

2004 Annual Report



‘Ōlelo Mua (Foreword)

He hau‘oli ‘i‘o nō mākou, ke Ke‘ena Kuleana Hawai‘i, e ho‘opuka aku i kēia hō‘ike kūmakahiki pikikala nāna e wehewehe mai i nā hana like ‘ole a OHA. E nanea mai ‘oukou i ka u‘i o nā ki‘i o nā lā‘au ‘ōiwi e ho‘owehiwehi ai i kēia puke. Mahalo a nui iā Arna Johnson, ka wahine nona ia mau ki‘i nani loa. Mahalo ho‘i iā Kapalikū Schirman a‘o Rick Barboza o ka Hui Kū Maoli Ola, he māla mea kanu ‘ōiwi ma Waimānalo; a ‘o Tommy Boyd o ka Hale Hō‘ike‘ike o Kamehameha (Pihopa) nona mai kekahi o nā me kanu i pa‘i ki‘i ‘ia.

It is with pleasure that we present this annual report of the Office of Hawaiian Affairs. We hope you enjoy the photographs of some of Hawai‘i’s native flora that grace this publication. Our heartfelt mahalo to Arna Johnson for her photographic artistry. Our thanks, also, to Kapalikū Schirman and Rick Barboza of Hui Kū Maoli Ola, a native plant nursery in Waimānalo; and Tommy Boyd of Bishop Museum, who also provided some of the plant specimens photographed here.

Me ka ‘ano‘ai aloha ʻē ...

ʻIlima

*Hanohano ka lei ‘ilima kau po‘ohiwi,
koku kapa ‘ahu‘ula o nā lani ali‘i —*

*Glorious is the lei ‘ilima, worn about the shoulders
like a treasured feather cloak of the royal ones*





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Board of Trustees



Haunani Apoliona, MSW
Chairperson
Trustee, At-large



John D. Waihe'e IV
Vice Chair
Trustee, At-large



Rowena Akana
Trustee, At-large



Dante Keala Carpenter
Trustee, O'ahu



Donald B. Cataluna
Trustee, Kaua'i & Ni'ihau



Linda K. Dela Cruz
Trustee, Hawai'i



Colette Y. Machado
Trustee, Moloka'i & Lāna'i



Boyd P. Mossman
Trustee, Maui



Oswald Stender
Trustee, At-large

BOT Staff as of June 30, 2004

Scotty Bowman, chief of staff
Reynold Freitas, board secretary

Nathan Takeuchi, aide, Akana
Gladys Rodenhurst, secretary, Akana

Winona E. Rubin, aide, Apoliona
Louise Yee-Hoy, secretary, Apoliona

Merlyn Akuna, aide, Carpenter
Mika Arikawa, secretary, Carpenter

Bobbi Ray, aide, Cataluna
Winona Gaison, secretary, Cataluna

Josephine Tanimoto, aide, Dela Cruz
Tiona Wailehua, secretary, Dela Cruz

Leah Burrows, aide, Machado
Dayna Nae'ole, secretary, Machado

Kalei Rapoza, aide, Mossman
Melissa Beimes, secretary, Mossman

Lei-Ann Durant, secretary/aide, Stender

Crayn Akina, aide, Waihe'e
Francine Kananionāpua Murray, secretary, Waihe'e

The following personnel served on the BOT staff
during FY-04, but left OHA employment
before the end of the fiscal year:

Ikaika Rawlins, aide, Stender

Chairperson's Message

E ka lehulehu ē, nā lei 'ōiwi 'ōlino o Nā Kai 'Ewalu a puni ke ao mālamalama, aloha nui kākou.

Building a strong, stable, successful Native Hawaiian nation requires collaborative committed action by the Office of Hawaiian Affairs, Hawaiians and all of Hawai'i, especially through programs, advocacy, community support, shared leadership and political activism.

This FY-04 Annual Report of programs and activities of the Office of Hawaiian Affairs chronicles our efforts from July 1, 2003 through June 30, 2004. During this period, we worked toward fulfilling our strategic goals and mandate of "bettering the condition of Hawaiians" as set forth by the Hawai'i Revised Statutes, Chapter 10.

The Board of Trustees and OHA staff appreciate the support of the ali'i trusts, royal benevolent societies, Hawaiian agencies and organizations, our Native Hawaiian community and the broader Hawai'i community in a renewed commitment to work together for the good of our beneficiaries, the Hawaiian people, our 'āina, our environment and all of Hawai'i nei.

We at OHA begin our 25th year well aware that Native Hawaiians reside both in Hawai'i and away from our shores. As Native Hawaiians, we must focus locally and nationally to identify and register Native Hawaiians so we all move forward in the process of Native Hawaiian self-determination.

The trustees have worked diligently together this year, and we are committed to stand solidly together with those who share our common mission of building our nation and helping to secure a better future for Hawaiians and all of Hawai'i's people. As a community, much work still lies ahead of us. We ask all who care about Hawai'i's future to step forward and join us.

E mau ke ea o ka 'āina i ka pono. Let the life of this land be preserved in righteousness.

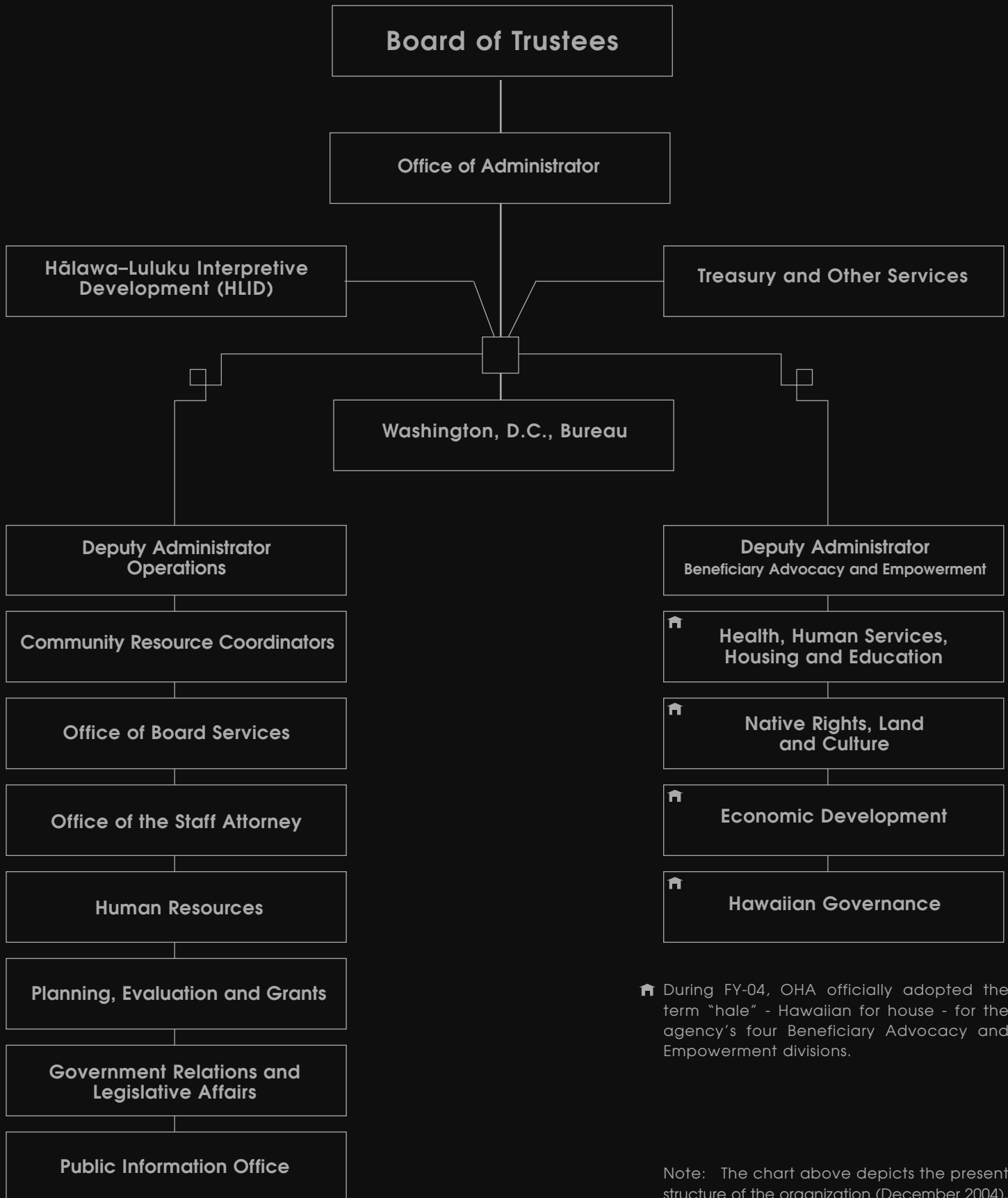
Ke aloha nō,



Trustee Haunani Apoliona, MSW
Chairperson, Board of Trustees



Organizational Chart



Aloha kākou,

It is a pleasure to present the Office of Hawaiian Affairs' FY-04 Annual Report reflecting programs, activities, personnel and a financial summary for the period of July 1, 2003-June 30, 2004.

The Office of Hawaiian Affairs (OHA) was established by the State Constitutional Convention in 1978 and opened its doors in 1980. As we approach our 25th year of operation in 2005, the OHA administration and Board of Trustees remain 'onipa'a – steadfast – in working toward the betterment of all Hawaiians.

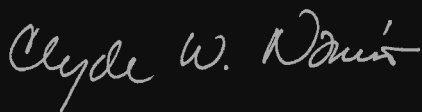
Led by Chairperson Haunani Apoliona, trustee at-large, the OHA Board is a body of nine leaders elected by voters statewide. The board sets policy for the agency's administration. Currently, 127 employees staff OHA's main administrative office in Honolulu, as well as liaison offices in Kona, Hilo, Kahului, Kaunakakai, Līhu'e and Washington, D.C.

Programs and activities of the agency support the goals and strategies of OHA's Strategic Plan 2002-2007: advocacy/native rights, culture, economic development, education, environment/natural resources, nationhood, policy, social services, land/housing and health.

In support of OHA's nationhood goal, one of the most significant initiatives launched in FY-04 was the Kau Inoa registration on Jan. 17, 2004. This community-driven effort is an integral step in forming a Native Hawaiian governing entity. Hawai'i Maoli Inc., a nonprofit arm of the Association of Hawaiian Civic Clubs, administers the registration process and serves as the repository for data collected from Hawaiians in Hawai'i and around the world. While the nationhood goal has been a high priority, work on all nine other goals proceeded and is detailed in this administrative program report.

Please enjoy this annual report and the beautiful photography of Native Hawaiian artist Arna Johnson. The stunning native flora featured here from our fragile environment – like our 'ōiwi Hawai'i, our native people – are what make Hawai'i the most beloved place on earth. For additional information on the Office of Hawaiian Affairs and its programs, visit www.OHA.org.

Aloha pumehana,



Clyde W. Nāmu'o
Administrator



Clyde Nāmu'o
Administrator

Administration staff as of June 30, 2004

Ron Mun, deputy administrator, operations
Barbara Yuen, secretary
Anita Manzano, secretary

Community Resource Coordinators

Ululani Sherlock, CRC, East Hawai'i
Ruby McDonald, CRC, West Hawai'i
La France Kapaka-Arboleda, CRC, Kaua'i
Thelma Shimaoka, CRC, Maui
Irene Ka'ahanui, CRC, Moloka'i
Gladys Brigham, clerk typist, East Hawai'i
Kaliko Santos, clerk typist, Kaua'i
Roy Newton, clerk typist, Maui
Roxanne French, clerk typist, Moloka'i

About the Office of the Administrator

The Office of the Administrator manages the internal operations of the Office of Hawaiian Affairs by providing leadership, guidance, direction and executive oversight. It implements the policies, rules and directives adopted by the Board of Trustees and guides the organization's operation within the parameters established by the board and in response to the concerns of OHA's beneficiaries. Additionally, the office works with other agencies, government and private, that also serve Hawaiians and native Hawaiians toward OHA's mission of bettering the conditions of all Hawaiians. It reports to the board on OHA's fiscal status and on the status of projects and programs. This includes developing and overseeing organizational structures and procedures; securing, supervising and inspiring staff in the skills and attitudes required to work together; and guiding the implementation of OHA's functional, master and strategic plans and processes. Assisting administration in carrying out programs and operations is a leadership team comprised of division directors and managers.

OHA Strategic Plan 2002 ~ 2007

Goals adopted by the OHA Board of Trustees Jan. 13, 2002

Advocacy-Native Rights

By 2007 OHA shall have devised and implemented strategies to protect Native Hawaiian rights and entitlements and secured at least one significant legal outcome; created a legal mechanism to assure a predictable ongoing revenue stream from the Public Land Trust; and ensured the settlement of the blood quantum issue.

Culture

By 2004 OHA shall have drafted a plan that identifies and provides solutions to safeguard endangered traditions, practices and rights, and subsequently put into practice steps that will protect, re-establish and enhance Hawaiian cultural assets by the year 2007.

Economic Development

By 2007 OHA's investment in the creation and retention of wealth for Native Hawaiians shall have:

- 1) impacted at least seven percent of the total statewide Native Hawaiian population by improving economic solvency and*
- 2) accounted for a return on investment to OHA "equal or greater than the cost of capital used to fund the activity and/or OHA's current rate of return (total fund) from the Native Hawaiian Trust Fund."*

Environment - Natural Resources

By 2007 OHA shall have protected natural and cultural resources through the adoption of stewardship standards by five public and 10 private entities as evidenced by research, studies and partnerships; and the enactment of new laws, ordinances and rules.

Education

By 2007 OHA shall have assisted 28,750 Native Hawaiians to achieve age appropriate literacy.

Nationhood

By 2007 OHA shall have assisted, coordinated and enabled the creation of a unified Hawaiian nation.

Policy

By 2007 OHA shall have initiated, collaborated, partnered and advocated with other agencies and organizations through five Memoranda of Agreements that will commit the signatories to act assertively together on behalf of their beneficiaries-in-common.

Social Services

By 2007 OHA shall have improved the quality of life for 17,500 Native Hawaiians in the areas of food, shelter and safety.

Land and Housing

By 2003 OHA shall have increased the percentage of its investment in real estate by no less than 15 percent and shall develop strategies to enhance the use of these assets to benefit the Native Hawaiian people.

Health

By 2007 OHA shall have collaborated with other Native Hawaiian health care providers to increase the acquisition of resources from federal, state, counties and others, to address the health care needs of Native Hawaiians with particular focus on the needs of the aged and elderly, including but not limited to prevention, treatment, education and other needs.

Hala

*Māpu ana ke onaona o ka hala
ε ho'āla ai ke aloha —*

*The sweetness of hala permeates
awakening thoughts of affection*



OHA Washington, D.C., Bureau

Mission

The OHA trustees and administrator established the Washington, D.C., Bureau to assure an ongoing national presence and advocate for the over 401,000 Native Hawaiians living in the U.S. The Office of Hawaiians Affairs Washington, D.C., Bureau officially began operations in February 2003.

Strategic Plan Goals Addressed/Needs Served

In accordance with OHA Strategic Plan Policy Goal 7, Strategy 4 (policy/legislative engagement), the goal of the Washington, D.C., Bureau is to educate the U.S. Congress and executive branch on issues important to Native Hawaiians and secure favorable passage of legislation at the national level. The four primary objectives are:

1. To educate Congress and the executive branch on issues important to Native Hawaiians;
2. To establish and maintain organizations and individuals at the national level as allies;
3. To overcome resistance of non-supporters of issues important to Native Hawaiians; and
4. To establish a mechanism to collect and disseminate information on issues important to native peoples.

FY-04 Highlights

The bureau worked with OHA trustees, administrator, legal advisors, the Hawai'i congressional delegation and key staff, the governor of Hawai'i, Native Hawaiian royal societies, Hawaiian organizations, American Indians, Alaska Natives, various Pacific and Asian Pacific American organizations and an array of civil rights organizations to urge passage of the federal Akaka Bill, which would clarify the United States' relationship with Native Hawaiians by providing a process for federal recognition of a Hawaiian governing entity. The Senate version of the bill, S. 344, was revised and passed by the Senate Committee on Indian Affairs in May but failed to advance to a full Senate vote due to an anonymous procedural hold. A companion House bill, H.R. 4282, was introduced in May.

One aspect of the Akaka Bill did achieve favorable passage: a measure establishing a United States Office for Native Hawaiian Relations in the Department of the Interior, which, among other things, would continue the process of reconciliation with the Native Hawaiian people in furtherance of the Apology Resolution. The office was mandated and funded as part of an omnibus appropriations bill adopted by Congress and signed into law by the president in January 2004.

As part of its efforts, the Washington, D.C., Bureau:

- Hosted, sponsored and co-sponsored 30 Hawaiian, Pacific, Asian Pacific Islander American, Alaska Native and American Indian events;
- Represented OHA at over 40 congressional, departmental, Alaska Native and American Indian and national organization events;
- Delivered informational materials to 540 members of Congress and over 20 staff members of the executive branch;
- Coordinated congressional visits and testimony by OHA trustees and administration staff, as well leaders from Native Hawaiian royal societies and Hawaiian civic clubs;
- Coordinated and participated in meetings, events and partnerships among Hawaiian and other related organizations in the D.C. tri-state area and the East Coast;
- Coordinated informational briefings and "Kau Inoa" Native Hawaiian registration workshops in the D.C. tri-state area and New York.

OHA Washington, D.C., Bureau staff as of June 30, 2004

Martha Ross,
bureau chief

During FY-04, 22 interns and volunteers contributed 2,260 hours of work to the bureau.

Hālawā Luluku Interpretive Development Project

HLID staff as of June 30, 2004

Kahikina Akana,
project coordinator

Pono Chong,
assistant project coordinator

Pamela Nakagawa,
secretary

HLID Community Working Group members:

Donna Bullard
Wali Camvel
Māhealani Cypher
Steven Helelā
Lela Hubbard
Marion Kelly
Clara "Sweet" Mathews
Robert "Boot" Mathews
Havana McLafferty
Vienna Nāhinu
Ella Paguyo
John Talkington
Laulani Teale

Mission

To execute the H-3 Memorandum of Agreement (MOA) requiring development of an Interpretive Development Plan, with community consultation, that addresses the mitigation of land areas affected by H-3 and which preserves, interprets and perpetuates their Native Hawaiian history, traditions and culture.

Strategic Plan Goals Addressed/Needs Served

HLID serves to fulfill requirements of the MOA, which provides resources to mitigate the adverse impact of the H-3.

FY-04 Highlights

The HLID project continued its progress in developing a strategic plan, despite several delays. Meetings were held to inform the public of the strategic planning process and to gather public input regarding mitigation and interpretation of cultural, historical and traditional sites or viewpoints. A 45-day public response period occurred to allow public input, during which more than 130 ideas were submitted for consideration. These submissions were reviewed by the HLID Working Group for inclusion in the strategic plan. The project is narrowing its attention to several areas of interest that seem to naturally appear when considering public input. These areas are: Luluku, Kukuioikāne, Hālawā, Ha'ikū and the connectivity between these areas. HLID held several focus group meetings to visit and discuss interpretation of these areas.

HLID, assisted by OHA funding, was able to purchase, prepare and deliver a 400-gallon water trailer to Hālawā Valley for use by Native Hawaiians who maintain areas of the valley. We are continuing to work on securing a portable toilet and storage container for Hālawā Valley.





Ko'olua'ula

*Ho'ohihi ka mana' o i ke ko'olua'ula, he pua maka 'alohilohi —
Thoughts turn to the ko'olua'ula blossoms, beckoning like sparkling eyes*

Pōhinahina

Pōhina lua ka pōhinahina i ka ua —

Obscured are the pōhinahina blossoms in the rain



Treasury and Other Services

Mission

Treasury and Other Services (TOS) works in partnership with all other OHA divisions to manage and report on the agency's finances, information systems and technology.

Strategic Plan Goals Addressed/Needs Served

TOS addresses the policy goal (Goal 7) of the Strategic Plan. The division's major functional areas are:

- 1) Accounting – responsible for the day-to-day processing and auditing of accounting transactions, maintaining the general ledger and all aspects of producing accurate financial reports;
- 2) Treasury – handles reviews of OHA's Native Hawaiian Trust Fund, coordination of OHA's annual budget development, and credit and collections. Treasury ensures that resources are allocated within the organization as guided by OHA's long-range and strategic plans;
- 3) Financial Management – ensures that Accounting and Treasury work hand-in-hand in the development of financial plans that are in accordance with OHA's financial policies. These policies safeguard and maximize return on OHA's financial assets; and
- 4) Information Systems – manages and maintains OHA's local and statewide computer information network.

Each year, an independent certified public accounting firm conducts an audit of OHA's financial statements. The financial statements for the fiscal year ending June 30, 2004 are available from OHA's Public Information Office. An unaudited financial summary is included in this report (see table of contents).

FY-04 Highlights

- Creation of OHA's FY-06–FY-07 biennium budget with supplemental legislative budget submission.
- Passage of a Spending Policy provision that establishes a fiscal reserve which can be used as an additional means of financing not subject to OHA's Spending Policy. The provision provides for a recapture of budgeted trust funds not expended in a given year.
- FY-04 was the first full year of investment management by OHA's new investment managers, Goldman Sachs and Frank Russell Company. OHA's investment portfolio showed an overall increase of \$41.3 million.

Treasury and Other Services staff as of June 30, 2004:

James Sharp,
chief financial officer

Jaclyn Aiana,
financial assistant

Kauikeaolani Daunie,
information systems assistant

Gerald Honda,
credit and collections specialist

Tom Kellenberger,
controller

Mylene Lacuesta,
accounting assistant

Alan Lum,
information systems specialist

Cynthia Ota,
accountant

Karyle Saiiki,
secretary

Gwen Valbuena,
accounting assistant

Mona Pang,
accounting assistant

The following personnel served on the TOS staff during FY-04, but left OHA employment before the end of the fiscal year:

Joan Bolte,
chief financial officer

Health, Human Services, Housing and Education

Health, Human Services, Housing and Education staff as of June 30, 2004

Stanley W.O. Lum,
director

Kathryn Keala De Santos,
health and human services specialist

Winona Matsuzaki,
support specialist

Ka'imookalani Muhlestein,
housing specialist

Analika Nāhulu,
health and human services
lead advocate

Layne Richards,
education specialist

José Villa,
housing lead advocate

Ka'iulani Vincent,
education program specialist

The following personnel served on the HHSHE staff during FY-04, but left OHA employment or transferred to another division within the agency before the end of the fiscal year:

Mona Bernardino,
director

Noella Kong,
research specialist

Healani Sonoda,
education/culture specialist

Patti Tancayo Barbee,
housing specialist

Division Mission

The Health, Human Services, Housing and Education Hale (HHSHE) aims to better the conditions of Native Hawaiians in the areas of health care, social service programs, housing and educational opportunities.

Strategic Plan Goals Addressed/Needs Served

In order to address the OHA Strategic Plan goals for education (Goal 4), social services (Goal 8), land and housing (Goal 9) and health (Goal 10), HHSHE contains three sections: Health and Human Services, Housing and Education.

Health and Human Services

Mission

The mission of the Health and Human Services section is to address the health care needs of Native Hawaiians and improve their access to resources and services offered by Hawaiian agencies and other direct service providers.

Needs Served

To help address health and human service needs, an OHA staff person sits on the board of the Papa Ola Lōkahi health care initiative and oversees various projects. OHA also convenes the Native Hawaiian Health Task Force as needed. OHA's activities are directed at achieving a long-term goal of focusing on the needs of the aged and elderly and improving the quality of life for 17,500 Native Hawaiians in the areas of food, shelter and safety.

FY-04 Highlights

- OHA contributed \$678,000 last year to the Multi-Service Project, a program administered through Alu Like Inc. that provides statewide information and referral for social services, emergency funding, technical assistance and follow-up case management.
- OHA also contributed funding to the Individual Development Account, a program administered through Alu Like Inc. that provides a dollar match to low-income beneficiaries interested in saving for the purpose of housing, homeownership, post-secondary education or entrepreneurship.
- Through Sage Plus, a program in collaboration with the State Executive Office on Aging that seeks to increase access to medical benefits for qualified Hawaiians, OHA trained volunteers to enroll kūpuna who were eligible for Medicare, Medicaid and other health benefits.
- OHA also provided funds for the Kūpuna Bus Pass, a program that provides transportation services to kūpuna who are 60 years and older on the islands of Moloka'i, O'ahu and Maui, in order to increase access for kūpuna to necessary health, social and other essential services.

- Under legislative proviso, OHA continued to partially fund the Native Hawaiian Diet Program, which engages communities on a statewide basis to encourage and increase the availability and accessibility of foods that are fresh and locally grown. It promises to strengthen and build communities as well as Native Hawaiian families through education and health promotion.
- OHA helped provide Kalaupapa, Moloka'i, with on-site hemodialysis for Hansen's disease patients whose kidneys are failing. The two hemodialysis machines and a water filtration system were accessible through the State of Hawai'i Department of Health.

‘Āhinahina

‘E huli i ka lau ‘āhinahina o paupauaho auane ‘i—

Seek out the ‘āhinahina leaves lest you run out of breath

(‘Āhinahina was traditionally used as medicine for asthma.)





Kupukupu

Lahilahi ka mu' o o ke kupukupu

e māewa ana i ka pohu lā'i —

*Delicate are the tips of the kupukupu fern
as they sway in the calm*

Health, Human Services, Housing and Education

Housing

Mission

The Housing section works cooperatively with others in building or rebuilding healthy, self-sufficient Native Hawaiian communities. This includes the planning and implementation of programs that foster the development of safe, decent and affordable housing for Native Hawaiians. OHA also assists Hawaiians in achieving equality in living standards.

Needs Served

OHA's housing programs focus on providing homeownership opportunities that particularly fit the needs of Native Hawaiian families. Due to the changing nature of the housing market, OHA is expanding its involvement in other housing-related issues, including affordable rentals, homelessness, transitional housing and creative financing.

FY-04 Highlights

- OHA continued its Homeownership Program, a historic partnership between OHA, Fannie Mae, First Hawaiian Bank and Bank of Hawai'i designed to increase the homeownership rate of Hawaiians. The program features two components:
 - OHA 103 – Designed to remove some of the barriers that prevent Hawaiians from attaining homeownership, this program allows Native Hawaiians to borrow up to 103 percent of the purchase price of a home, which eliminates the need for a down payment and minimizes closing costs.
 - OHA Pathway to Homeownership – These workshops provide Native Hawaiians with information that will help beneficiaries reach their financial goals. Reaching out to over 900 Native Hawaiian households statewide, OHA hired three nonprofit organizations specializing in financial-skills building to conduct these workshops.
- In FY-04, OHA continued to support ongoing self-help housing projects in Kalama'ula, Moloka'i. Through OHA's subsidy, self-help housing organizations help families to build their homes using the group method. Participating families contribute their own labor, or "sweat equity," to reduce the cost of construction.
- OHA has continued to support the six Habitat for Humanity affiliates in the state in their efforts to provide self-help housing for native Hawaiian beneficiaries.
- OHA partnered with the state Department of Land and Natural Resources (DLNR) to support the Kikala-Keōkea Project, which will help resettle residents of the Kikala- Keōkea subdivision in the Kalapana area, whose traditional way of life was ended abruptly in 1983 by volcanic eruptions that destroyed one of the last Hawaiian settlements on the island of Hawai'i.
- OHA's trustees agreed to reinstate the OHA Homesteader Loan Program. Established in 1993, this program provided 536 Hawaiian families with self-help housing, home improvement, interim construction and down payment loans in homestead communities throughout the state.
- OHA contracted the PA'I Foundation to prepare a housing-needs assessment. Based on their results and other sources, OHA staff is preparing an overall plan to address the housing needs of Native Hawaiians.

Health, Human Services, Housing and Education

Education

Mission

To facilitate educational opportunities for Native Hawaiians that are culturally sound and promote academic success. In addition, OHA places an emphasis on helping its beneficiaries achieve age appropriate literacy.

Needs Served

OHA's objectives in education are: to enhance the pride, integrity and resources of the Hawaiian 'ohana by increasing the understanding of Hawaiian values, learning style and culture as they relate to education; to affect policies relating to educational opportunities for Hawaiians; to disseminate information on educational services; and to promote and support the teaching of Hawaiian culture and language in both public and private schools.

To assist in meeting these goals, OHA staff sits on the Native Hawaiian Education Council; the advisory council for Pihana Nā Mamo, a state Department of Education (DOE) program for schools with students with disabilities; and the DOE's Hawaiian Language Immersion Advisory Council.

FY-04 Highlights

- OHA provided funding to Kula Aupuni Ni'ihau a Kahelelani, a public charter school that serves Ni'ihau Hawaiians living on Kaua'i.
- OHA provided the University of Hawai'i at Hilo with \$581,948 in funding for its Nā Pua No'eau program for gifted and talented Native Hawaiian children. This program reaches 600 children on six islands.
- The 17th annual 'Aha 'Ōpio o OHA youth leadership program was held at the University of Hawai'i at Mānoa in early summer. Since its inception, more than 800 Hawaiian students have attended this week-long, live-in program, which provides hands-on leadership experiences and training in public speaking, parliamentary procedure and group political interaction – all in a Hawaiian cultural setting.
- OHA's annual convocation of Hawaiian elders, the 'Aha Kūpuna Ku'ikahi a nā Kūpuna, was held at the Turtle Bay Resort on June 2-4, 2004, with some 80 kūpuna gathering to learn with and from each other. The three-day event concluded with the annual Kūpuna Living Treasures Awards, which this year honored five outstanding elders for their contributions to the community.
- OHA's second annual Nā 'Ōiwi 'Ōlino student essay, poster and debate contest was held at the East-West Center on Dec. 6, 2003. Students from Hawaiian immersion, charter schools and all public high schools were invited to participate. More than 200 entries were received, and winners came from a wide variety of schools.
- OHA continued to work with the state Department of Education by providing up to \$500,000 each year for five years to support Ke Kula Kaiapuni, the DOE's Hawaiian language immersion program. As part of the settlement in the *OHA v. DOE* lawsuit, OHA assists Ke Kula Kaiapuni in a 2:1 funding ratio. This was year four of the five-year agreement.
- OHA staff provided assistance and information to students and parents seeking financial aid by participating in community and college financial aid fairs.
- OHA provided \$1,500 for 10 Native Hawaiian students to attend Harvard Medical School's six-week summer program.
- OHA continued its support of the University of Hawai'i at Hilo's master's degree program in Hawaiian language and literature. Under a five-year grant, OHA has provided \$61,128 each year to support the development and implementation of this first graduate degree in any native language. This fiscal year was the last year of the grant.

- OHA began a five-year sponsorship of the Center for Hawaiian Studies at the University of Hawai'i at Mānoa. OHA provides \$305,000 each year to support the continued development and implementation of Hawaiian studies courses, as well as research and training on ceded lands issues.
- Two Miss Aloha Hula contestants tied to receive OHA's Hawaiian Language Award at the annual Merrie Monarch Festival in Hilo. Each recipient received a \$1,000 cash prize.
- OHA provided \$38,189 to Alu Like Inc. to develop and implement a kūpuna-lead cultural and values education program for incarcerated youth at the Hawai'i Youth Correctional Facility.
- OHA provided \$20,000 to the American Civil Liberties Union to develop and implement the Hawai'i Juvenile Justice Project, which in turn will create a statewide network to work on the reduction of children inappropriately detained at the Hawai'i Youth Correction Facility. The project will also redirect public funds towards the greater use of alternatives to incarceration and make other systemic improvements to the juvenile justice system so that more children will be successfully reunited with their families and communities.
- OHA provided \$2,226 to Olomana School for the purchase of additional computer hardware for IT programs at the Hawai'i Youth Correctional Facility.
- OHA provided funds to support outstanding Hawaiian educators recognized at the Native Hawaiian Education Association's annual convention.



Pōhūehue

*Pi' i kē kai nalu i ka pōhūehue, e hē 'e nalu pū kākou! —
Pōhūehue brings forth the rising swell, let's go surf!*

Native Rights, Land and Culture

Native Rights, Land and Culture staff as of June 30, 2004

Lance Foster,
director

Apolei Bargamento,
administrative assistant

Pomaialoha Cox,
administrative assistant

Heidi Kai Guth,
policy advocate

Matthew Myers,
policy advocate

Jonathan Likeke Scheuer,
lead advocate

The following personnel served on the NRLC staff during FY-04, but either left OHA employment or transferred to another division within the agency before the end of the fiscal year:

Pua Aiu,
lead advocate

'Ainoa Nani'ole,
policy advocate

Jerry Norris,
policy advocate

Native Hawaiian Historic Preservation Council members

Kalani Flores,
chair, Hawai'i

Charles Burrows,
vice chair, O'ahu

Jeno Enocencio,
council member, Hawai'i

Lanihuli Freidenburg,
council member, Maui

Halona Kaopuiki,
council member, Moloka'i

Kamika Kepaa,
council member, Maui

Sweet Matthews,
council member, O'ahu

Clarence Medeiros,
council member, Hawai'i

Butch Richards,
council member, O'ahu

Kawehi Ryder,
council member, O'ahu

Lei Wann,
council member, Kaua'i

Nani Watanabe,
council member, Lāna'i

Mission

The mission of the Native Rights, Land and Culture (NRLC) Hale is to advocate for the rights, land and culture of the Hawaiian community at the international, federal, state and county levels.

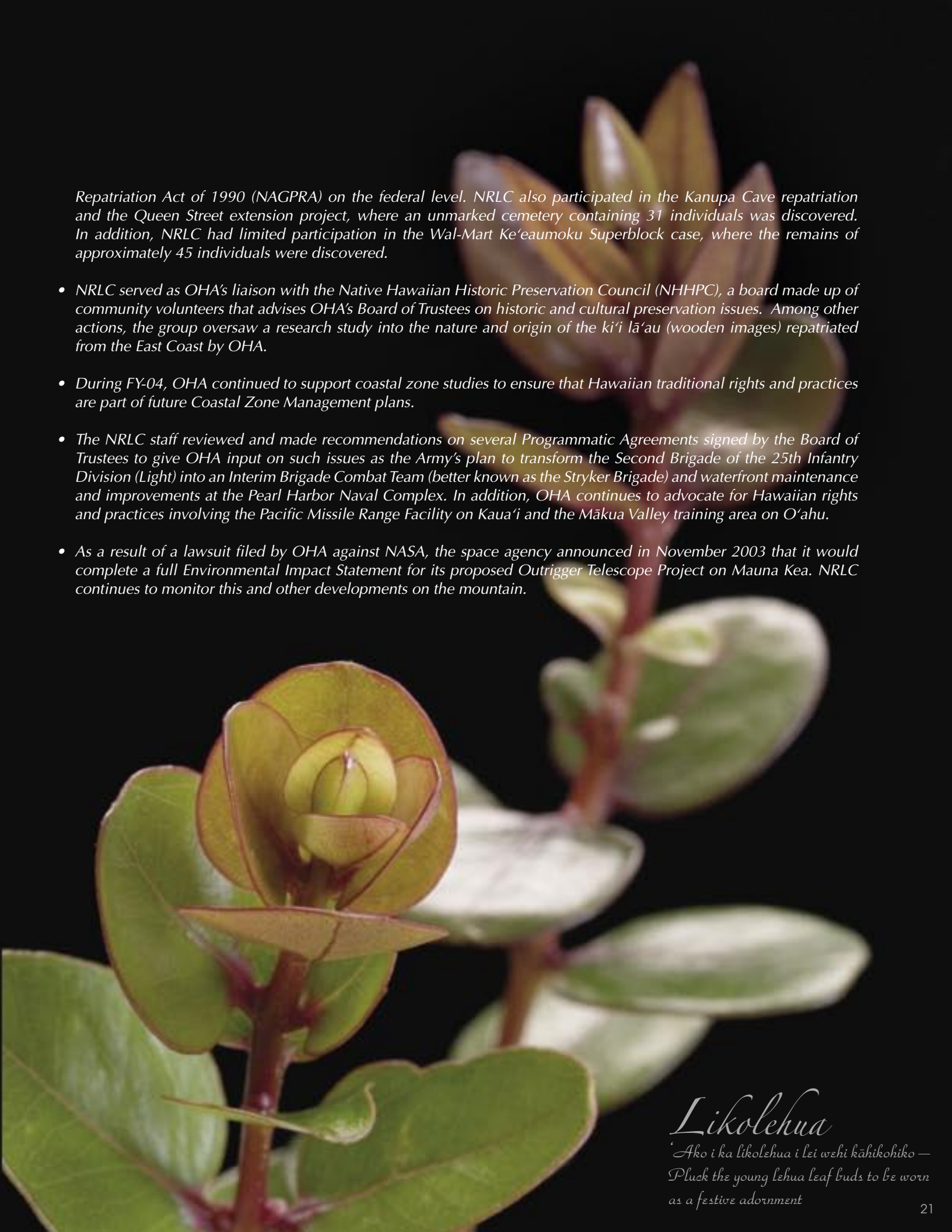
Strategic Plan Goals Addressed/Needs Served

NRLC addresses the following Strategic Plan goals: advocacy-native rights (Goal 1), culture (Goal 2), environment/natural resources (Goal 5) and land and housing (Goal 9).

NRLC's advocacy efforts include the protection of Hawaiians' traditional and customary rights, as well as ensuring that federal, state and county resources are proportionately directed to Hawaiian needs. NRLC reviews proposed federal, state and county legislation and regulations, and reviews, comments and consults on proposed federal, state and county projects. Private projects are also reviewed, and relevant comments are submitted to reviewing agencies for consideration or inclusion into environmental impact statements and other reviews.

FY-04 Highlights

- During the 2004 legislative session, NRLC staff tracked and presented testimony for approximately 300 pieces of legislation. NRLC staff also provided assistance to other state agencies and the Legislative Reference Bureau on a wide variety of legislative issues and regularly attended other agency meetings, including the Board of Land and Natural Resources, Board of Water Supply, Land Use Commission and Island Burial Councils.
- NRLC responded to requests for comments on land-altering activities in the state, focusing on how development will affect Hawaiian access and traditional-practice rights, as well as the possibility of affecting historic, cultural or burial sites. NRLC also participated in National Historic Preservation Act (NHPA) Section 106 consultations on projects with federal funding or on federal land.
- During FY-04, NRLC staff responded to:
 - 136 Environmental Assessments, Cultural Assessments, and Environmental Impact Statements;
 - 78 NAGPRA or Section 106 requests for concurrence or consultation
 - 261 land and ocean-based administrative actions/permits/requests
 - 10 water permit applications
- NRLC staff maintained an active role in monitoring actions by the State Commission on Water Resource Management, including the Waiāhole water case, in which the state Supreme Court handed down a second decision on June 21, 2004. Staff also objected to water use permit applications by private users on O'ahu and Maui that made no attempt – as is legally required – to show that they will not harm Native Hawaiian water rights by their proposed use.
- NRLC monitored grants to the Native Hawaiian Legal Corporation (NHLC) and made referrals to its intake program.
- NRLC helped oversee the implementation of Chapter 6E, Hawai'i Revised Statutes (HRS) on the state and county level and the Native American Graves Protection and



Repatriation Act of 1990 (NAGPRA) on the federal level. NRLC also participated in the Kanupa Cave repatriation and the Queen Street extension project, where an unmarked cemetery containing 31 individuals was discovered. In addition, NRLC had limited participation in the Wal-Mart Ke'eaumoku Superblock case, where the remains of approximately 45 individuals were discovered.

- *NRLC served as OHA's liaison with the Native Hawaiian Historic Preservation Council (NHHPC), a board made up of community volunteers that advises OHA's Board of Trustees on historic and cultural preservation issues. Among other actions, the group oversaw a research study into the nature and origin of the ki'i lā'au (wooden images) repatriated from the East Coast by OHA.*
- *During FY-04, OHA continued to support coastal zone studies to ensure that Hawaiian traditional rights and practices are part of future Coastal Zone Management plans.*
- *The NRLC staff reviewed and made recommendations on several Programmatic Agreements signed by the Board of Trustees to give OHA input on such issues as the Army's plan to transform the Second Brigade of the 25th Infantry Division (Light) into an Interim Brigade Combat Team (better known as the Stryker Brigade) and waterfront maintenance and improvements at the Pearl Harbor Naval Complex. In addition, OHA continues to advocate for Hawaiian rights and practices involving the Pacific Missile Range Facility on Kaua'i and the Mākua Valley training area on O'ahu.*
- *As a result of a lawsuit filed by OHA against NASA, the space agency announced in November 2003 that it would complete a full Environmental Impact Statement for its proposed Outrigger Telescope Project on Mauna Kea. NRLC continues to monitor this and other developments on the mountain.*

Likolehua

*'Ako i ka likolehua i lei wehi kāhikohiko —
Pluck the young lehua leaf buds to be worn
as a festive adornment*

OHA Mission Statement

"To mālama Hawai'i's people and environmental resources, and OHA's assets, toward ensuring the perpetuation of the culture, the enhancement of lifestyle and the protection of entitlements of Native Hawaiians, while enabling the building of a strong and healthy Hawaiian people and nation, recognized nationally and internationally."

Vision

"Ho'oulu Lāhui Aloha – To Raise a Beloved Nation"



Kalo

*'O Hāloa ke kalo, 'o Hāloa ke kanaka. E ola nā mamo a Hāloa ē —
Hāloa is the taro, Hāloa is the man. Grant life to Hāloa's descendants*



Economic Development

Economic Development staff as of June 30, 2004

Charles "Chip" McClelland,
director

Gilbert Fernandes Jr.,
CMLP loan officer

Dana Hauani'o,
CMLP supervisor and
business loan officer

Leona Kalima,
CBED specialist

Sharon Kato,
loan operations assistant

Beata Kozdras,
financial analyst

Susan Maltezo,
finance and operations officer

Dean Oshiro,
NHRLF manager and
senior loan officer

The following personnel served on the Economic Development staff during FY-04, but left OHA employment before the end of the fiscal year:

Carolyn Afong,
loan operations assistant

Noel Fujimoto,
business loan officer

Mission

To create and retain wealth for Native Hawaiians and assure their economic solvency.

Strategic Plan Goals Addressed/Needs Served

In order to address Strategic Plan Goal 3 (economic development), the Economic Development Hale currently operates three programs: the Native Hawaiian Revolving Loan Fund, the Consumer Micro-Loan Program and the Community Based Economic Development program.

Native Hawaiian Revolving Loan Fund

Mission

To increase sustainable Native Hawaiian-owned businesses by fostering economic independence, commitment and fiscal responsibility through entrepreneurial development.

Needs Served

The Native Hawaiian Revolving Loan Fund (NHRLF) provides entrepreneurial training, assistance and lending to Native Hawaiian-owned businesses. The purpose of the program is to expand business ownership and employment opportunities for Native Hawaiians.

Since its inception in 1987, the NHRLF, administered by OHA and federally supported by the Administration for Native Americans, has disbursed 368 business loans totaling \$16 million, which has resulted in the creation of 1,054 jobs. The NHRLF has processed over 18,100 loan inquiries. Statewide entrepreneurial training and business assistance is provided through contracted consultants, who have assisted over 4,300 Native Hawaiians.

FY-04 Highlights

- 12 loans approved for \$424,500
- 10 loans disbursed, totaling \$329,500
- 15 jobs either created or retained
- 16 loans repaid in full, totaling \$613,625
- 236 Native Hawaiians provided with training and/or business assistance
- 14 directors continue to serve on the NHRLF Advisory Board on a voluntary basis

Kou

Kui 'ia nā pua kou i lei ho' okipa malihini —

Kou blossoms are strung into a lei that bids welcome

Consumer Micro-Loan Program

Mission

The Consumer Micro-Loan Program (CMLP) was created to address a gap in financial services that OHA offers the Hawaiian community. This program provides capital to Native Hawaiians without regard to low income criteria and net worth qualifications in the form of consumer loans with a lower interest rate and lower monthly payments than offered by most other financial lending institutions.

Needs Served

The CMLP is designed to provide low-cost loans with extended terms to Native Hawaiians experiencing temporary financial hardship as a result of unforeseen events, or who wish to enhance existing career opportunities. Loans are limited to \$7,500 per individual for a maximum term of five years at a fixed interest rate of 5 percent.

Purposes for which applications were approved included: auto repair, home repair, funeral expense, hearing aid, roof repair, emergency travel, handicap access to home, solar water heater repair, emergency daycare, legal fees, medical procedure, rental security deposit, home generator replacement and various career development courses.

FY-04 Highlights

The Board of Trustees authorized the CMLP in November 2003. It was funded with \$500,000 as a revolving consumer loan fund and officially launched on March 15, 2004. Since its inception the program has received 231 inquires, with 229 completed applications. There have been 52 loans approved statewide for a total of \$259,467.





Maile

He nani laha 'ole ka pua maile —

A rare sight to behold is the flowering maile

Economic Development

Community-Based Economic Development

Mission

To assist Hawaiians and Hawaiian community-based organizations in achieving equality in economic endeavors through community enterprises.

Needs Served

The Community-Based Economic Development (CBED) program assists community-based membership organizations with grassroots and entrepreneurial initiatives to develop and empower sustainable economic development projects. These communities are defined by a common geography or shared interests.

OHA provides funding for training and technical assistance to these organizations to assure their capacity, stability and sustainability. OHA's active involvement in the CBED Statewide Advisory Council has helped advance the portion of OHA Strategic Goal 7 (policy) that relates to developing partnerships with other state agencies and the private sector.

FY-04 Highlights

- In February, the Hawai'i Alliance for Community Based Economic Development (HACBED) hosted a CBED conference titled "Families Defining Wealth in Hawai'i," which featured some of the most outstanding lecturers on the CBED movement both from the continental United States and throughout Hawai'i. More than 30 participants were afforded the opportunity to attend through scholarships funded by OHA.
- OHA provided funding for organizational capacity building to Ke Aupuni Lōkahi, Inc. – a Moloka'i initiative addressing the empowerment of the enterprise zone and plans for a Moloka'i Land Trust.
- OHA provided funding for organizational capacity building to Ho'omana Inc. – a Kaua'i organization that advocates for the critical needs of severely challenged youth. The organization has developed a site for a thrift shop to assist in its need to be more self-sustaining.
- OHA provided curriculum-development funding to the North Kohala Community Resource Center – a partnership of three Hawai'i island high schools (Honoka'a, Kohala and Konawaena) that are working with high-risk youths in conjunction with teachers and mentors to develop a youth entrepreneurship curriculum specific to the island's needs, which could be used or modified for implementation throughout Hawai'i.



Hawaiian Governance

Hawaiian Governance staff as of June 30, 2004

Mona Bernardino,
director

Aulani Apoliona,
community outreach coordinator

Chantelle Belay,
policy advocate

Lani Ho'omana,
administrative assistant

Myrna Junk,
administrative assistant

Hökūlei Lindsey,
policy advocate

Michele Oka,
administrative assistant

Albert Tiberi,
policy advocate

The following personnel served on the Hawaiian Governance staff during FY-04, but left OHA employment or transferred to another division within the agency before the end of the fiscal year:

Peter Yee,
director

Richard Pezzulo,
director

Brian Stockes,
lead advocate

Mission

Hawaiian Governance seeks to facilitate the creation of a Hawaiian nation by actively involving the Hawaiian community and helping to build support for Hawaiian nationhood among both Hawaiians and non-Hawaiians.

Strategic Plan Goals Addressed/Needs Served

Formation of a Hawaiian nation is critical to protecting Hawaiian programs, entitlements and trusts from legal attacks. In order to address OHA Strategic Plan Goal 6 (nationhood), the Hawaiian Governance Hale works to bring the Hawaiian community together for discussion and creation of a Hawaiian nation. This is done by conducting informational meetings in the community, sponsoring informational events and inviting interested community members to participate in the Hawaiian Coalition, the group helping to determine the steps that will be taken to create a Hawaiian governing entity.

FY-04 Highlights

- *To preserve federal recognition as a governance option for Hawaiians, OHA trustees voted to support the Akaka Bill, a congressional measure that would give Hawaiians a process to seek federal recognition. In August, OHA gathered more than 10,000 letters in support of federal recognition and sent them to Congress. In addition, OHA obtained national support for federal recognition for Native Hawaiians from a broad range of Native American, Alaska Native, Asian Pacific American and civil rights groups.*
- *OHA continued taping a semi-monthly roundtable discussion show on 'Ōlelo Community Television, covering such topics as federal recognition, alternatives to federal recognition, history of the Hawaiian sovereignty issue and international law. OHA also sponsored three live, prime-time television programs: a debate on federal recognition at the East-West Center in August, a call-in show on general Hawaiian issues in October and a panel discussion with call-in questions about the Akaka Bill, which aired in June.*
- *OHA continued to reach out to the Hawaiian community by holding informational meetings throughout Hawai'i and on the continent. Meetings were held on all six major islands in partnership with civic clubs, neighborhood boards, rotary clubs, business organizations, college classes, Hawaiian agencies and individual 'ohana. Meetings were also held in cities throughout California, as well as in Phoenix, Las Vegas, Denver and Salt Lake City.*

OHA also sponsored Ho'oulu Lāhui Aloha Family Day at Kapi'olani Park, which was held in conjunction with the Kū I Ka Pono march in September, and a Leadership Summit at Waimea Falls Park in November.

- *Community members helped to design a form for enrollment of Hawaiians interested in participating in the formation of a Native Hawaiian governing entity. The kick-off for the "Kau Inoa" enrollment drive took place in front of Ali'iōlani Hale in January. OHA has contracted with Hawai'i Maoli, a nonprofit arm of the Association of Hawaiian Civic Clubs, to serve as a neutral repository for Kau Inoa registration forms. Various community organizations have lent support to Kau Inoa and agreed to conduct enrollment in their communities.*

- To help determine the steps in building a nation, OHA convened a group now referred to as the Hawaiian Coalition. All Hawaiians interested in helping to form a nation are invited to attend the meetings. The coalition held three meetings this year and will continue to meet. It is hoped that the coalition will move forward expeditiously to agree on the steps needed for nation-building.
- To assist Native Hawaiians in visioning what a Hawaiian nation might look like, OHA convened its first visioning conference in May. About 150 Hawaiians from six major islands participated. Our plan is to conduct two more conferences on neighbor islands in the coming year.
- Hawaiian Governance initiated a semi-monthly e-newsletter, entitled *Ho'okahua*, which is sent to all Hawaiians on our e-mail list. In addition, Hawaiian Governance has sought to correct inaccurate information in the community through a monthly column in OHA's *Ka Wai Ola o OHA* newspaper titled "Setting the Record Straight," and by responding to articles and letters to the editor in Honolulu's daily newspapers. Hawaiian Governance also authors a monthly column in *Ka Wai Ola o OHA* featuring profiles of past and present-day Hawaiians living outside of Hawai'i.



Koki'o 'Ula'ula

*Ua mōhala kē koki'o 'ula'ula i ka mēhana o ka lā —
The red koki'o blooms in the warmth of day*



Pā'ūohi'iaka

*Malumalu ka pā'ūohi'iaka i ka 'ēna'ēna o ke awakea —
The "skirt of Hi'iaka" protects from the scorching, mid-day heat*

Office of Board Services

Mission

The Office of Board Services (OBS) was created at the beginning of FY-04 to improve the efficiency and effectiveness of OHA policymaking, programs and operations, and to manage information needed to reach decisions that lead to the achievement of OHA's mission and goals.

Strategic Plan Goals Addressed/Needs Served

OBS serves as custodian of BOT records and supervises the revision, codification and printing of BOT policies, by-laws and related materials. OBS also monitors and reports on the administration and staff's fulfillment of BOT actions.

OBS primarily addresses Strategic Plan Goal 7 (policy), which states: "to provide an effective and efficient administration of OHA." Further, by creating an archive and a central filing system intended to preserve records of Hawaiian traditions, practices and rights, OBS addresses the Strategic Plan goals relating to culture (Goal 2) and education (Goal 4). In addition, through its oversight of OHA's Hawaiian Registry program, OBS addresses Strategic Plan Goal 6 (nationhood).

FY-04 Highlights

- OBS developed and began implementation of a management system to monitor and report on the administration and staff's fulfillment of BOT actions. The Research program area was added to OBS in November of 2003 with a principal goal of assisting in program development and better preparation of action items. OBS also prepared two action items and several resolutions for submittal to the BOT.
- OBS created the agency's first Records Management Program and wrote policies and procedures for records management, retention and disposal. OBS also worked with OHA staff to prepare retention schedules and to properly classify and dispose of files according to state rules.
- OBS reviewed lease options and negotiated a five-year lease with Pacific Park Plaza for OHA's headquarters, which featured a rental rate reduction of 22 percent and an office space expansion of 2,300 square feet.
- OBS initiated and managed the redesign of office space at OHA's headquarters to provide greater functionality and efficiency for each division of the agency.
- During FY-04, the Hawaiian Registry program, which falls under OBS, issued 987 Hawaiian Registry picture ID cards and participated in 17 events. The goal of the Hawaiian Registry program is to unify and motivate Hawaiians towards involvement in questions of sovereignty, self-determination and self-governance.
- OBS coordinated OHA's participation in the 2004 Prince Kūhiō Day Parade.
- OBS helped coordinate the faxing of 1,300 letters relating to the Akaka Bill to each member of the U.S. Senate.

Office of Board Services staff as of June 30, 2004

Mark B. Glick,
director

Buzzy Agard,
beneficiary services assistant

Haunani Ching,
records management specialist

Jennifer Chiwa,
facilities coordinator

Joanie Martinez,
board services assistant

Joanne Medeiros,
purchasing technician

Luci Meyer,
beneficiary services specialist

Clayton Nakamoto,
board services specialist

Dominique Silva,
beneficiary services assistant

Lea Young,
research specialist

The following personnel served on the OBS staff during FY-04, but transferred to another division within the agency before the end of the fiscal year:

Aulani Apoliona,
records management specialist

Carolina Lam,
board services specialist

Office of the Staff Attorney

Office of the Staff Attorney staff as of June 30, 2004

Ernest M. Kimoto,
senior staff attorney

John James McMahon,
associate staff attorney

Shirley E. Okamoto,
legal assistant

Mission

The mission of the Office of the Staff Attorney (OSA) is to meet the legal needs of OHA's administration in order to ensure compliance with applicable laws.

Strategic Plan Goals Addressed/Needs Served

As an integral part of OHA's infrastructure, the Office of the Staff Attorney participates in the strategic, organizational and operational planning of the agency, the implementation of those plans and budget development. In FY-04, the OSA focused on providing assistance and support to the trustees, the administrator and staff to meet the Strategic Plan goals in the areas of land and environment, health, education, housing and human services, economic development, advocacy and entitlements.

The OSA provides legal services in these primary areas:

- *Consultation and advice on the applicability of federal and state statutes, rules and regulations;*
- *Legal opinions and internal advisory memoranda on legal issues;*
- *Consultation and advice on matters of ethics and standards of conduct;*
- *Consultation and advice on procurement of goods, services and construction for OHA in compliance with state laws, and on contract drafting;*
- *Legal review of agency contracts for compliance with agency policies and procedures, and with applicable federal and state laws and regulations;*
- *Drafting of contracts and other transactional documentation;*
- *Monitoring, as appropriate, of outsourced legal services contracts;*
- *Maintenance of the central repository for all original contracts negotiated and concluded by OHA personnel;*
- *Oversight of compliance with the Americans with Disabilities Act (ADA)*
- *Responses to information requests on matters in litigation under the Uniform Information Practices Act;*
- *Drafting and legal review of proposed legislation;*
- *Minor litigation in which OHA is a party; and*
- *Education and training of staff on procurement and contracting.*

FY-04 Highlights

- *Provided oral and written advisories on issues presented to the administrator, Board of Trustees and staff on matters related to OHA policy-making, operations and management.*
- *Provided guidance on ethics and standards of conduct, the Americans with Disabilities Act and Uniform Information Practices Act;*
- *Provided staff consultation and guidance for contract drafting and the purchases of goods, services and construction;*
- *Conducted legal reviews of transactional documents and other legal instruments drafted by staff; and*
- *Successfully defended OHA in a lawsuit brought by plaintiff Fergerstrom in U.S. District Court and obtained dismissal of the case.*

Kauila

'Akahi ho 'i au a 'ike i kē kauila, hē pua nani mae 'ole —

For the first time, I've seen the kauila, a blossom whose beauty is unfading





Kā

Momona ke kō i ka 'awa 'awa a maika'i —

Sugar cane sweetens even the most bitter of tastes.

Mission

To effectively oversee the human resources management capabilities of the agency.

Strategic Plan Goals Addressed/Needs Served

The Human Resources department addresses Goal 7 (policy), Strategy 1, which seeks to provide an effective and efficient administration of the Office of Hawaiian Affairs.

Human Resources serves such agency needs as wage and benefit administration, payroll services, employee services, staff development, leave accounting, employment law compliance, personnel budgetary support and personnel record keeping, and related areas in accordance with applicable statutes, standards and guidelines. Electronic timesheet processing, personnel budgetary support, payroll and Oracle Human Resources Management Systems maintenance were functions that continued under Human Resources in FY-04. With the creation of the Office of Board Services in FY-04, the Facilities Management Unit and its staff of three were re-assigned to that office.

FY-04 Highlights

During the past fiscal year, the Human Resources department developed and/or streamlined the following programs:

- *Recruitment, examination and placement*
- *Orientation*
- *Leave accounting*
- *Safety and security*
- *Staff development*
- *Service awards*
- *Employee Assistance Program*
- *Oracle Human Resources Management System, including time and labor, timekeeper and other modules*
- *Personnel records review*
- *Pay processing activities*
- *Aloha United Way fundraising*
- *Trustee Recognition Program*
- *Trustee and Trustee Staff Training Program*
- *Employee Union Trust Fund Benefits Open Enrollment*
- *Responses to the State Auditor's requests for information*
- *CitiStreet deferred compensation notice to participants*

Human Resources staff as of June 30, 2004

Alvin Kushima,
personnel manager

Annette Hayashi,
personnel specialist

Sally Koba,
personnel specialist

Tane Mosher,
personnel specialist

Planning, Evaluation and Grants

Planning, Evaluation and Grants staff as of June 30, 2004

Peter Yee,
director

Paulette Hedemark,
evaluation specialist

Nancy King Holt,
grants specialist

Stephanie Kon,
grants specialist

Carolina Lam,
grants specialist

Rona Rodenhurst,
planning specialist

Mission

The mission of Planning, Evaluation and Grants (PEG) is to monitor the implementation of OHA's Strategic Plan, while at the same time improving the efficiency and effectiveness of OHA operations and programs through the use of sound evaluation and reporting. In addition, PEG administers the OHA Grants Program, which provides funding to improve the conditions for Hawaiians in the areas of social services, education, housing and culture.

Strategic Plan Goals Addressed/Needs Served

PEG addresses the policy goal (Goal 7) of the Strategic Plan, which states: "to provide an effective and efficient administration of OHA."

Planning

The Planning Unit of PEG is primarily responsible for monitoring, reporting and updating OHA's Strategic Plan. This unit also provides general planning, development and implementation assistance to the agency's divisions. By virtue of the planning staff's skills and experience, this section also provides cultural assistance, Hawaiian language advice and educational information.

FY-04 Highlights

Planning staff:

- Helped plan the keiki events for the Family Day event held in September 2003;
- Helped plan and implement the nationhood Visioning Conference held in May 2004;
- Assisted in developing prototype of Governance Study Guide;
- Conducted OHA Hawaiian Language classes in coordination with Grants Specialist Nancy King Holt; and
- Served on advisory board of Ho'owaiwai i nā Kamali'i, the Native Hawaiian Early Education and Care Project.

Evaluation

The Evaluation Unit systematically evaluates OHA programs, projects and contracts to assess their merit for the Hawaiian community. Its goals include:

- To be the main resource for objective evaluations of OHA programs and projects;
- To streamline OHA's efforts through effective monitoring of programs and projects;
- To provide stakeholders with timely and credible evaluations.

Evaluations are critical to assess the effectiveness of OHA programs and projects that benefit the Hawaiian community and to assist in determining future funding. Information obtained through research, reports, interviews and surveys are analyzed and presented to OHA administrative directors to provide information for major decisions.

FY-04 Highlights

The programs evaluated during the fiscal year included:

- Ni'ihau School of Kekaha
- Native Hawaiian Diet
- Native Hawaiian Legal Corporation

ʻAwapuhi Kuahiwi

*No ka uka līhau anu ka ʻawapuhi kuahiwi —
From the cool uplands is the ʻawapuhi kuahiwi*

Grants

The Office of Hawaiian Affairs is committed to serving Native Hawaiians through grant awards to support cultural, educational and socio-economic programs, as well as to assist health and human service agencies and organizations that provide for OHA's beneficiaries. To support this activity, OHA provides technical assistance with proposal writing and project planning. OHA also encourages Hawaiians to seek grants from all possible public and private sources.

FY-04 Highlights

The Grants Program received a total of 109 applications by the November 2003 grants deadline. After thorough review and consideration, the Board of Trustees (BOT) awarded \$970,065 to 21 projects. The administrator also authorized awards totaling \$607,887 to 33 projects, pursuant to the authority delegated to him by the BOT in December 2002. In addition, Grants Program staff began conducting statewide grants workshops to inform potential grant recipients of the program and its requirements.

The BOT also granted awards to the following programmatic initiatives:

- Waimea Valley Audubon Society
- Nā Leo Pulama o Maui
- Waiʻanae Maritime Academy
- Construction Training Center of the Pacific
- Kūpuna Bus program
- Olomana School project
- Hawaiʻi Technology Institute
- State Department of Health and St. Francis Medical Center for dialysis machines on Kalaupapa, Molokaʻi

The Office of Hawaiian Affairs also funded annual appropriations to the following:

- Nā Pua Noʻeau – Native Hawaiian gifted and talented program through the University of Hawaiʻi at Hilo
- Native Hawaiian Legal Corporation
- Alu Like Inc. for its Multi-Service System Project
- Native Hawaiian Diet





Iliahi

*ʻE lei i ka 'iliahi i ke kau mai o ke ahiahi —
Wear the 'iliahi blossoms as an adornment
when evening approaches*

Government Relations and Legislative Affairs

Mission

The Government Relations and Legislative Affairs (GRLA) division is responsible for the promotion, protection and advocacy of Native Hawaiian rights and entitlements at the federal, state and county levels.

Strategic Plan Goals Addressed/Needs Served

Advocacy efforts include the protection of Hawaiians' traditional and customary rights, as well as ensuring that federal, state and county resources are proportionately directed to Hawaiian needs. These efforts fall under the Strategic Plan goals for advocacy-native rights (Goal 1) and culture (Goal 2).

GRLA also addresses various other Strategic Plan goals by reviewing proposed legislation and regulations and preparing testimony for review by the administrator and the Board of Trustees dealing with such issues as access and traditional gathering rights, economic development, education, environment and natural resources, social services, land and housing, health and those issues directly impacting OHA.

The division works closely with state, county and federal legislators to develop and promote legislation, regulations and programs to better the conditions of Native Hawaiians. In addition, GRLA coordinates public forums to discuss Native Hawaiian issues in order stimulate involvement by the community at large.

FY-04 Highlights

- For the 22nd state legislative session, GRLA staff reviewed over 7,000 bills. OHA trustees took positions on more than 600 of the bills, and OHA provided testimony on more than 200. These activities were summarized in the 2004 OHA Legislative Report prepared by GRLA staff.
- OHA sponsored two legislative briefings on OHA's history and legislative package. The first briefing was for 31 newly elected state legislators, while the second, for all members of the Senate and House, was attended by more than 225 members and staff.
- GRLA staff, in concert with OHA's Public Information Office (PIO), prepared two legislative reports for inclusion in OHA's monthly newspaper, *Ka Wai Ola o OHA*. In one of the reports, GRLA staff invited experts on Hawaiian issues to review key bills and published their findings and recommendations.
- GRLA also reviewed proposed federal bills and regulations and provided copies to OHA staff and sister organizations as appropriate. GRLA also drafted testimony on selected proposed federal legislation, including S. 519, the Native American Capital Formation and Economic Development Act of 2003.
- GRLA provided research and prepared testimony for proposed county ordinances, including the protection of Waimea Falls Park in partnership with the Audubon Society and advocating the repeal of mandatory leasehold conversion (Chapter 38).
- GRLA staff assisted in the production of three live television forums on major Hawaiian issues that aired on local network affiliates: *Hawaiian Federal Recognition – Where Do You Stand?*; *Ho'oulu Lāhui Aloha – To Raise a Beloved Nation*; and *The Akaka Bill – Myth or Reality*.

GRLA also assisted in the production of 17 episodes of OHA's roundtable television show on Hawaiian issues, *Ho'oulu Lāhui Aloha*, which aired on 'Ōlelo Community Television, and two one-hour productions for the Kapi'olani Community College series *You And The Law*.

As appropriate, GRLA provided research and prepared testimony for proposed county ordinances. Examples include the protection of Waimea Falls Park in partnership with the Audubon Society and advocating the repeal of leasehold conversion (Chapter 38) to protect ali'i trust land assets.

Government Relations and Legislative Affairs staff as of June 30, 2004

Ronald B. Mun,
deputy administrator

Anita Manzano,
secretary to the deputy administrator

Jerry B. Norris,
federal desk officer

David Rodriguez,
policy analyst

Public Information Office

Public Information Office staff as of June 30, 2004

Manu Boyd,
public information director

Derek Ferrar,
public information specialist

Leialoha Lono'ae'a,
secretary

Michael McDonald,
publications specialist/art director

Charlie Ogata,
volunteer

'Aukai Reynolds,
media production specialist

Sterling Kini Wong,
publications editor

The following personnel served on the
PIO staff during FY-04, but left OHA
employment before the end of the
fiscal year:

Naomi Sodehani,
publications editor

Mission

The Public Information Office (PIO) serves the communications, publications, graphic design, public relations, multi-media production and informational needs of the Office of Hawaiian Affairs. PIO coordinates the dissemination of OHA programs and policies as well as general information to the Hawaiian community and general public through various print, electronic and broadcast media.

Strategic Plan Goals Addressed/Needs Served

PIO coordinates all communications internally and externally, including publications such as the monthly newspaper *Ka Wai Ola o OHA*; OHA website development and maintenance; multi-media production; graphic design and art direction; photography and video; media relations; electronic newsletters; special events support; 'Ōlelo Roundtable Discussion Forum direction and production; and general information requests received at info@oha.org.

PIO functions support Goal 7.1 of the OHA Strategic Plan: "To provide an effective and efficient administration of OHA." In addition, PIO supports all other goals as the entity responsible for dissemination of all OHA-related information to the media, the Hawaiian community and the general public.

FY-04 Highlights

- PIO produced 12 issues of *Ka Wai Ola o OHA (KWO)*, a typically 20-page newspaper focusing on Hawaiian news, features and events. *KWO* reaches some 55,000 readers throughout Hawai'i and about 4,500 on the U.S. continent free of charge. *KWO* content is produced by PIO staff with regular contributions from community members. OHA trustees are provided column space each month to share information they deem appropriate, and free space is offered to the public for family reunion announcements, community discussion columns, letters to the editor and burial notices. The public may also advertise in *KWO* through classified or display advertisements.
- PIO designs and maintains three principal websites to electronically disseminate pertinent information on OHA worldwide. www.oha.org features general information on OHA, Board of Trustees information, news releases, publications and more. www.nativehawaiians.com provides information on federal recognition, and www.hlid.org centers on the Hālawa-Luluku Interpretive Development project, in which OHA is a community partner.
- In FY-04 PIO's multi-media production capacity expanded to include increased capability in live television, video, CD and DVD production.
- All OHA graphic design projects are produced internally. In FY-04, these included departmental, program and event brochures; promotional merchandise including T-shirts, bumper stickers, pens, calendars, invitations and fabric; OHA print ads; *KWO* design and graphics; multi-media product packaging including videos, DVDs and CDs; the OHA FY-03 Annual Report; web graphic development; and set design and graphics for television production.
- As needed, PIO regularly issued OHA press releases and coordinated press conferences. PIO also produced a variety of radio spots announcing OHA programs and community events statewide.

- PIO staff provides layout and other production for *Ho'okahua*, an electronic newsletter with editorial support from the Hawaiian Governance Hale, which is regularly distributed via email to 8,000 recipients in Hawai'i and on the continent. In addition PIO provides editorial and graphic production for *Ka Hoa Hana* (the co-worker), an in-house OHA 'ohana e-newsletter featuring staff articles and anecdotes, as well as updates on actions taken by the Board of Trustees.
- PIO provided technical assistance, media coverage, art direction and other support for both Hawaiian-community and OHA-produced events, including a televised debate on the federal recognition issue and two other live TV discussion shows on local network affiliate stations; the Kū i ka Pono march and OHA Family Day event in September 2003; the Nā 'Ōiwi 'Ōlino Poster, Essay and Debate contest and awards ceremony aired on KFVE; the State of OHA address at Kawaiaha'o Church in December 2003; the Kau Inoa registration kick-off in January 2004; and OHA's first Visioning Conference in May 2004.
- PIO produced and directed 17 semi-monthly episodes of OHA's *Ho'oulu Lāhui Aloha* public-access TV discussion program, with content and talent coordinated by Government Relations staff. The program airs each Wednesday on 'Ōlelo NATV Channel 53.
- PIO routinely fielded general information requests received via email at info@oha.org, and routed requests to trustees and staff as appropriate. Requests for information were also received by fax and mail, although email requests have increased significantly.

‘Ōhai

*Me he ao 'ōpua kakahika lā ka pua 'ōhai —
The 'ōhai blossoms mimic the pink clouds at daybreak*



**Office of Hawaiian Affairs
Office Locations**

OHA Administration
711 Kapiʻolani Blvd., Ste. 500
Honolulu, HI 96813
Phone: 594-1888
Fax: 594-1865

OHA East Hawaiʻi (Hilo)
162-A Baker Ave.
Hilo, HI 96720-4869
Phone: 808-920-6418
Fax: 808-920-6421

OHA West Hawaiʻi (Kona)
75-5706 Hanama Pl. Ste. 107
Kailua-Kona, HI 96740
Phone: 808-329-7368
Fax: 808-326-7928

OHA Kauaʻi/ Niʻihau
3-3100 Kūhiō Hwy. Ste. C4
Līhuʻe, HI 96766-1153
Phone: 808-241-3390
Fax: 808-241-3508

OHA Maui
140 Hoʻohana St., Ste. 206
Kahului, HI 96732
Phone: 808-243-5219
Fax: 808-243-5016

OHA Molokaʻi/Lānaʻi
P.O. Box 1717
Kaunakakai, HI 96748
Phone: 808-560-3611
Fax: 808-560-3968

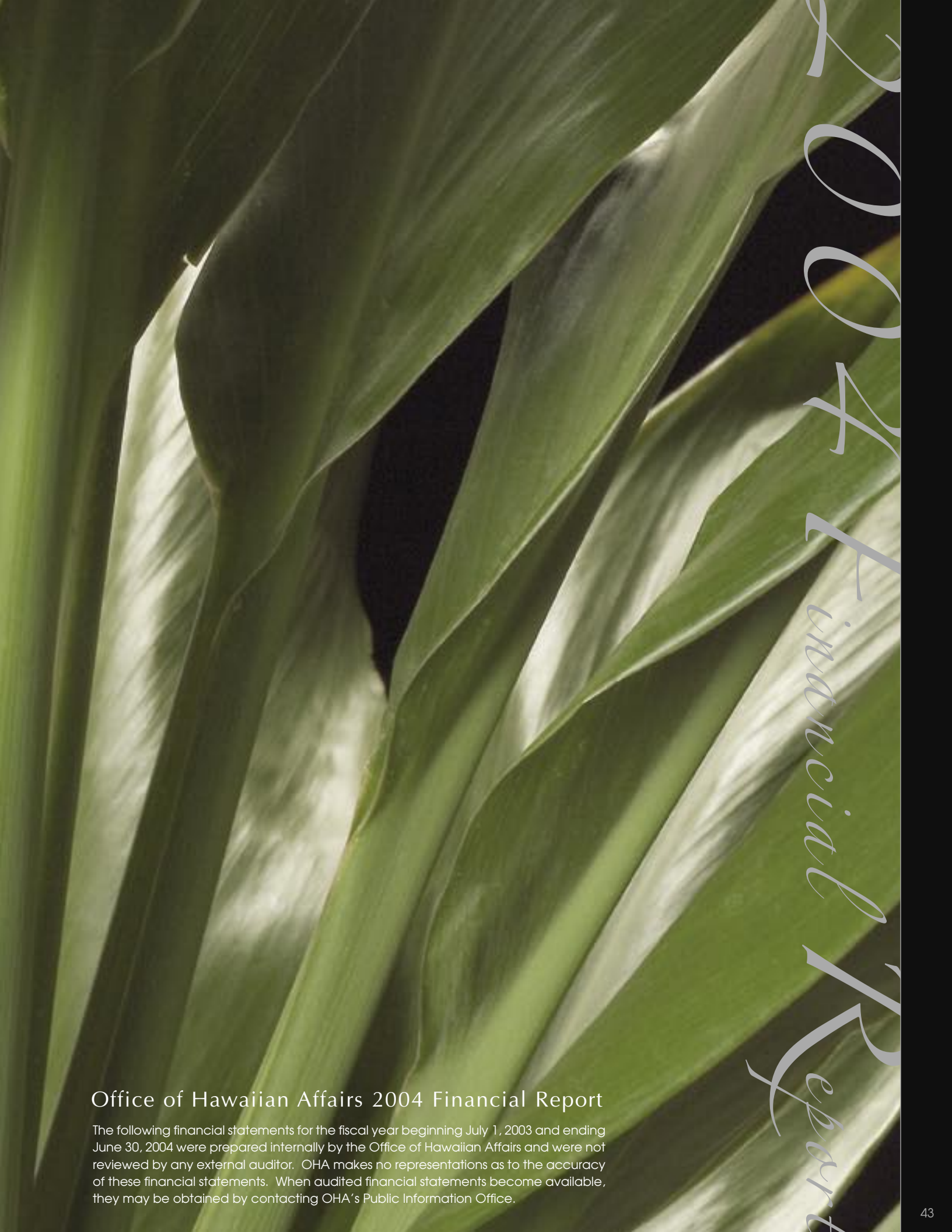
OHA Washington, D.C., Bureau
1301 Connecticut Ave. NW, Ste 200,
Washington, D.C. 20036
Phone: 202-721-1388
Fax: 202-466-7797

Lāʻi

Ua lāʻi ka holunape mālie a ka lāʻi i ke aheahē —

The leaf stalks bend gracefully in the breeze



A close-up photograph of several green corn leaves, showing their veins and texture. The leaves are arranged diagonally across the frame. Overlaid on the right side of the image is the title '2004 Financial Report' in a large, white, serif font, oriented vertically.

2004 Financial Report

Office of Hawaiian Affairs 2004 Financial Report

The following financial statements for the fiscal year beginning July 1, 2003 and ending June 30, 2004 were prepared internally by the Office of Hawaiian Affairs and were not reviewed by any external auditor. OHA makes no representations as to the accuracy of these financial statements. When audited financial statements become available, they may be obtained by contacting OHA's Public Information Office.

Statement of Revenues, Expenditures and Changes in Fund

Data presented in this report is unaudited

REVENUES:	General Funds	Trust Funds
General Fund Appropriations	2,532,647	0
Public Land Trust	0	9,740,578
Dividend & Interest Income	0	3,492,365
Hawaiian Rights Fund	0	0
Federal and Other Grants	0	0
Newspaper Ads	0	0
Donations and Other	0	96,082
Non-imposed Fringe Benefits	178,275	0
Total Revenues	2,710,922	13,329,025
EXPENDITURES:		
Current Divisions:		
Board of Trustees	44,618	1,669,567
Support Services	1,909,897	9,163,087
Beneficiary Advocacy	811,374	5,285,651
Total Expenditures	2,765,889	16,118,305
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(54,967)	(2,789,280)
OTHER FINANCING SOURCES (USES):		
Realized Gain(Loss) on Sale of Investments	0	14,614,729
Unrealized Gain(Loss) on Investments Held	0	24,406,647
Operating Transfers	29,298	(29,298)
Lapse of Cash to State General Fund	(42,818)	0
Total Other Financing Sources/(Uses)	(13,520)	38,992,078
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(68,487)	36,202,798
Fund Balance, Beginning of Year	447,136	318,120,028
Fund Balance, End of Year	378,649	354,322,826

Balances—Governmental Funds (June 30, 2004—Unaudited)

<i>Hawaiian Project Funds</i>	<i>Federal Funds</i>	<i>Total Funds</i>
0	0	2,532,647
0	0	9,740,578
0	701,837	4,194,202
16,603	0	16,603
0	321,056	321,056
51,459	0	51,459
124	0	96,206
0	0	178,275
68,186	1,022,893	17,131,026
0	0	1,714,185
22,868	45,075	11,140,927
42,370	88,559	6,227,954
65,238	133,634	19,083,066
2,948	889,259	(1,952,040)
0	60,753	14,675,482
0	(577,443)	23,829,204
0	0	0
0	0	(42,818)
0	(516,690)	38,461,868
2,948	372,569	36,509,828
654,683	24,258,852	343,480,699
657,631	24,631,421	379,990,527

Balance Sheet

Data presented in this report is unaudited

ASSETS:	General Funds	Trust Funds	Hawaiian Project Funds
Petty Cash	10,000	0	0
Cash in State Treasury	597,615	9,942,025	669,023
Cash held outside of State Treasury	0	6,271,387	0
Accounts Receivable	585	52,256	11,476
Interest & Dividends Receivable	0	160,532	0
Notes Receivable	45,000	12,948,176	0
Allowance for Doubtful Accounts	(45,000)	(2,349,993)	0
Prepaid Expenses	39,647	173,127	0
Security Deposit	0	44,215	0
NHTF Investments (Market Value)	0	329,264,325	0
NHRLF Investments (Market Value)	0	0	0
NHRLF Premium (Discount) Carrying	0	0	0
Accr Interest Paid - Bond Purchase	0	0	0
Land	0	0	0
Building	0	0	0
Leasehold Improvements	0	0	0
Furniture, Software & Equipment	0	0	0
Artwork	0	0	0
Prov for Accr Vacation & Comp Time	0	0	0
Prov for Est Claims & Judgements	0	0	0
Total Assets	647,847	356,506,050	680,499
LIABILITIES:			
Accounts and Other Payables	259,198	2,183,224	22,868
Due to State of Hawaii	10,000	0	0
Accrued Vacation & Comp Time	0	0	0
Estimated Claims & Judgements	0	0	0
Total Liabilities	269,198	2,183,224	22,868
FUND BALANCE:			
Investment in Fixed Assets	0	0	0
Reserve for Encumbrances	597,615	5,697,510	22,868
Reserve for Prepaid Exp & Sec Deposit	39,647	217,342	0
Reserve for Notes Receivable	0	10,598,183	0
Unreserved Fund Balance	(258,613)	337,809,791	634,763
Total Fund Balance	378,649	354,322,826	657,631
Total Liabilities & Fund Balance	647,847	356,506,050	680,499

- Governmental Funds (June 30, 2004 - Unaudited)

<i>Federal Funds</i>	<i>Total Funds</i>	<i>General Fixed Assets</i>	<i>General LongTerm Debt</i>
0	10,000	0	0
815,933	12,024,596	0	0
156,242	6,427,629	0	0
107,163	171,480	0	0
159,687	320,219	0	0
3,105,378	16,098,554	0	0
(2,405,147)	(4,800,140)	0	0
477	213,251	0	0
1,803	46,018	0	0
0	329,264,325	0	0
22,783,740	22,783,740	0	0
76,196	76,196	0	0
15,650	15,650	0	0
0	0	84,100	0
0	0	1,041,304	0
0	0	451,319	0
0	0	3,265,571	0
0	0	10,000	0
0	0	0	659,902
0	0	0	460,026
24,817,122	382,651,518	4,852,294	1,119,928
85,701	2,550,991	0	0
100,000	110,000	0	0
0	0	0	659,902
0	0	0	460,026
185,701	2,660,991	0	1,119,928
0	0	4,852,294	0
242,503	6,560,496	0	0
17,930	274,919	0	0
700,231	11,298,414	0	0
23,670,757	361,856,698	0	0
24,631,421	379,990,527	4,852,294	0
24,817,122	382,651,518	4,852,294	1,119,928

Credits

Graphic design

Michael McDonald, publications specialist

Editorial coordination

Sterling Kini Wong, publications editor

Photography

Arna Johnson, Arna Photography

Hawaiian poetry

Manu Boyd, public information director

Additional production/editorial assistance:

Pōmaialoha Cox, secretarial support

Derek Ferrar, public information specialist

Nohea Kimokeo, intern

`Aukai Reynolds, media production specialist



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Lama

*Lamalama ka uka i ka 'ōiwi nani o ka lama —
The uplands are radiant with the beautiful
form of the lama*

2004 Annual Report