliation that our Grants Department and our CFO has worked out. This is just for year one, so year one was essentially the calendar year and that was \$830,000 of 2020. The \$830,000 is the \$415,000 from the State General Funds on the proviso and Trust Funds of \$415,000.

So, in this first year we had the general funds; so we did the matching. In a closeout, we need to go through and reconcile. If you notice on page two of the attachment; the spending line, they spent more on the Emergency Financial Assistance Award Fund, \$703,000. In that first year; the 75% was only about \$627,000, numbers wise that's not in compliance, but I'm not going to be one to say "bad contractor" because this money went to our beneficiaries.

However, it's that kind of closeout that we need to do and determine how much of \$830,000 in the second year, which we know because we have not received General Funds, are all Trust Funds. Once we do that reconciliation, then we will come back to the Trustees and say of the Emergency Funds there is X amount leftover for that, they're all trust funds, so you can send it back to the Trust Fund or you can redeploy it. At that time, we will come with a recommendation of where to redeploy those dollars and then the Trustees can decide; yes, no, or something else.

Trustee Ahuna: I just want to be very, very, very, very clear that OHA is not going to provide rent relief or any Emergency relief for COVID impacted beneficiaries right now.

Pouhana Hussey: Not through the Emergency Financial Assistance. The Board approved back in June of 2020, a budget realignment, \$500,000 for COVID, and when we get to the action item, you'll see that addition.

So, the board has already approved that next \$500,000 back in June. So, to your point, Emergency Financial Assistance in this form - NO, because that contract is closing-down.

However, it can come in another form. I'll hold Chair until we get to the Action Item; because in the Action Item we share about other programs that have since emerged for Emergency Financial Assistance.

Trustee Ahuna: Wow, we've been talking about, having an efficient grants process and this has resulted in us not getting money to our beneficiaries when they need it the most. We went from \$2,000,000 to \$500,000 and that's alarming for me. Very alarming. I don't know if I feel good about taking money away from people who have done good work for our beneficiaries.

I think CNHA is also distributing money from DHHL. Those are beneficiaries; you know what I mean. I don't understand where this is all coming from. This process I don't understand how this all worked and the last time we spoke about this, we were OK for them to give out the money and then now we're talking about something totally different. So, where this is coming from; \$2,000,000 to \$500,000 is very alarming, and for me this is about our beneficiaries. Our beneficiaries being the ones that are directly impacted by this right now.

Pouhana Hussey: Chair Waihee, I'll hold my responses until we get to the Action Item and then provide more context if that's OK.

RM Chair Waihe'e: That's OK.

Trustee Lee: Maile mentioned that she was directed to remove the income requirements moving forward. I have to go back and look at the minutes from that meeting that we had about changing the CNHA Contract to have less hurdles for beneficiaries to receive Emergency Funding because of COVID.

To my recollection, I don't recall the Trustees seeing to just removal of the income requirements. As I said, I'm going to have to go back and look at the minutes, but I believe what the Trustees' direction to the CEO was to remove the hurdles. Make the money flow easier and we as Trustees will deal with the fallout if there is any basis that we weren't complying to what the State wanted us to do. As far as grant follow up that the Trustees felt that the money needed to get out. So, remove the hurdles. I do not recall the trustees specifically calling out one specific hurdle of only Income Requirements.

Pouhana Hussey: My experience was that through the Resource Management Leadership meetings, these conversations and these directions were given.

Trustee Lee: *Of just removing income requirements?*

Pouhana Hussey: Removing income and removing any barriers as it relates to getting money.

At that point and we have to remember, that the program was designed not for immediate sanction of emergency. It was designed for that, but also for long-term habits, improving habits of financial literacy. Whereas it morphed into immediate need, reduce the amount and the Emergency Financial parameters also had a tier two. It was auto, funeral, and those kinds of expenditures. In the increased focus, it was rent, housing.

Grants Manager Lu'uwai: Prior to that we actually we worked with CNHA when COVID hit. It was the Income Requirements after we had the Resource Management Leadership meetings. Then we worked with CNHA to remove all those Financial Literacy requirements because there were mandated workshops that they had to attend.

We removed about half of the forms that beneficiaries had to submit; all associated with those self-sufficiency requirements. So, we took the financial literacy workshops off the table and we removed most of the associated paperwork and documents. So CNHA didn't have to spend the time talking story and going through all this self-sufficiency stuff; we eliminated those.

So, most of the documents we actually took out - so beneficiaries didn't have to complete and CNHA didn't have to spend the time going through those long intake processes. We removed all of that and then through our Resource Management meetings we were directed to remove income too; because that appeared to be an issue that was being communicated to Resource Management Leadership, and that's when we moved the income requirements too. At that point, the processes should have been very simple and a lot smoother and easier for our applicants.

Trustee Ahuna: I believe at that time, the reason we removed all of that is because at first - we tried to give out the money and it was so hard they couldn't even give out the money. The reason why is because they had an income requirement and a lot of them just lost their jobs and they don't have any income anymore.

So, the only way we could help them is to remove some of those requirements and I believe during these pandemic times, I believe a lot of them are still in the same situation.

Trustee Lee: I think you guys are misunderstanding. I'm not focusing in on why we removed the *income*. I only heard the income part was removed. I'm not against that. If you recall from that meeting, I was one of the Trustees, as were many of us in favor of removing as many hurdles as possible. I mean, if it was up to me; I would take all the hurdles out.

Our people are losing their jobs, people are dying, they need money, we give them the money right now, and we will deal with whatever fall out. We won't blame grants, we won't blame Maile, we won't blame Sylvia; if anybody comes back later and says you guys never complied to your own policy. At least for me, I didn't care if I have to take the fallout for directing Administration to not follow any of those grant policies that we're putting in place for good reason.

That those things should be there for perpetuity, for good reason, but this is an Emergency situation. So, if you the Legislature, or State Auditor or whoever wants to come after me, Trustee Lee, for directing them to get rid of all of that, to give money to our people that need it right now - I was OK with that.

My only question was I only heard the *income* I may have missed it, but I didn't hear Maile say about all the other hurdles that were taken down. So that was my only question. Thank you for clarifying about other hurdles that came down, like the documentation.

Now what kind of documentation was taken down? I did hear you say, they weren't complying. They didn't have a birth certificate; they didn't have a signed lease. I'm a renter; the lease that I have my landlord didn't sign the lease, they are not required by law to sign the lease. Only I signed the lease with the managing company, but the landlord didn't sign it at all.

So, would that mean I don't qualify for the grant because the landlord didn't sign? Only I signed the lease.

Grants Manager Lu'uwai: But you do have a lease document with the management company, so one of the requirements. If we're going to pay for somebody's rent, there's got to be some documentation to show that they are in-fact renting.

So, if they give us a blank lease, which we've seen - we don't know, if they give us a lease that's not signed. For us as OHA, we made the disbursement for someone, but there was no verification that they were in-fact leasing and we paid on a lease for a rental.

There were situations where we had documentation from, you know if you rent from your aunty - *is she going to make you sign a lease?* No right, but we still can verify that you're renting from her; so, Aunty can provide that letter. We look at your bank statements, we can see that every month that money is going out, we're fine. Issue the disbursement. Those are those kinds of situations. I mean not making it difficult, but still having that verification to know that these disbursements were valid.

Trustee Ahu Isa: I'm listening to all of this and I'm really trying to figure out why CNHA terminated the contract. There is a Dispute Resolution meeting that happened, and all these things are listed; correction actions, I guess Maile or the Grants Department told him what was wrong, but he still claims that he does not believe the meeting was legitimately conducted in good faith.

He is the third-party trying to spend the money, but yet he doesn't feel with the dispute resolution written into the contract that it was fairly administered and that's why, therefore, he's asking for termination of the contract.

I want to know:

- *Why he feels he is treated unfairly?*
- *Why does he feel is treated like that when they're trying to do work to this day?*

Pouhana Hussey: So, the termination, the formal termination, is maybe the second or the third time. I don't know if Trustees remember, but he had emailed the former board about terminating the contract and when we followed up with them, they changed their minds.

I don't know the details, but they changed their minds. So, a written letter is at least the second time that we are aware of them wanting to terminate.

Grants Manager Lu'uwai: It's the fourth time; he kept threatening to terminate the contract.

Pouhana Hussey: For us, well, maybe I'll just speak for me. For me, it felt like a marriage that the parents weren't getting along, but the kids were being harmed so because we weren't getting along, beneficiaries' money was being affected. So that's why that resolution all the way to November says we're willing to execute the new contract; do these changes in the first contract.

Tighten it up, reconcile the dollars and we're ready to move forward. So, that November dispute letter is actually a 'go forward' letter of ok - we acknowledge their accountabilities here, their improvements, there's tremendous need, let's get this going. So, saddened, but you know, that's their call to make and we'll honor that. In the next 30 days, we will wrap up things cleanly.

Grants Manager Lu'uwai: I do want to say Trustee that we have worked very hard with CNHA. I have probably seven binders of emails, memos, and letters; from the first day.

I want every one of our grantees to know, especially in this case, because our beneficiaries so need our Emergency Financial Assistance, and we worked really, really, hard with them. We're very fair. There are some narratives out there in the stratosphere, but we were very diligent and tried to work very hard to make sure that they were successful.

Trustee Ahu Isa: I'm not accusing you of anything. I had to go through the same thing with my house in Vegas. They couldn't pay their rent and were asking for all these documents in-order to apply at a third-party in Vegas to get the money.

So same thing with CNHA. They have to comply with all this, get the lease so I understand that part.

My question is why not work with CNHA one-on-one instead of sitting there with a Dispute Resolution; giving them a form, saying this is all the non-compliance.

Why don't we say this is how we can help you?

I know we got to follow all these rules. The CARES ACT has rules you've got to follow. Instead of just you know, making like you didn't do this, you didn't do that and then now they're so frustrated they want to give up. You know we're Hawaiians and I feel we can work with them one-on-one. I am always thinking help them. OK, thank you.

Trustee Keola Lindsey: Just to comment - as a newer Trustee who didn't have maybe the history or context on this issue; when I got the information for today's meeting, it took me some time to kind of start piecing things together and with of course the recent correspondence and exchange with CNHA.

When I read that Monday night; a little bit of shock and disappointment and I don't question either side of this. The work of Admin. and Grants, the work of CNHA, I think it's been mentioned by other Trustees already that the core issue is that our people need this support and need the resources amid this crisis. So, as we move forward; I just want to know how we move forward and get the resources out to our people at this point. Thank you.

Trustee Ahuna: I just wanted to speak along those same lines too because we have to be clear, we have to take on the responsibility. We were not able to get the funds out and now we have no contract.

So:

- *Is their need no longer there?*

or

- *What are we doing next to adjust this?*

That is what I'm trying to say.

The reason why is because CNHA is distributing millions of dollars for the County and for DHHL now and our beneficiaries are always the ones being left out so. *How does this happen?* I don't understand how all of this happened.

So, my thing is I want to do the right thing. I want to make sure that we can adjust the need too, as well because we were supposed to be the ones to put out that contract and we were so supposed to be the one to make sure that contract is being followed and being done. So that didn't happen.

So, what do we do next? Thank you.

Trustee Hulu Lindsey: I'm thinking that the answer to our questions might be in this Action Item, and maybe we should hear our Administration out. What they plan for this money, that has never been contracted - the \$2.17 Million. I'm anxiously waiting to hear where they're going to put this money in, and I'm wondering if we could move on so we can hear that.

RM Chair Waihe'e: OK, so there's no further discussion on the status of the contract. I will move on to the next item.

V. NEW BUSINESS

C. ADMINISTRATION UPDATE: re: Implementation of Board Action "To approve and authorize the disbursement of \$2,170,000 from the Fiscal Year 2020 Core Operating Budget (Grants Category) to fund the Emergency Financial Assistance Program grant" via Action Item BOT #20-03: Approval of Fund Responses to COVID-19 on May 7, 2020

RM Chair Waihe'e: I will turn it back over to Ka Pouhana Sylvia Hussey.

Pouhana Hussey: We're discussing the original Contract 3363 of \$1,660,000. The subsequent action that the Board took in May was to add \$2.17 million specifically to Emergency Financial Assistance, so Administration took that and prepared to distribute it.

Based on that Action Item; as people go back and reference, in the Action Item were statistics of applications that were already queued-up in the system and were ready to receive. We even calculated even if we did 60% of what was there the \$2,000,000 wouldn't be enough anyway, but it would be something.

So, at that time Administration feels that action taken by the Trustees was absolutely where the money needed to be, subsequent to that, because at that point there was no: rental eviction, moratorium, advocacy. DHHL's money didn't come until about two weeks later; \$7,000,000.

The subsequent programs that came out were far more robust. Ours was specifically for just that urgent need. DHHL's program is far more robust. Market rent, three months, up to six months of rental assistance. They had already put that through Aloha United Way and that has changed. Administration feels that the \$2.17 million was absolutely the right purpose to be prioritized and we had a contract already in place.

So, run through the monies of the \$830,000 if all those applications were queued-up, we should have gotten to the \$2.17 immediately and what we didn't see - was that happening.

If the \$2.17 had gone out in the Spring, we wouldn't be having this conversation, but it didn't. There were a lot of holdups in terms of processing. Determination aside, queuing-up that and so cleaning up the first year's contract and getting those practices aligned would have triggered immediately the \$2.17 as we pointed out in our November letter.

Pouhana Hussey: Had all of that been in place, determination aside we still, even if we discount the March determination or monitoring report; even if we discounted that and said you know what that was the old program - the new program is much more streamlined.

There still was that outstanding in July, so the underlying practices were still not reconciling - service dollars, programmatic risks, just inordinate amount of time.

I will say that CNHA's efforts incoming to the table; these meetings are long like 3 hours. Grants had a standing meeting with them every Wednesday to go over each of the items to try to ferret out which ones were programmatic risks, which ones were processed risk so that we could really identify what's the underlying issue.

Is it a documentation issue? - Is it. You just have to go with there is no documentation for this family and is there a self-certification process. In the meantime, we also talked with the City because they received 387 million dollars for COVID relief, they were rolling out their programs, and CNHA was processing a similar program. So, we went to talk to the City.

What are the processes to make it easier to process this? - What can we learn from this, and what we learned is they had some very simple criteria. *Has your income decreased or your expenses increased?* That was the criteria and they paid per packet.

As the packets came in, they paid. There was an agreed upon rate, and so you would only submit packets that you paid out on, and therefore you only got paid. They would get into a rhythm as the file comes in, all electronic, goes into the City.

The City's Budget and Finance section would then take the sample. They take a 10% sample. The City would review the items. They would talk to the program side about any questions, but they would then keep this flow of processing. So, distribute, monitor, and then send the payment for \$281.00 per packet. So, we had that conversation with the City we're thinking, "OK, if this is a more efficient way of getting dollars out, let's do that."

The November 6th letter reflects that we are willing to change the funding mechanism from a cost reimbursement to a per packet basis to be able to get the dollars out and that's for the current contract.

On the future contract, we want to also do that, but on the future contract, what we wanted to do...and the reason we wanted a separate contract: one, it's all Trust Funds; and two, we could restore some of the items that had been left off in the first contract.

Our families still had funeral needs, they still had auto needs, they still had prescription medication. So, the things that were taken out of the first contract for focus on COVID. It could then be brought into the second contract.

The other reason the \$2.17 million as a separate contract is because the first contract ended on December 30th of 2021. These dollars could go further in that manner, so that's the other reason we ask. The first year is 2020 and then the year 2 is 2021.

Then the other piece is by that time, all the Federal programs were kicking in, all of the advocacies were kicking in, and not to say that our beneficiaries didn't still have rent relief needs, but there were other resources out there as well.

Again, if our beneficiaries still needed that, it was still there and available, but now with other resources that are out there that our beneficiaries can access which are more robust. One month's rent versus up to six months in a beneficiary class, for example DHHL.

So that's the reason Administration bifurcated those two contract obligations because of that. We're here with the \$2.17 million ready - once all of the first \$1.6 million completes contract documentation and reconciliation.

So, the letter clearly outlines who must do what, and then we're ready to move forward. While we're saddened by the termination, we respect that they have that right to do that.

Trustee Ahu Isa: E kala mai, Chair Lindsey, I know you want to move on and you don't want to belabor this point, but I have a point to make going back. If we don't resolve this Dispute Resolution thing and we have it written into another contract, we're going to come up with the same problem. My experience from sitting on other Boards, the Grantor always has more control in a so-called Dispute Resolution than the Grantee because they control the money.

I think because the other side feels they were being treated unfairly; maybe next time we should have a moderator come in to do a ho’oponopono. Otherwise, it will never be resolved with the two parties. That's all I wanted to add to this. Sylvia, I'm not accusing you of anything; I understand everything you have to do and to be in-compliance. It's just the ho’oponopono part I wanted to add.

Pouhana Hussey: I understand Trustee.

RM Chair Waihe’e: *OK members are there any further questions on this update?*

There are no further questions.

V. NEW BUSINESS

D. ACTION ITEM BAE-RM #21-01: Approval to Reallocate \$2,170,000 in COVID-19 Emergency Financial Assistance Program Grant Authorization to \$1,170,000 to COVID-19 Impact Grants and \$1,000,000 to ‘Ohana and Community Program Grants†

RM Chair Waihe’e: *Can we get a motion on the table before we proceed with discussion on this?*

BAE Chair Akaka moves to approve Administration’s recommendation to:

A. Reallocate \$2,170,000 in FY20 COVID-19 Emergency Financial Assistance Program grant authorization purpose of:

- 1. \$1,170,000 to FY20 COVID-19 Impact Grants purpose, for a new amount of \$1,670,000, to be competitively solicited by island community in FY21, with the exception of the island of Ni‘ihau**
- 2. \$1,000,000 to FY 20 ‘Ohana and Community grants purpose, for a new amount of \$1,250,000, to be competitively solicited by island community in FY21, with the exception of the island of Ni‘ihau;**

B. Allocate to island communities pro-rata based on Native Hawaiian population; and

C. Adjust for 50% of O‘ahu to be reallocated to the remaining island counties.

Trustee Hulu Lindsey seconds the motion.

RM Chair Waihe’e asks if there is any further discussion. There is none.

BAE Chair Akaka calls for a **ROLL CALL VOTE for the BAE Committee.**

BAE COMMITTEE						11:44 a.m.
TRUSTEE (BAE)	1	2	‘AE (YES)	A’OLE (NO)	KANALUA (ABSTAIN)	EXCUSED

LEINA'ALA	AHU ISA					1 – KANALUA; 2 – KANALUA = ABSTAIN	
DAN	AHUNA				2 - X = NO	1 – KANALUA;	
KELI'I	AKINA			X			
RM VC LUANA	ALAPA			X			
KALEI'ĀINA	LEE				X		
CARMEN HULU	LINDSEY		2	X			
BAE VC KEOLA	LINDSEY					1 – KANALUA; 2 – KANALUA = ABSTAIN	
RM CHAIR JOHN	WAIHE'E			X			
BAE CHAIR KALEIHIKINA	AKAKA	1		X			
TOTAL VOTE COUNT				5	2	2	

BAE MOTION: [] UNANIMOUS [X] PASSED [] DEFERRED [] FAILED

RM Chair Waihe'e calls for a ROLL CALL VOTE for the RM Committee.

RM COMMITTEE							11:44 a.m.
TRUSTEE (RM)		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA					1 – KANALUA; 2 – KANALUA = ABSTAIN	
DAN	AHUNA				X		
BAE CHAIR KALEIHIKINA	AKAKA	1		X			
KELI'I	AKINA			X			
RM VC LUANA	ALAPA			X			
KALEI'ĀINA	LEE				X		
CARMEN HULU	LINDSEY		2	X			
BAE VC KEOLA	LINDSEY					1 – KANALUA; 2 – KANALUA = ABSTAIN	
RM CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				5	2	2	

RM MOTION: [] UNANIMOUS [X] PASSED [] DEFERRED [] FAILED

VI. ANNOUNCEMENTS

None

VII. ADJOURNMENT

Trustee Hulu Lindsey moves to adjourn the JOINT BAE-RM meeting.

RM Chair Waihe'e seconds the motion.

BAE Chair Akaka asks if there is any discussion. There is none.

BAE Chair Akaka calls for a ROLL CALL VOTE for the BAE Committee.

BAE COMMITTEE							11:48 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA			X			
DAN	AHUNA			X			
KELI'I	AKINA			X			
RM VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'AINA	LEE			X			
CARMEN HULU	LINDSEY	1		X			
BAE VICE-CHAIR KEOLA	LINDSEY			X			
RM CHAIR JOHN	WAIHE'E		2	X			
BAE CHAIR KALEIHIKINA	AKAKA			X			
TOTAL VOTE COUNT				9	0	0	0

RM Chair Waihe'e asks if any members vote NO or ABSTAIN. There are no dissenting votes.

RM COMMITTEE							11:48 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA			X			
DAN	AHUNA			X			
BAE CHAIR KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
RM VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'AINA	LEE			X			
CARMEN HULU	LINDSEY	1		X			
BAE VICE-CHAIR KEOLA	LINDSEY			X			
RM CHAIR JOHN	WAIHE'E		2	X			
TOTAL VOTE COUNT				9	0	0	0

MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED

RM Chair Waihe'e adjourns the Joint Meeting of the Committee on Beneficiary Advocacy and Empowerment and the Committee on Resource Management at 11:48 a.m.

Respectfully submitted,



Melissa Wennihan
Trustee Aide
Committee on Resource Management

As approved by the Joint Meeting of the Committee on Beneficiary Advocacy and Empowerment (BAE) and the Committee on Resource Management (RM) on March 30, 2021.



Trustee Kaleihikina Akaka
Chair
Committee on Beneficiary Advocacy and
Empowerment



Trustee John Waihe'e, IV
Chair
Committee on Resource Management

ATTACHMENT(s):

- NONE