

RESOURCE MANAGEMENT COMMITTEE  
Dan Ahuna, Chairperson  
Robert K. Lindsey, Jr., Vice Chairperson  
Leina'ala Ahu Isa, At-Large  
Kalei Akaka, O'ahu  
Keli'i Akina, At-Large  
Brendon Kalei'aina Lee, At-Large  
Carmen Hulu Lindsey, Maui  
Colette Y. Machado, Moloka'i/Lāna'i  
John Waihe'e IV, At-Large



**STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS**

**MEETING OF THE COMMITTEE ON RESOURCE MANAGEMENT**

**DATE:** Tuesday June 18, 2019  
**TIME:** 10:00 am  
**PLACE:** OHA Board Room, Nā Lama Kukui  
560 N. Nimitz Hwy., Suite 200  
Honolulu, HI 96817

**AGENDA**

- I. Call to Order
- II. Public Testimony\*
- III. New Business
  - A. Workshop: Part 2 of the FY 2020-2021 Biennium Budget
  - B. Action Item RM #19-09: OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)
- IV. Adjournment

If you require an auxiliary aid or accommodation due to a disability, please contact Raina Gushiken at telephone number 594-1772 or by email at: [rainag@oha.org](mailto:rainag@oha.org) no later than three (3) business days prior to the date of the meeting.

\*Notice: Persons wishing to provide testimony are requested to submit 13 copies of their testimony to the Chief Executive Officer at 560 N. Nimitz, Suite 200, Honolulu, HI, 96817 or fax to 594-1868, or email [BOTmeetings@oha.org](mailto:BOTmeetings@oha.org) 48 hours prior to the scheduled meeting. Persons wishing to testify orally may do so at the meeting, provided that oral testimony shall be limited to five minutes.

\*Notice: The 72 Hour rule, pursuant to OHA BOT Operations Manual, Section 49, shall be waived for distribution of new committee materials.

A handwritten signature in black ink, reading "Dan Ahuna".

Trustée Dan Ahuna  
Chairperson, Committee on Resource Management

A handwritten date in black ink, reading "06/05/19".

Date



**OFFICE OF HAWAIIAN AFFAIRS**  
**Action Item**

**Committee on Resource Management**  
June 18, 2019

**RM #19-09**

**Action Item Issue:**      **OHA Biennium Budget for the Fiscal Biennium**  
**Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

**Prepared by:**

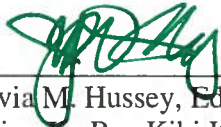


Gloria Li  
Pou Kāko'o Ho'opono, Controller

6/17/19

Date

**Reviewed by:**

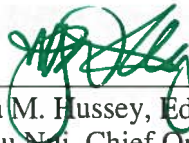


Sylvia M. Hussey, Ed.D.  
Acting Ka Pou Kihi Kanaloa-Wai, Acting Chief Financial Officer

6/17/19

Date

**Reviewed by:**

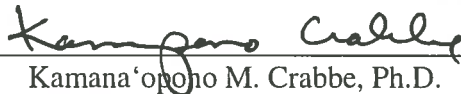


Sylvia M. Hussey, Ed.D.  
Ka Pou Nui, Chief Operating Officer

6/17/19

Date

**Reviewed by:**



Kamana'opono M. Crabbe, Ph.D.  
Ka Pouhana, Chief Executive Officer

6/17/19

Date

**Reviewed by:**



Dan Ahuna  
Luna Ho'omalua Komike Resource Management, Chair

6/17/19

Date

# **RM #19-09 - OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

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## **I. Proposed Action**

Administration recommends to the Resource Management Committee: 1) the approval of the Total Operating Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21) as outlined in Attachment #1; and 2) the Resource Management Committee's subsequent approval recommendation to the Board of Trustees.

## **II. Issue**

Whether or not the Resource Management Committee (RMC) should recommend approval of the Total Operating Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21) as outlined in Attachment #1 to the Board of Trustees.

## **III. Background**

The OHA Biennium Budget is prepared every two years, for the ensuing two years. The current Biennium Budget covers the periods from July 1, 2019 through June 30, 2020 (FY 20) and July 1, 2020 through June 30, 2021 (FY 21). OHA's budget is a financial expression and representation of overall intents, commitments, strategies and plans to advance its mission. It is an important planning tool as it acts to guide OHA in the following areas: Preventing spending outside of our budgetary authority; Identifying revenue sources; Allocating limited resources toward support of its Strategic Plan; Compliance with Governmental Accounting Standards Board (GASB) standards to: Adopt an annual budget; Ensure our accounting system provides a sufficient basis for appropriate budgetary control; and Budget comparisons are included in the appropriate financial statements and schedules for governmental funds for which an annual budget has been adopted.

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**RM #19-09 - OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

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#### **ATTACHMENTS**

1. Total Operating Budget for Biennium Period FY 20 & FY 21
2. OHA Organizational Charts (as of May 2019)
3. Commercial Property Executive Summaries (as of April 2019)
4. Special Programs Budget – Other Budget Request Detail
5. Community Input for Biennium Budget (as of June 2019)
6. Administration’s BOT Budget Workshop #1

V. **OHA's Native Hawaiian Trust Fund Spending Policy**

The purpose of the Native Hawaiian Trust Fund (NHTF) Spending Policy ("Policy") is to ensure the continued viability of the Office of Hawaiian Affairs (OHA) NHTF by providing specific guidelines to balance the objectives of maintaining principal and producing large, stable and predictable spending. Decisions affecting management of the NHTF focus upon four conflicting objectives: Maximize long-term total return; Maximize annual spending from the Trust; Preserve the real value (purchasing power) of the Trust's principal and of its spending distributions over the long term; Maximize the stability and predictability of spending distributions. In other words, minimize the spending shortfall risk. Its Policy, as amended, and its related Fiscal Reserve Withdrawal Guidelines, was last adopted by the Board of Trustees (BOT) on February 27, 2014.

The formula for determining annual spending withdrawals and the mechanics of its implementation shall adopt the Moving Average Rule, whereby: 1) OHA will spend a fixed percentage of no more than five percent (5%) of the Native Hawaiian Trust Fund's average market value, plus; 2) Ceded Land Revenues received by OHA, plus; 3) State of Hawai'i General Funds received by OHA; plus 4) Any funds available but not spent in previous fiscal years (Fiscal Reserve), held within the Native Hawaiian Trust Fund. Regardless of the performance of the Native Hawaiian Trust Fund, OHA's spending policy will apply. The 5% spending rate shall be applied to investment portfolio and real property assets intended to be income or benefit producing. Further details regarding OHA's Fiscal Reserve Authorizations are provided herein beginning on page 12.

Via Action Item RM #19-07, the Board approved the **Economic Development Policy**, noting that Administration will return with the implementation procedures for Board action; approved the **Debt Management Policy**, noting that Administration will return with the implementation procedures for Board action; acknowledged the **Spending Policy** language and the existing Native Hawaiian Trust Fund (NHTF) Spending Policy, as Amended, noting Administration will return with a consolidated policy document for Board action; and acknowledged the **Investment and Real Estate Policy** language and the existing NHTF Investment and Real Estate Vision, Mission, and Strategy policies, noting Administration will return with consolidated policy document(s) for Board action. Via the Board Governance Framework's permitted interaction group work, the Board's policy work continues.



**OFFICE OF HAWAIIAN AFFAIRS**

**NATIVE HAWAIIAN TRUST FUND  
SPENDING POLICY, AS AMENDED**

Adopted by the Board of Trustees, September 15, 2004  
Amended and adopted by the Board of Trustees on July 6, 2006  
Amended and adopted by the Board of Trustees on May 21, 2009  
Reviewed with no modifications by the Board of Trustees on April 18, 2012  
Amended and adopted by the Board of Trustees on February 27, 2014

**RM #19-09 - OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

Because the spending policy is tied to the NHTF portfolio value, OHA monitors its value and related implications closely. Since the NHTF portfolio's initial decline during the first quarter of 2008, OHA's spending in its Core Operating Budget has decreased<sup>1</sup> as summarized in **Table 1** below:

**Table 1: 5% of Average Market Value from FY 09 through FY 21**

Description	Average Market Value <sup>2</sup>	5% of Average Market Value	Increase (Decrease) from FY 09
FY 2009	\$400,735,931	\$20,036,797	-
FY 2010	370,521,562	18,526,078	(1,510,719)
FY 2011	376,436,019	18,821,801	(1,214,996)
FY 2012	374,203,809	18,706,586	(1,330,211)
FY 2013	370,687,167	18,530,773	(1,506,024)
FY 2014	359,250,660	17,956,175	(2,080,622)
FY 2015	342,345,705	17,110,928	(2,925,869)
FY 2016	346,108,427	17,299,064	(2,737,733)
FY 2017	353,223,767	17,658,436	(2,378,361)
FY 2018	351,171,965	17,558,598	(2,478,199)
FY 2019	350,667,555	17,533,378	(2,503,419)
FY 2020 <sup>3</sup>	353,851,101	17,692,555	(2,344,242)
FY 2021 <sup>4</sup>	357,734,021	17,886,701	(2,150,096)

To date, OHA's BOT and Administration has balanced the reduction in spending and the increased demand from our beneficiaries for service and assistance through prudent spending and fiscal accountability while progressing towards achievement of its OHA's 2010-2018 Strategic Plan. **Table 2** outlines the progress made on key strategic indicators related to the priorities and expected future outcomes as it relates to future funding commitments requested herein.

<sup>1</sup> FY 09 is used as the approximate 10-year comparison year to reflect the decrease in spending based upon NHTF Spending Policy limitations.

<sup>2</sup> Twenty-quarter (20-quarter) rolling moving average.

<sup>3</sup> Based on figures available as of 4/5/2019.

<sup>4</sup> Based on figures available as of 4/5/2019.

**RM #19-09 - OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

**Table 2: Key Education, Economic, Health and Legal Indicators**

Target Area	Strategic Indicator <i>Related Measure/Evidence from OHA funding</i>	Progress FY 17 - FY18	Future Progress	\$ Requested from State in Jan 2019	HB172 HD1 SD2 CD1
<b>EDUCATION</b>					
Adults	➤ Increase number of <b>degrees or certificates</b> earned by Native Hawaiians from the UH System by 12%	97.8% FY2018	Maintain	\$ 0	\$ 0
	➤ Number of OHA scholarships provided	384 awarded / yr	Maintain		
K-12	➤ Increase the percentage of Native Hawaiian student that meet or exceed <b>math standards*</b>	26% SY2018*	Increase	\$ 615,000	\$ 615,000
	➤ Increase the percentage of Native Hawaiian student that meet or exceed <b>reading standards*</b>	38% SY2018*	Increase		
	➤ Number of Native Hawaiian students OHA assisted	3,428 students / yr	Maintain**		
<b>ECONOMIC</b>					
Income	➤ Increase Native Hawaiian <b>median family income</b> to 92% or greater of the total State median family income	87.7% FY2016	Increase	\$ 0	\$ 0
	➤ Number of Native Hawaiians assisted	170 families / yr	Maintain**		
Housing	➤ Increase Native Hawaiian <b>homeownership</b> rate to 58%	50.3% FY2016	Increase	\$ 500,000	\$ 119,430
	➤ Decrease the percent of Native Hawaiians who pay more than 30% of Income on <b>rental housing cost</b> to 55%	51% FY2016	Decrease		
	○ Number of Native Hawaiians assisted	894 families / yr	Maintain**		
Social Services	○ Number of Native Hawaiians assisted	924 individuals / yr	Maintain**	\$ 415,000	\$415,000
Income/ Housing/ Social Services	○ Number who completed Financial Literacy Training to secure OHA economic assistance	757 individuals / yr	Maintain**	\$ 0	\$ 0

**RM #19-09 - OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

Target Area	Strategic Indicator ➤ <i>Related Measure/Evidence from OHA funding</i>	Progress FY 17 - FY18	Future Progress	\$ Requested from State in Jan 2019	HB172 HD1 SD2 CD1
HEALTH	➤ Reduce the rate of <b>obesity</b> among Native Hawaiians to 35%	45.6% FY2016	Decrease	\$ 0	\$ 0
	○ Number of Native Hawaiians who lost weight	535 individuals / yr	Maintain**		
LEGAL	○ Number of Native Hawaiians who received legal services including representation	580 individuals / yr	Maintain**	\$ 524,400	\$ 524,400
<b>TOTAL ANNUAL PROGRAMMATIC REQUEST vs HB172 HD1 SD2 CD1:</b>				<b>\$ 2,054,400</b>	<b>\$ 1,308,830</b>

\* Due to changes in the Department of Education's state standards and related assessments, these results are incomparable with previous years and with OHA's strategic target developed in 2009. In alignment with the DOE's updated targets, an update to OHA's strategic target is currently under consideration.

\*\* Future progress expected to be consistent with the ratio of funding provided to meet each strategic indicator.

**RM #19-09 - OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

**VI. OHA's Budget, Available Funds and OHA's Spending Limit**

An *appropriation* is an authorization granted by the OHA Board of Trustees or Hawai'i State Legislature permitting the agency, within established fiscal and budgetary controls, to incur obligations and to make expenditures for specific purposes. An *appropriation* is usually limited in amount and period of time during which it may be expended. The sources of funding available for spending include the following *appropriations* detailed in **Table 3** below:

**Table 3: Sources of Funding**

Type	Description	Appropriation Number
Core Operating Budget	General Fund appropriations drawn from the State of Hawai'i	100
	Public Land Trust Revenues (PLT) received annually from various State Agencies conducting business on PLT lands	901
	Matching Fund appropriations by the State of Hawai'i but drawn on the Native Hawaiian Trust Fund (NHTF)	910
	A portion of the NHTF, and also includes revenues received from 1) past-due settlements dividend and interest earnings received thereon, 2) ten (10) percent of estimated lease and other revenues generated from OHA-owned Kaka'ako Makai (KM) parcels allocated for grants, and 3) thirty (30) percent of KM's FY 18 and FY 19 net revenue allocated for OHA's Legacy Property Management <sup>5</sup>	930
Fiscal Reserve Authorizations	Appropriations authorized from the NHTF by OHA's BOT up to a maximum of \$3 million annually pursuant to its Spending Policy	935
Commercial Property	Kaka'ako Makai (KM) Revenues generated from OHA-owned parcels	938
	Nä Lama Kukui (NLK) Revenues generated from its investment (formerly known as Gentry Pacific Design)	939
Legacy Property	Palaua Cultural Preserve – includes a percentage of all home sales within the development	310
	Wao Kele O Puna Management Fund – includes previously-authorized Board appropriations for current and future programmatic needs	315

<sup>5</sup>Per BOT approved, Action Item RM #17-05, Approval of an OHA Board of Trustees Policy Amendment relating to an allocation of revenue from OHA's Ka'ako Makai properties, dated May 24, 2017.

**RM #19-09 - OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

Type	Description	Appropriation Number
Special Programs Budget – <i>Federal</i>	Federal-fund appropriations for the Hālawā Lūluku Interpretive Development (HLID) Project	200
	Federal-fund appropriations for the Native Hawaiian Revolving Loan Fund (NHRLF) Program	202
Special Programs Budget – <i>Other</i>	Hawaiian Projects – includes funds collected from Ka Wai Ola advertisement sales and other miscellaneous income	320
	Repayments for the OHA-DHHL Homesteader Loan Program	902

OHA’s Total Operating Budget (TOB) is comprised of all five *Sources of Funding* as summarized in **Table 4** below, and is discussed herein, to include the following:

1. Core Operating Budget
2. Fiscal Reserve Authorizations
3. Commercial Property
4. Legacy Property
5. Special Programs Budget – Federal and Other

**RM #19-09 - OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

**Table 4: Total Spending Limit for OHA's Total Operating Budget – FY 20 & FY 21; BOT-Approved FY 18 & FY 19 for Comparison**

<b>Funding Sources</b>	<b>FY18</b>	<b>FY19</b>	<b>FY 20</b>	<b>FY 21</b>
<b>1. Core Operating Budget</b>				
5% of NHTF Portfolio	\$17,555,826	\$17,448,120	\$17,692,555	\$17,886,701
Public Land Trust Revenues	15,100,000	15,100,000	15,100,000	15,100,000
State of Hawai'i General Funds <sup>6</sup>	3,037,879	3,037,879	3,037,879	3,037,879
Allocation of Kaka'ako Makai Revenues	433,997	440,709	1,435,610	1,186,572
<b>Sub-total - Core Operating Budget:</b>	<b>\$36,127,702</b>	<b>\$36,026,708</b>	<b>\$37,266,044</b>	<b>\$37,211,152</b>
<b>2. Fiscal Reserve Authorizations</b>				
Annual Designation Limit	\$2,090,000	\$0	\$4,243,980	\$4,243,980
<b>Sub-total – FR Authorizations:</b>	<b>\$2,090,000</b>	<b>\$0</b>	<b>\$4,243,980</b>	<b>\$4,243,980</b>
<b>3. Commercial Property</b>				
Kaka'ako Makai	\$ 6,172,171	\$ 9,677,390	\$ 10,878,315	\$ 11,159,058
Nā Lama Kukui	6,973,129	7,210,399	7,909,481	7,357,095
<b>Sub-total – Commercial Property:</b>	<b>\$13,145,300</b>	<b>\$16,887,789</b>	<b>\$18,787,796</b>	<b>\$18,516,153</b>
<b>4. Federal Programs Budget</b>				
Halawa-Luluku Interpretive Development	\$1,258,264	\$1,270,947	\$4,099,249	\$428,199
Native Hawaiian Revolving Loan Fund	933,506	965,948	902,005	919,030
<b>Sub-total -Federal Programs Budget:</b>	<b>\$2,191,770</b>	<b>\$2,236,895</b>	<b>\$5,001,254</b>	<b>\$1,347,229</b>
<b>5. Special Programs Budget</b>				
Special Programs Budget - Legacy Property	\$991,229	\$470,834	\$880,257	\$528,837
Special Programs Budget – Other	200,000	265,000	367,862	195,000
<b>Sub-total – Special Programs Budget:</b>	<b>\$1,191,229</b>	<b>\$735,834</b>	<b>\$1,248,119</b>	<b>\$723,837</b>
<b>Total Spending Limit:</b>	<b>\$54,746,001</b>	<b>\$55,887,226</b>	<b>\$66,547,193</b>	<b>\$62,042,351</b>

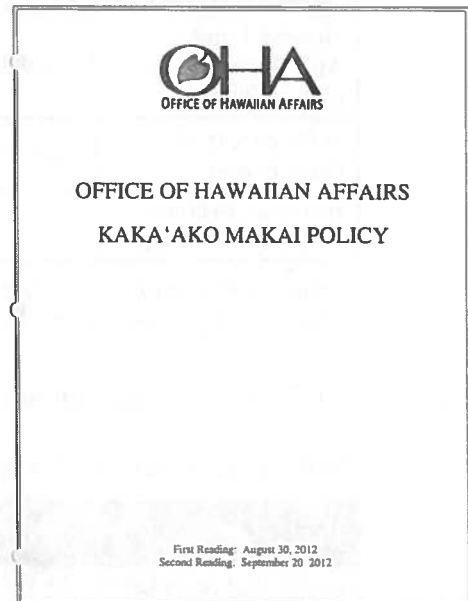
<sup>6</sup> SOH General Fund – final version approved by the Governor as Act 037(19) on June 12, 2019, conveyed as Governor's Message No. 1138.

## RM #19-09 - OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)

1. **Core Operating Budget:** Reflects the basic operating budget consisting of payroll, operations, and program expenditures and includes the following four (4) funding sources:

- **Withdrawals from the Native Hawaiian Trust Fund (NHTF)** are limited by the Native Hawaiian Trust Fund Spending Policy. This policy limits the withdrawal to five (5) percent of the NHTF's twenty-quarter (20-quarter) rolling average market value, as defined, to ensure that resources held within the trust are available for future spending.
- **Public Land Trust (PLT) Revenues** are received from the State of Hawai'i and have been set at \$15,100,000 (Act 178, SLH 2006) per year, until further legislative action.
- **Kaka'ako Makai (KM) Revenues** are allocated to OHA's Core Operating Budget for grant funding and is calculated at ten (10) percent of estimated lease and other revenues generated from OHA-owned Kaka'ako Makai parcels, and for OHA's Legacy Property management and is calculated at thirty (30) percent of KM's FY 18 and FY 19 net revenue. The policy re: 10% of gross revenue for grants

was noted  
“\*policy to be revisited in two years”. RM #17-05 proposed a policy amendment relating to an allocation of revenue from KM with a revisit of the policy in two years (from 2017) or by June 30, 2019.



### Office of Hawaiian Affairs COMMITTEE ON RESOURCE MANAGEMENT (RM)

#### Committee Report

May 25, 2017

The Honorable Collette Machado, Chairperson  
Board of Trustees  
Office of Hawaiian Affairs

Madame Chair Machado,

Your Committee on Resource Management, having met on May 24, 2017 and after full and free discussion, recommends approval of the following action to the Board of Trustees:

To approve a Board of Trustees policy amendment to the Kaka'ako Makai Policy, Section 3.A.2, originally adopted on September 20, 2012, to state (new language is bold and underscored):

Allocate 10% of gross revenue for grants and 30% of net revenue for OHA's Legacy Property Management (net revenue equals gross revenue minus direct operating expenses, excluding Kaka'ako Makai planning and development-related costs) (The 30% allocation of net revenues to LPM shall terminate at the end of FY 2019).

Relevant attachments are included for your information and reference.

#### Attachment(s)

- 1) Action Item RM #17-05
- 2) RM Roll Call Vote Sheet (2)

Committee on Resource Management  
Advisory Committee (1 of 2) for May 24, 2017  
Page 1 of 2

- **State of Hawai'i General Fund** appropriations are determined by the legislature during each biennium. The spending limitation in **Table 4** above includes an appropriation of \$3,037,879 annually for FY 20 and FY 21. The final version was passed on June 12, 2019 as Act 037(19) and conveyed as Governor's Message No. 1138. See **Table 6** on page 12 for further details on OHA's general fund appropriations for FY 20 and FY 21.

General Fund appropriations are determined by the State Legislature during each Biennium. As part of its annual budget, the Office of Hawaiian Affairs (OHA) receives general funds from the State of Hawai'i, which is appropriated through the State Legislature. OHA has

received state general fund funds since 1981 for a portion of its personnel and operating cost and to provide services to beneficiaries in support of three major focus areas including multi-services assistance, legal assistance, and educational enrichment.

**RM #19-09 - OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

A summary of general fund appropriation levels from FY 10 through FY 21 is presented in **Table 5** below:

**Table 5: General Fund Appropriation Levels from FY 10 through FY 21\***

Summary	FY 10 / FY 11	FY 12 / FY 13	FY 14/ FY 15	FY 16 / FY 17	FY 18 / FY 19	FY 20 / FY 21
General Fund Appropriation Level (2 Year Total)	4,939,318	4,741,744	5,883,148	5,982,008	6,075,758	6,075,758
Difference from Prior Period	(1,234,832)	(197,574)	370,702	498,860	93,750	0
Increase/(Decrease) % from Prior Period	-20%	-4%	8%	8%	2%	0%

*\*State of Hawai'i FY 20 and FY 21 General Fund Appropriations, HB 172 Relating to the Budget of the Office of Hawaiian Affairs passed on June 12, 2019.*

Details of OHA's general fund appropriations for FY 20 and FY 21 are presented in **Table 6** below:

**Table 6: General Fund Appropriation Details for FY 20 and FY 21**

Purpose	FY 20	FY 21	Total
Legal Representation Services	\$524,400	\$524,400	\$1,048,800
Social Services (Multi-Services)	415,000	415,000	830,000
Community Grants			
Education	250,000	250,000	500,000
Housing	119,430	119,430	238,860
Education			
NH-Focused Public Charter	365,000	365,000	730,000
Personnel	1,067,175	1,067,175	2,134,350
Operations	296,874	296,874	593,748
<b>Totals:</b>	<b>\$3,037,879</b>	<b>\$3,037,879</b>	<b>\$6,075,758</b>

2. **Fiscal Reserve Authorizations:** The funds to be withdrawn from the NHTF also include any uses of the fiscal reserve that have been authorized by OHA's Board of Trustees (BOT) and are known as Fiscal Reserve Authorizations. The maximum designations allowable to be made in any given fiscal year, using any combination of items - budget stabilization, unpredicted one-time payments and capital acquisitions - are limited to no more than \$3,000,000 annually. The \$3,000,000 limitation is based on the fiscal year in which the designation is made, regardless of the year of funding specified in the designation. Any actions taken subsequent to this Action may be added to the budget at a later date, but are not contemplated in the current budget submission.

**OHA'S NHTF Spending Policy's Fiscal Reserve Withdrawal Guidelines:** OHA's fiscal reserve fund is designed to provide money in certain situations including budget stabilization, unpredicted one-time payments and capital acquisitions. The maximum designation is \$3 million annually. The \$3

## RM #19-09 - OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)

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million limitation is based on the fiscal year in which the designation is made, regardless of the year of funding specified in the designation and requires a vote of super majority (6 affirmative votes) for approval.

There may be special circumstances that will require the use of funds in excess of the situations noted above, therefore, the criteria noted in the guidelines can be waived by OHA's BOT with a vote of super majority plus 2 (8 affirmative votes). OHA's Fiscal Reserve Balance is calculated as follows:

***Beginning Balance***

***+ Increases:***

☐ ***Audited financials that include:***

❖ ***Unexpended and unencumbered "approved" core operating budget***

❖ ***Unused funding from a prior fiscal year that is later "lapsed"***

***- Decreases***

☐ ***BOT-authorized withdrawals***

***= Ending Balance***

Lapsed funds are added back to OHA's Fiscal Reserve fund.

In February 2018, via RM #18-03, the Board approved a moratorium on the use of fiscal reserve funds until specific policy changes are approved by the Board of Trustees. As of June 30, 2018, OHA's Fiscal Reserve balance was approximately \$5.75 million. As of June 14, 2019, OHA's Ke Kaupoku, its Board of Trustees, did not authorize any withdrawals (because of the moratorium), leaving \$5.75 million available for future designations beginning in FY 20 (July 1, 2019 through June 30, 2020). According to OHA's Spending Policy, only "upon the close of OHA's fiscal year-end financial records and the successful completion of a financial audit engagement" can OHA calculate and authorize for use any unexpended, unencumbered or unused funding that has been "lapsed." Therefore, any FY 19 lapses are not reflected in the \$5.75 million estimate but are expected to increase the \$5.75 million estimate upon issuance of OHA's FY 19 Audited Financial Statements (currently scheduled for February 2020).

3. ***Commercial Property:*** Reflects the revenues generated on OHA-owned commercial property lands; Kaka'ako Makai and Nā Lama Kukui properties and is summarized as follows:

- ***Kaka'ako Makai (KM) Revenues*** are currently estimated at \$4,308,255 for FY 20 and \$4,419,016 for FY 21 from lease revenues. Ten (10) percent of gross revenue is allocated to OHA's FY 20 and FY 21 Core Operating Budget for grant funding and thirty (30) percent of FY18 and FY19 net revenue to OHA's FY 20 FY 21 Legacy Property management funding.
- ***Nā Lama Kukui (NLK) Revenues*** are currently estimated at \$5,184,971 for FY 20 and \$5,301,025 for FY 21 from lease revenues.

4. ***Legacy Property:*** Reflects the funds designated for use on specific legacy properties.

- ***Palauea Cultural Preserve Revenues*** are derived from the sale of homes in an affluent area on Maui. The .05% of each sale has been deposited into an account for which the funds are to be used for the upkeep and long-term stewardship of this historical site. The

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formula to calculate spending limit balance as reflected in **Table 4** above includes this cash balance as of May 2019.

- **Wao Kele O Puna Management Fund** balances consist of previously-authorized Board appropriations for current and future programmatic needs. The spending limit balance as reflected in **Table 4** above includes known and estimated available funding as of May 2019. Additional information is available beginning on page 31 of this Action Item.

**5. Special Programs Budget – Federal:** Reflects the basic operating budget consisting of payroll, operations, and program expenditures for Federally-funded OHA Projects & Programs including:

- Hālawā-Lūluku Interpretive Development (HLID) Project
- Native Hawaiian Revolving Loan Fund (NHRLF) Program and

The amount of federal funding available each year for these Programs is based on budgets submitted by OHA and approved or pending approval by the respective grantors.

**Special Programs Budget – Other:** Reflects special programs funded through other sources of income including:

- Hawaiian Projects
  - ✓ Ka Wai Ola advertisement sales; and
  - ✓ Other miscellaneous income
- Homesteader Loan Program
  - ✓ Repayments received for the OHA-DHHL Homesteader Loan Program

These amounts are considered special program income and not part of the NHTF. Expenditure of these funds is authorized through BOT approval of the Special Programs Budget. As of May 2019, the approximate available funds during each fiscal Biennium period, FY 20 and FY 21, for Special Programs Budget appropriations, are summarized in **Table 7** below.

**Table 7: Available Funds for OHA’s FY 20 & FY 21 Special Programs Budget–Other**

Funding Sources	FY 19	FY 20	FY 21
Beginning Balance*	\$129,031	\$142,862	\$0
Hawaiian Projects	76,205	75,000	75,000
Homesteader Loan Program	187,626	150,000	120,000
<b>Sub-total Available Funds:</b>	<b>\$392,862</b>	<b>\$367,862</b>	<b>\$195,000</b>
BOT-Approved Appropriations	-250,000	0	
Proposed Appropriations	0	-367,862	-195,000
<b>Estimated Net Available Funds:</b>	<b>\$142,862</b>	<b>\$0</b>	<b>\$0</b>

*\*Available funds for the Special Programs Budget – Other has been updated since its last presentation and reflects estimated balances through May 2019 (also known as “Beginning Balance”).*

Proposed Appropriations of \$367,862 in FY 20 and \$195,000 in FY 21 are explained on page 33 of this Action Item and as **Attachment #4**.

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**VII. Total Operating Budget**

OHA's Total Operating Budget (TOB) reflects all funds that will be spent by OHA regardless of the source of funding and is presented in **Table 8** below and outlined in **Attachment #1**:

**Table 8: OHA's Total Operating Budget – FY 20 & FY 21; BOT-Approved FY 18 and FY 19 for Comparison**

Total Operating Budget	BOT Approved		Biennium Budget Request	
	FY18	FY19	FY 20	FY 21
<b>1. Core Operating Budget</b>				
Personnel (including 60% Fringe)	\$14,739,767	\$15,382,787	\$16,905,440	\$17,136,197
Non-Personnel	20,863,496	20,631,984	20,360,604	20,074,586
<b>Sub-total – Core Operating Budget:</b>	<b>\$35,603,263</b>	<b>\$36,014,771</b>	<b>\$37,266,044</b>	<b>\$37,210,783</b>
<b>2. Fiscal Reserve Authorizations</b>				
Fiscal Reserve Authorizations	\$0	\$0	\$0	\$0
<b>Sub-total – FR Authorizations:</b>	<b>1\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>3. Commercial Property</b>				
Kaka'ako Makai	\$2,378,125	\$2,322,287	\$2,553,946	\$2,600,704
Nā Lama Kukui	5,472,033	5,082,513	5,853,411	5,506,460
<b>Sub-total – Commercial Property:</b>	<b>\$7,850,158</b>	<b>\$7,404,800</b>	<b>\$8,407,357</b>	<b>\$8,107,164</b>
<b>4. Federal Programs Budget</b>				
Halawa-Luluku Interpretive Development	\$1,258,264	\$1,270,947	\$4,099,249	\$428,199
Native Hawaiian Revolving Loan Fund	933,506	965,948	902,005	919,030
<b>Sub-total – Federal Programs Budget:</b>	<b>\$2,191,770</b>	<b>\$2,236,895</b>	<b>\$5,001,254</b>	<b>\$1,347,229</b>
<b>5. Special Programs Budget</b>				
<i>Legacy Property</i>				
Palaua Culture Preserve	\$169,630	\$104,630	\$160,380	\$122,180
Wao Kele O Puna Management Fund	350,765	338,775	256,610	204,308
<b>Sub-total – Special-Legacy Properties:</b>	<b>\$520,395</b>	<b>\$443,405</b>	<b>\$416,990</b>	<b>\$326,488</b>
<i>Special Programs Budget – Other</i>				
Hi'ilei Aloha & Subsidiaries	\$150,000	\$200,000	\$292,862	\$195,000
Ho'okele Pono & Subsidiaries	50,000	50,000	75,000	0
<b>Sub-total – Special – Other:</b>	<b>\$200,000</b>	<b>\$250,000</b>	<b>\$367,862</b>	<b>\$195,000</b>
<b>Sub-total – Special Programs Budget:</b>	<b>\$720,395</b>	<b>\$693,405</b>	<b>\$784,852</b>	<b>\$521,488</b>
<b>Total Operating Budget:</b>	<b>\$46,365,586</b>	<b>\$46,349,871</b>	<b>\$51,459,507</b>	<b>\$47,186,664</b>

### VIII. Core Operating Budget

The Core Operating Budget (COB) reflects the basic operating budget consisting of payroll, operations, and program expenditures and is presented in **Table 9** below:

**Table 9: OHA's Core Operating Budget – FY 20 & FY 21**

Core Operating Budget	Biennium Budget Request	
	FY 20	FY 21
Personnel	\$16,905,440	\$17,136,197
Grants	9,660,921	9,635,921
Contracts	4,296,719	3,999,924
Overhead	2,964,382	3,134,555
Program	1,351,878	1,192,677
Equipment	995,570	1,027,036
Debt Service	580,048	572,163
Travel	511,087	512,309
<b>Total Core Operating Budget</b>	<b>\$37,266,044</b>	<b>\$37,210,783</b>

#### A. Core Personnel Budget

Personnel costs includes all expenditures directly related to personnel and comprises of Salaries & Fringe, Student Helper Program, Vacation Payments (including transfer of vacation leave to other State agencies), Overtime, Employee Continuing Education Program and Workers' Compensation Payments. Personnel costs included in OHA's Core Operating Budget are presented by purpose in **Table 10** and by Line of Business in **Table 11** below:

**Table 10: Core Personnel Budget (by Purpose) – FY 20 & FY 21**

Core Personnel Budget	Biennium Budget Request	
	FY 20	FY 21
Salaries & Fringe:	\$16,709,490	\$16,940,247
<b>Reserves</b>		
Vacation Payouts	\$150,000	\$150,000
Overtime	10,000	10,000
Workers' Compensation	5,950	5,950
Continuing Education Program	30,000	30,000
<b>Sub-total Reserves:</b>	<b>\$195,950</b>	<b>\$195,950</b>
<b>Total Core Personnel Budget:</b>	<b>\$16,905,440</b>	<b>\$17,136,197</b>

**Table 11: Core Personnel Budget (by Line of Business) – FY 20 & FY 21**

Core Personnel Budget	FTE				Biennium Budget Request	
	Core	Federal/ Commercial	Frozen	Total	FY 20	FY 21
<b>Salaries &amp; Fringe:</b>						
Board of Trustee Offices	29	0	0	29	\$2,848,572	\$2,905,543
Executive Offices	34	0	-7	27	3,596,778	3,664,153
Financial Assets	29	5	-1	33	2,872,967	2,833,639
Community Engagement	30	0	0	30	2,658,836	2,712,011
Research	16	0	-2	14	1,493,052	1,522,913
Advocacy	23	0	-1	22	2,440,221	2,489,026
Land Assets	8	5	0	13	695,013	708,911
Student Helper Program					104,050	104,050
<b>Sub-total Salaries &amp; Fringe:</b>	<b>169</b>	<b>10</b>	<b>-11</b>	<b>168</b>	<b>\$16,709,490</b>	<b>\$16,940,247</b>
<b>Reserves</b>						
Vacation Payouts					\$150,000	\$150,000
Overtime					10,000	10,000
Workers' Compensation					5,950	5,950
Continuing Education Program					30,000	30,000
<b>Sub-total Reserves:</b>					<b>\$195,950</b>	<b>\$195,950</b>
<b>Total Core Personnel Budget:</b>					<b>\$16,905,440</b>	<b>\$17,136,197</b>

No changes to current personnel levels are included in this Action Item.

Note: above salaries & fringe amounts include across-the-board pay increases of 2% beginning July 1, 2019 and July 1, 2020 for all staff excluding (1) Trustees and (2) federally-funded programs (since their respective budgets include applicable salary adjustments). Furthermore, a Salary Commission to review Trustee salary levels is convened periodically pursuant to statutory responsibility. In anticipation of recommendations and findings to increase Trustee salaries, a pay increase of 2% is included in FY 20 and FY21.

Current OHA Organizational Charts are included as **Attachment #2**.

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**B. Core Program Budget**

Includes all expenditures directly related to implementing program activities and comprises of such expenditures as promotional items, printing, advertising, bulk mail, conference, and seminar fees and is presented in **Table 12** below:

**Table 12: Core Program Budget– FY 20 & FY 21**

Core Program Budget	Biennium Budget Request	
	FY 20	FY 21
Conferences, Meetings, Events - Org by OHA	\$337,550	\$252,550
Advertising	199,788	45,750
Bulk Mail	186,757	208,232
Printing	148,621	171,388
Conferences, Meetings, Events - Not Org by OHA	134,100	170,100
Trustee Protocol Allowance	64,800	64,800
Seminar/Conference Fees	62,483	61,308
Subscription	45,310	47,225
Dues	44,707	45,387
Honorarium	42,100	53,350
All Other Costs Under \$40,000*	85,662	72,587
<b>Total Core Program Budget:</b>	<b>\$1,351,878</b>	<b>\$1,192,677</b>

*\*Includes the following: ADA Accommodations, Auto Allowance, Books & Reference Materials, Freight & Delivery, Other Expenses, Other Rentals, Promotional Items, Protocol Funds, and Volunteer Stipend.*

**C. Core Contracts Budget**

Includes all expenditures directly related to implementing program activities and includes professional services for professional speakers, consultants, advisors, etc., or any service rendered for which there is an established fee. This budget category comprises of Services-on-a-Fee and Legal Services and is presented in **Table 13** below:

**Table 13: Core Contracts Budget– FY 20 & FY 21**

Core Contracts Budget	Biennium Budget Request	
	FY 20	FY 21
State Proviso: Legal Representation	\$1,048,800	\$1,048,800
Services-on-a-Fee	2,432,919	2,116,124
Legal Services	815,000	835,000
<b>Total Core Contracts Budget:</b>	<b>\$4,296,719</b>	<b>\$3,999,924</b>

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Core Contracts Budget costs are outlined in **Table 14** below:

**Table 14: Core Contracts Budget–FY 20 & FY 21 (Detail)**

<b>Core Contracts Budget (Detail)</b>	<b>FY 20</b>	<b>FY 21</b>
<b><i>State Proviso: Legal Representation</i></b>	<b>\$1,048,800</b>	<b>\$1,048,800</b>
<b><i>Services-on-a-Fee</i></b>		
Board of Trustees	252,500	214,000
Executive	345,700	314,010
Resource Management - Financial Assets	207,395	225,000
Community Engagement	120,000	50,000
Research	421,000	124,000
Advocacy	298,600	297,475
Resource Management - Land Assets	787,724	891,639
<b>Subtotal – Services-on-a-Fee</b>	<b>\$2,432,919</b>	<b>\$2,116,124</b>
<b><i>Legal Services</i></b>		
Board Counsel	225,000	225,000
Litigation	200,000	200,000
Legal Consultants	75,000	100,000
Legal Due Diligence	40,000	40,000
Ceded Land Issues	25,000	25,000
UH Law Clinic - Ku Huli Ao Program	90,000	90,000
Mauna Kea	75,000	75,000
Water Initiative Consultants	35,000	30,000
Conflict Representation	50,000	50,000
<b>Subtotal - Legal Services</b>	<b>\$815,000</b>	<b>\$835,000</b>
<b>Total Core Contracts Budget (Detail):</b>	<b>\$4,296,719</b>	<b>\$3,999,924</b>

**D. Core Grants Budget**

Includes all grant opportunities in support of our Native Hawaiian communities to create systemic change and is presented in **Table 15** below:

**Table 15: Core Grants Budget– FY 20 & FY 21**

<b>Core Grants Budget</b>	<b>Biennium Budget Request</b>	
	<b>FY 20</b>	<b>FY 21</b>
Community Grants Program	\$4,530,000	\$4,530,000
Level II Grants	4,750,000	4,750,000
Sponsorships	380,921	355,921
<b>Total Core Grants Budget:</b>	<b>\$9,660,921</b>	<b>\$9,635,921</b>

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Core Grants Budget requests are outlined in the following **Tables 16-21**. Details relating to the Community Grants Program budget are included in **Table 16**.

**Table 16: Community Grants Program–FY 20 & FY 21**

Community Grants	Biennium Budget Request	
	FY 20	FY 21
20-01: Culture	\$500,000	\$500,000
20-02: Health	500,000	500,000
20-03: Education	500,000	500,000
20-04: Housing	500,000	500,000
20-05: Income	500,000	500,000
20-06: Land	500,000	500,000
20-07: ‘Ahahui: Community Events	200,000	200,000
Higher Education Scholarships	500,000	500,000
State Proviso: Social Services	830,000	830,000
<b>Total Community Grants:</b>	<b>\$4,530,000</b>	<b>\$4,530,000</b>

➤ **Community Grants Budget** (FY 16 - \$3,000,000; FY 17 - \$3,000,000)

As of June 14, 2019, figures based on BAE/RM #19-04 (DRAFT) FY20 FY21 Community Grants.

In addition, the following provides the status of each of the following programs also administered under this funding category:

**[A] ‘Ahahui Grant Program**

(FY 20 - \$200,000; FY 21 - \$200,000)

The ‘Ahahui Grant program provides funding support for community events. Proposals are competitively solicited, subject to evaluation criteria, then awarded by OHA’s Chief Executive Officer, its Ka Pouhana. Full details and access to the on-line application can be found at [www.oha.org/grants](http://www.oha.org/grants). **Table 17** provides details on important dates for OHA’s FY 20 ‘Ahahui Grant program:

**Table 17: FY 20 ‘Ahahui Grant Program**

For events scheduled between:	Application Available	Application Deadline	Total of Awards
Round 1: Jul. 1 – Dec. 31, 2019	March 4, 2019	April 12, 2019 at 4:00pm	\$100,000
Round 2: Jan. 1 – Jun. 30, 2020	August 5, 2019	September 13, 2019 at 4:00pm	100,000
<b>Total Funding:</b>			<b>\$200,000</b>

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**[B] Higher-Education Scholarships**  
(FY 20 - \$500,000; FY 21 - \$500,000)

To date, your BOT has provided support of higher education scholarships totaling \$4.5 million aimed at furthering OHA's support of its priority toward the education of Native Hawaiians; as summarized in **Table 18** below:

**Table 18: OHA Support for Higher Education Scholarships**

<b>Fiscal Year</b>	<b>Action Item</b>	<b>Date of Approval</b>	<b>Amount of Approval</b>
2011	ARM/BAE #10-06	10/21/2010	\$500,000
2012	ARM/BAE #10-06	10/21/2010	500,000
2013	ARM #11-04	5/26/2011	500,000
2014	ARM/BAE #13-05	6/27/2013	418,860
2014	ARM #13-05	8/8/2013	81,140
2015	ARM/BAE #13-05	6/27/2013	168,860
2015	ARM #14-05	8/13/2014	331,140
2016	BOT #15-02	6/25/2015	500,000
2017	BOT #15-02	6/25/2015	500,000
2018	RM #17-07	7/7/2017	500,000
2019	RM #17-07	7/7/2017	500,000
<b>Total Funding:</b>			<b>\$4,500,000</b>

Pursuant to your Board's previous directives, this Action Item includes a set-aside within OHA's Core Operating Budget of \$500,000 per year during each year of the biennium. These funds will be competitively solicited. Administration is aiming to issue a competitive solicitation no later than November 2019 to award a two-year commitment (FY 20 for school year 2019-2020 and FY 21 for school year 2020-2021) no later than June 2020.

**[C] State Proviso – Social Services**

HB 172, passed on June 12, 2019, agreed to provide OHA with General Funds Appropriations of \$415,000 per fiscal year to be expended for social services (HB 172 Part III. Program Provisions, Section 5., p.4).

In prior years, General Funds social services appropriations stipulate that "any funds expended for the purposed of this section shall be in accordance with chapter 103D or 103F". Chapter 103D pertains to Hawaii Public Procurement Code and Chapter 103F relates to Purchases of Health and Human Services. In compliance with the provision, OHA has procured services via a Request for Proposal (RFP) in competitive sealed proposals procurement method and was recorded as Contracts – Service-on-a-Fee Basis.

In 2019's HB 172, the language "or a competitive grants process, as appropriate" was added. With that added verbiage and commencing in FY20, social services can be procured as a grant budget request when it follows a competitive grants

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process, thus resulting in the budget request to reclass in Community Grants recommendation.

Excerpt from 2019 H.B. 172 H.D. 1 S.D. 2 C.D.1 HB 172, Part III Program Provisions, Section 5

“Section 5. Provided that of the funds appropriated for beneficiary advocacy (OHA175), the sum of \$415,000 in general funds and \$415,000 in trust funds for fiscal year 2019-2020 and the same sums for fiscal year 2020-2021 shall be expended to provide for social services, including referral services and case management, to at-risk Office of Hawaiian Affairs beneficiaries to immediately address unexpected crises; provided further that program activities shall be designed with an overall objective to provide financial assistance to improve stability during emergency situations; and provided further that notwithstanding section 10-17(e), Hawaii Revised Statutes, any funds expended for the purposes of this section shall be in accordance with chapter 103D or 103F, Hawaii Revised Statutes, or a competitive grants process, as appropriate.”

Details relating to the Level II Grants budget are included in **Table 19** below:

**Table 19: Level II Grants–FY 20 & FY 21**

Level II Grants	Note/Status	FY 20	FY 21
ARM/BAE #08-03 – OHA Debt Service of DHHL Bonds	12/13 <sup>th</sup> year funding	\$ 3,000,000	\$ 3,000,000
Kulia Grants	[D]	250,000	250,000
Hawaiian-Focused Public Charter Schools	[E]	1,500,000	1,500,000
<b>Total Level II Grants:</b>		<b>\$ 4,750,000</b>	<b>\$ 4,750,000</b>

**[D] Kulia Grants**  
(FY 20 - \$250,000; FY 21 - \$250,000)

This Action Item includes a set-aside within OHA’s Core Operating Budget of \$500,000, that is \$250,000 for each fiscal year as Kulia Grants. Criteria will be established based on goal of providing grants in strategic focus areas that OHA’s current Community Grants program may not reach. OHA will commits to a “competitive grants process” for expenditure of those funds with emphasis on leveraging opportunities.

**[E] Hawaiian-Focused Public Charter Schools**  
(FY 20 - \$1,500,000; FY 21 - \$1,500,000)

To date, your BOT has provided support for Hawaiian-focused public charter schools totaling \$21.6 million as **summarized in Table 20** below:

**Table 20: OHA Support for Hawaiian-Focused Public Charter Schools**

School Year	Action Item	Date of Approval	Amount of Approval
2005-2006	ARM/BAE #05-13	10/06/2005	\$ 2,200,000
2006-2007	ARM/BAE #05-13	10/06/2005	2,200,000
2007-2008	ARM #06-09	11/02/2006	2,200,000
2008-2009	No Funding Request	N/A	0
2009-2010	ARM/BAE #09-06	11/04/2009	1,500,000
2010-2011	ARM/BAE #10-07	10/21/2010	1,500,000
2011-2012	ARM/BAE #11-16	12/22/2011	1,500,000
2012-2013	ARM #13-03	4/11/2013	1,500,000
2013-2014	ARM/BAE #13-05	6/27/2013	931,140
2013-2014	ARM #13-06	9/5/2013	568,860
2014-2015	ARM/BAE #13-05	6/27/2013	931,140
2014-2015	ARM #14-05	8/13/2014	568,860
2015-2016	BOT #15-02	6/25/2015	1,500,000
2016-2017	BOT #15-02	6/25/2015	1,500,000
2017-2018	BAE #17-09/RM #17-13	10/19/17	1,500,000
2018-2019	BAE #17-09/RM #17-13	10/19/17	1,500,000
<b>Total Funding:</b>			<b>\$ 21,600,000</b>

Pursuant to your Board's previous directives, this Action Item includes a set-aside within OHA's Core Operating Budget of \$1.5 million per year during each year of the biennium. However, since \$365,000 per year utilizes General Fund Appropriations, pursuant to Section 6 of OHA's Budget Bill, OHA commits to a "competitive grants process" for expenditure of those funds. As contract execution normally occurs towards the end of each school year, Administration is aiming to issue a competitive solicitation no later than October 2019 to award a two-year commitment (FY 20 for school year 2019-2020 and FY 21 for school year 2020-2021).

Details relating to the Sponsorships budget are included in **Table 21** below:

**Table 21: Sponsorships – FY 20 & FY 21**

Sponsorships	FY 20	FY 21
Board of Trustees	\$135,000	\$135,000
Advocacy	90,000	50,000
Kaiaulu	70,921	70,921
Community Outreach & Engagement	45,000	45,000
Papahānaumokuākea	30,000	30,000
Legacy & Programmatic Lands	10,000	25,000
<b>Total Sponsorships:</b>	<b>\$380,921</b>	<b>\$355,921</b>

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**E. Core Travel Budget**

Includes all expenditures associated with in-state and out-of-state travel to include transportation, accommodation, car rental, parking, mileage, and subsistence and includes an increased demand for professional training and staff development not available within the State of Hawai'i and is presented in **Table 22** below:

**Table 22: Core Travel Budget – FY 20 & FY 21**

Core Travel Budget	Biennium Budget Request	
	FY 2020	FY 2021
In-State Employee Travel	\$233,562	\$233,399
Out-of-State Employee Travel	233,515	266,075
Other and Non-Employee Travel	44,010	12,835
<b>Total Core Travel Budget:</b>	<b>\$511,087</b>	<b>\$512,309</b>

Core Travel Budget costs are outlined in **Table 23** below:

**Table 23: Core Travel Budget – FY 20 & FY 21 (Detail)**

Core Travel Budget	FY 20	FY 21
<i><b>In-State Trustee and Employee Travel</b></i>		
Board of Trustees	100,720	136,800
Community Engagement	42,073	36,967
Advocacy	25,587	27,642
RM - Financial Assets	21,723	11,389
Research	16,159	2,476
Executive	13,800	11,825
RM- Land Assets	13,500	6,300
<b>Sub-total – In-State Employee:</b>	<b>\$ 233,562</b>	<b>\$ 233,399</b>
<i><b>Out-Of-State Trustee and Employee Travel</b></i>		
Board of Trustees	167,400	167,400
Advocacy	24,900	44,165
Executive	18,870	28,590
Research	7,640	4,380
RM - Land Assets	6,000	0
RM - Financial Assets	5,515	7,320
Community Engagement	3,190	14,220
<b>Sub-total – Out-Of-State Employee:</b>	<b>\$ 233,515</b>	<b>\$ 266,075</b>
<i><b>Other and Non-Employee Travel</b></i>		
Executive*	33,400	2,780
Advocacy	5,000	4,695
Board of Trustees	4,835	4,585
Research	775	775
<b>Sub-total – Other and Non-Employee:</b>	<b>44,010</b>	<b>12,835</b>
<b>Total Core Travel Budget:</b>	<b>\$ 511,087</b>	<b>\$ 512,309</b>

\* Cultural Exchange - New Zealand

**RM #19-09 - OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

All travel costs are centralized within Program Code 3900, Procurement Program.

An analysis of travel requests by FTE (full-time equivalent) count/line of business is presented in **Table 24** below:

**Table 24: Analysis of Trustee and Employee Travel Requests**

Purpose	FTE*		FY 20		FY 21	
	# Core	%	\$	%	\$	%
Board of Trustees	29	17%	\$ 272,955	53%	\$ 308,785	60%
Executive	27	16%	66,070	13%	43,195	8%
RM – Financial Assets	33	20%	27,238	5%	18,709	4%
Community Engagement	30	18%	45,263	9%	51,187	10%
Research	14	8%	24,574	5%	7,631	1%
Advocacy	22	13%	55,487	11%	76,502	15%
RM – Land Assets	13	8%	19,500	4%	6,300	1%
<b>Totals:</b>	<b>168</b>	<b>100 %</b>	<b>\$ 511,087</b>	<b>100%</b>	<b>\$ 512,309</b>	<b>100%</b>

*\*Excludes federally funded and frozen FTEs*

**F. Core Equipment Budget**

Includes all expenditures associated with repair and maintenance, furniture and fixtures, and software and equipment. The Core Equipment Budget is presented in **Table 25** below:

**Table 25: Core Equipment Budget– FY 20 & FY 21**

Core Equipment Budget	Biennium Budget Request	
	FY 20	FY 21
Repair & Maintenance	\$845,020	\$888,386
Furniture & Fixtures	22,500	16,300
Software & Equipment	128,050	122,350
<b>Total Core Equipment Budget:</b>	<b>\$995,570</b>	<b>\$1,027,036</b>

Core Equipment Budget costs are outlined in the following **Tables 26-27**. Details relating to the Repair & Maintenance budget are included in **Table 26** below:

**Table 26: Core Repair & Maintenance Budget – FY 20 & FY 21**

Core Repair & Maintenance Budget	FY 20	FY 21
Facilities Support	\$208,916	\$206,632
IT Support & Services	291,204	325,504
Legacy Land Manager	337,400	347,900
All Other Cost Under \$15,000	7,500	8,350
<b>Total Core Repair &amp; Maintenance Budget:</b>	<b>\$845,020</b>	<b>\$888,386</b>

**RM #19-09 - OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

Details relating to the Software & Equipment budget are included in **Table 27** below:

**Table 27: Core Software & Equipment Budget – FY 20 & FY 21**

<b>Core Software &amp; Equipment Budget</b>	<b>FY 20</b>	<b>FY 21</b>
IT Support & Services	\$127,650	\$122,350
All Other Cost Under \$1,000	400	0
<b>Total Core Software &amp; Equipment Budget:</b>	<b>\$128,050</b>	<b>\$122,350</b>

**G. Core Overhead Budget**

Includes all expenditures associated with office rents and utilities, communication costs, insurance, supplies, and postage and is presented in **Table 28** below:

**Table 28: Core Overhead Budget– FY 20 & FY 21**

<b>Core Overhead Budget</b>	<b>Biennium Budget Request</b>	
	<b>FY 20</b>	<b>FY 21</b>
Office Leases	\$1,084,441	\$1,182,571
Common Area Maintenance	672,709	722,377
Insurance	378,853	426,077
Utilities	314,559	335,556
Communications	233,556	255,632
Equipment Rental	84,614	88,642
Guest Parking	45,750	52,750
Other	\$109,900	\$27,100
<i>...Leasehold Improvement</i>	57,800	0
<i>...Business Settlement</i>	30,000	0
<i>...Postage</i>	22,100	27,100
Supplies	\$40,000	\$43,850
<i>...Office Supplies</i>	20,400	24,950
<i>...Other Supplies</i>	19,600	18,900
<b>Total Core Overhead Budget:</b>	<b>\$2,964,382</b>	<b>\$3,134,555</b>

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Core Overhead Budget costs are outlined in the following **Tables 29-30**.

Details relating to the Common Area Maintenance (CAM), Utilities and Office Leases budgets are included in **Table 29** below:

**Table 29: CAM, Utilities, and Office Leases Budgets – FY 20 & FY 21**

<b>CAM, Utilities, and Office Leases Budgets</b>	<b>FY 20</b>	<b>FY 21</b>
OHA Offices		
...Honolulu	\$1,768,181	\$1,916,291
...Washington D.C.	67,775	70,600
...Hilo	51,695	52,996
...Maui	47,123	52,120
...Kona	43,119	44,322
...Kauai	42,775	45,895
...Molokai	37,694	43,631
...Lanai	11,447	11,650
OHA Legacy Lands	1,900	3,001
<b>Total CAM, Utilities, and Office Leases Budgets:</b>	<b>\$2,071,709</b>	<b>\$2,240,504</b>

Details relating to the Insurance budget are included in **Table 30** below:

**Table 30: Core Insurance Budget–FY 20 & FY 21**

<b>Core Insurance Budget</b>	<b>FY 20</b>	<b>FY 21</b>
Public Officials/Employment Practices Liability	\$160,306	\$165,102
Workers Compensation	66,000	70,000
Property Coverage and Liability	42,314	50,210
DAGS Annual Risk Management Cost Allocation	41,150	45,550
Banker's Professional Liability	33,000	45,000
Employed Lawyers Liability	20,000	25,587
Media Liability	8,876	12,701
Auto Liability	7,207	11,927
<b>Total Core Insurance Budget:</b>	<b>\$378,853</b>	<b>\$426,077</b>

#### **H. Core Debt Service Budget**

Includes all expenditures associated with the payment of debt service for BOT-approved obligations. For FY 20, this amount totals \$580,048 and for FY 21, this amount totals \$572,163.

In February 2015, OHA obtained a \$5 million credit facility to finance the costs of its Nation Building Initiative. Per Action Item ARM #14-04, only \$3.7 million of the credit facility was approved for Nation Building Initiative. OHA had two years to draw down the facility in up to six separate tranches. For each tranche, OHA could select among numerous interest rate and maturity

**RM #19-09 - OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

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options. OHA drew two tranches totaling \$3.5M in 2015 and elected to pay interest only during the draw period on the outstanding principal balance. At the conclusion of the draw period in February 2017, OHA started repaying the outstanding principal balance over a 7-year period.

Details relating to outstanding principal balance, interest expense and repayment are outlined in **Table 31** below:

**Table 31: Core Debt Service Budget – FY 20 & FY 21**

Line of Credit – Nation Building	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Principal Balance	\$3,548,000	\$2,786,122	\$2,279,372	\$1,772,623	\$1,265,874	\$759,125	\$252,376
Interest	69,074	59,029	73,298	65,414	46,429	24,993	4,151
Principal	761,878	506,749	506,749	506,749	506,749	506,749	252,376
Total Principal + Interest	830,952	565,778	580,048	572,163	553,178	531,742	256,526
Outstanding Balance	\$2,786,122	\$2,279,372	\$1,772,623	\$1,265,874	\$759,125	\$252,376	\$0

## IX. Commercial Property Budget

The Commercial Property Budget consists of Kaka‘ako Makai’s and Nā Lama Kukui operational costs to reflect estimated needs for FY 20 and FY 21. The Commercial Property Budget requests are summarized in **Tables 32 and 33**. Furthermore, FY 19 YTD Executive Summary as of April 2019 is included as **Attachment #3**.

### Kaka‘ako Makai

Kaka‘ako Makai’s gross revenues are currently estimated at \$4,308,255 for FY 20 and \$4,419,016 for FY 21 from lease revenues. An estimated surplus of \$8,558,354 at the close of FY 21 is to be retained for contribution to future expenditures on its parcels.

**Table 32: Kaka‘ako Makai Budget – FY 20 & FY 21**

Kaka‘ako Makai Budget	Biennium Budget Request	
	FY 20	FY 21
<b>Beginning Balance*</b>	<b>\$8,344,287</b>	<b>\$8,324,369</b>
Gross Revenue	4,308,255	4,419,016
<i>Less: 10% Allocation to Grants:</i>	<i>(841,649)</i>	<i>(839,657)</i>
<i>Less: 30% KM Prior Year Net Revenue</i>	<i>(932,578)</i>	<i>(744,670)</i>
<b>Sub-total Available Funds:</b>	<b>\$10,878,315</b>	<b>\$11,159,058</b>
<i>Less: Expenses</i>		
Personnel	278,161	283,724
Program	81,475	59,475
Contracts	610,000	665,000
Travel	0	0
Equipment	939,500	945,200
Overhead	644,810	647,305
<b>Sub-total Expenditures:</b>	<b>\$2,553,946</b>	<b>\$2,600,704</b>
<b>Estimated Net Available Funds:</b>	<b>\$8,324,369</b>	<b>\$8,558,354</b>

\*In order to provide updated Available Funds information, April 2019 Kaka‘ako Makai data was utilized to determine FY 20 Beginning Balance. This FY 20 Beginning Balance was calculated based on Kaka‘ako Makai’s program level Net Assets, less prior and current year encumbered funds remaining balance (PO balance), less FY19 open procurement in process.

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**Nā Lama Kukui**

Nā Lama Kukui's (formerly Gentry Pacific Design Center) gross revenues are currently estimated at \$5,184,971 for FY 20 and \$5,301,025 for FY21 from lease revenues. An estimated surplus of \$1,850,635 at the close of FY 21 is to be retained for remaining debt service payments for the purchase of the property and Oahu office build-out.

**Table 33: Nā Lama Kukui Budget – FY 20 & FY 21**

Nā Lama Kukui Budget	Biennium Budget Request	
	FY 20	FY 21
<b>Beginning Balance*</b>	<b>\$2,724,510</b>	<b>\$2,056,070</b>
Gross Revenue	5,184,971	5,301,025
<b>Sub-total Available Funds:</b>	<b>\$7,909,481</b>	<b>\$7,357,095</b>
<i>Less: Expenses</i>		
Program	\$368,276	\$380,057
Contracts	535,015	559,502
Equipment	1,311,958	1,053,578
Overhead	1,087,183	1,002,371
<b>Sub-total Expenditures:</b>	<b>\$3,302,432</b>	<b>\$2,995,508</b>
<b>Less: Debt Service</b>	<b>2,550,979</b>	<b>2,510,952</b>
<b>Estimated Net Available Funds:</b>	<b>\$2,056,070</b>	<b>\$1,850,635</b>

*\*In order to provide updated Available Funds information, April 2019 Nā Lama Kukui data was utilized to determine FY 20 Beginning Balance. This FY 20 Beginning Balance was calculated based on Nā Lama Kukui's program level Net Assets, less prior and current year encumbered funds remaining balance (PO balance), less FY19 open procurement in process.*

The Nā Lama Kukui's operating budgets were prepared by the property manager based on historical costs and reviewed by OHA for reasonableness.

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**X. Legacy Property Budget**

The Legacy Property Budget consists of operational costs associated with the long-term stewardship kuleana of the Palaua Cultural Preserve on the island of Maui as well as Wao Kele O Puna (WKOP) in the Puna district of the island of Hawai'i. The Legacy Property Budget requests are summarized in **Tables 34 and 35** below.

**Palauea Culture Preserve**

Palauea Cultural Preserve revenues are derived from the sale of homes in an affluent area on Maui. The .05% of each sale has been deposited into an account for which the funds are to be used for the upkeep and long-term stewardship of this historical site. Needs through June 30, 2021 are estimated and summarized in **Table 34** and described below.

**Table 34: Palauea Culture Preserve – FY 20 & FY 21**

Palauea Culture Preserve	Biennium Budget Request	
	FY 20	FY 21
<b>Beginning Balance*</b>	<b>\$353,769</b>	<b>\$258,959</b>
Revenue	65,570	65,570
<b>Sub-total Available Funds:</b>	<b>\$419,339</b>	<b>\$324,529</b>
<b>Less: Expenses</b>		
Program	3,000	3,000
Contracts	75,000	42,000
Grants	25,000	35,000
Travel	4,680	4,680
Equipment	43,500	28,500
Overhead	9,200	9,000
<b>Sub-total Expenditures:</b>	<b>\$160,380</b>	<b>\$122,180</b>
<b>Estimated Net Available Funds:</b>	<b>\$258,959</b>	<b>\$202,349</b>

*\*In order to provide updated Available Funds information, April 2019 Palauea data was utilized to determine FY 20 Beginning Balance. This FY 20 Beginning Balance was calculated based on Palauea's program prior year's year end Net Available Funds plus any deposits received during prior year from sale of homes applicable to .05% transfer.*

**Wao Kele O Puna Management Fund**

In July, 2006, the Office of Hawaiian Affairs (OHA) acquired Wao Kele O Puna (WKOP) in the Puna district of the island of Hawai'i. WKOP is currently designated as a Forest Reserve and in Conservation Land with jurisdiction under the State of Hawai'i Department of Land and Natural Resources Division of Forestry & Wildlife (DOFAW).

On June 27, 2006, OHA entered into a Memorandum of Agreement (MOA) with the State of Hawai'i Department of Land and Natural Resources (DLNR). The agreement is for a term of ten (10) years and speaks to shared management and planning for WKOP. The MOA stated that the funding structure was such that OHA would contribute up to \$228,000 per year with the DLNR contributing up to \$100,000 in either appropriated funds or in-kind expenditures towards

**RM #19-09 - OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

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management activities as specific to WKOP. That agreement, MOA #07-02, is set to expire in June 2018.

On March 15, 2013 OHA's Program Improvement Staff performed an evaluation report for WKOP. The findings of that report included data collection and analysis to best decipher the use and allocation of the Project's funds. Ultimately it was found that many gaps remain. Therefore, beginning in FY 14, OHA notified DLNR of its intent to directly administer the annual allocation of \$228,000 pursuant to that agreement. DLNR did not object to OHA's decision.

On June 26, 2015, via this Action Item BOT #15-02, Board approved to allow the establishment of the Wao Kele O Puna (WKOP) Management Fund which includes previously-authorized Board appropriations for current and future programmatic needs. The available balance of the Fund as well as needs through June 30, 2019 are estimated and summarized in **Table 35** below:

**Table 35: Wao Kele O Puna (WKOP) Management Fund – FY 20 & FY 21**

WKOP Management Fund	Biennium Budget Request	
	FY 20	FY 21
<b>Beginning Balance*</b>	<b>\$460,918</b>	<b>\$204,308</b>
<i><b>Less: Expenses</b></i>		
Program	\$9,550	\$9,550
Contracts	70,000	80,000
Grants	10,000	10,000
Travel	8,160	8,160
Equipment	158,100	95,798
Overhead	800	800
<i><b>Sub-total Expenditures:</b></i>	<b>\$256,610</b>	<b>\$204,308</b>
<b>Estimated Net Available Funds:</b>	<b>\$204,308</b>	<b>(\$0)</b>

**RM #19-09 - OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

**XI. Special Programs Budget**

OHA's Special Programs Budget reflects budgets for special programs funded through non-trust-fund sources, including federal funds and other fund sources. OHA's Special Programs Budget requests are summarized in **Tables 36 and 37** and budget details in **Attachment #4**.

**Table 36: Special Programs Budget Federal - FY 20 & FY 21**

Special Programs Budget - Federal	Biennium Budget Request	
	FY 20	FY 21
<b>HLID Project</b>		
Personnel	\$312,472	\$318,770
Program	8,200	8,200
Contracts	3,740,927	63,860
Equipment	1,250	1,250
Overhead	36,400	36,119
<b>Sub-total HLID:</b>	<b>\$4,099,249</b>	<b>\$428,199</b>
<b>NHRLF Program</b>		
Personnel	\$451,776	\$460,812
Program	100,817	105,991
Contracts	273,288	276,099
Equipment	2,500	-
Overhead	36,579	39,083
Travel	37,045	37,045
<b>Sub-total NHRLF:</b>	<b>\$902,005</b>	<b>\$919,030</b>
<b>Total Federal Program Budget:</b>	<b>\$5,001,254</b>	<b>\$1,347,229</b>

**Table 37: Special Programs Budget Other – FY 20 & FY 21**

Special Programs Budget - Other	Biennium Budget Request	
	FY 20	FY 21
<b>Beginning Balance*</b>	<b>\$142,862</b>	<b>\$0</b>
Ka Wai Ola Revenues	\$75,000	\$75,000
Homesteader Loan Repayments	150,000	120,000
<b>Sub-total Available Funds:</b>	<b>\$367,862</b>	<b>\$195,000</b>
<b>Less: Expenses</b>		
Hi'ilei Aloha & Subsidiaries**	\$292,862	\$195,000
Ho'okele Pono & Subsidiaries	75,000	0
<b>Sub-total Other:</b>	<b>\$367,862</b>	<b>\$195,000</b>
<b>Estimated Net Available Funds:</b>	<b>\$0</b>	<b>\$0</b>

\* In order to provide updated Available Funds information, April 2019 Special Programs' data was utilized to determine FY 20 Beginning Balance. This FY 20 Beginning Balance was calculated based on Special Programs' program level Net Assets, less prior and current year encumbered funds remaining balance (PO balance), less FY 19 open procurement in process.

\*\*Hi'ilei Aloha and Subsidiaries' FY 20 and FY 21 operational needs are detailed in **Attachment #4**.

## **XII. Community Input**

Section 3.5.b of OHA Board of Trustee Executive Policy Manual states the following:

- *The BOT, pursuant to Chapter 10, Hawai'i Revised Statutes, as amended, will provide opportunity for the public to comment on the Biennium Budget through a number of means which may include public meetings, publications and announcements in local media, and through the use of the Internet. A public input plan will be developed by the CEO, in consultation with the BOT Chair, prior to each budget development cycle. The BOT shall take the public input gained from these various means into its budget preparation.*

As mandated under statute and policy, community input and public comment was solicited on the draft Biennium Budget. A public notice was placed on the OHA website on the May 20, 2019. The public notice directed comments beginning May 20, 2019 through and including June 5, 2019 to [ohabudget@oha.org](mailto:ohabudget@oha.org).

Community comments are provided in **Attachment #5**.

## **XIII. Post Budget Approval, Noted Items**

While the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21) were prepared in accordance with existing policies and procedures, Administration found this year's biennium budget construction effort to be very challenging and needing policy alignment and update. Consequently, Administration would like the Trustees to understand, support and note the following considerations to be implemented post approval of the biennium budget, resulting in a strategic and better aligned budget and projections.

Recommendations from each of the activities described below will be brought to the Trustees for Trustees' action(s), with the projected time frame in parentheses (month, year):

1. **Policies.** Economic Development, Debt Management, Spending, Investment and Financial Stability policies (August 2019);
2. **Strategies.** Strategic Plan 2020+ strategies (August 2019);
3. **Sponsorships.** Recommendation(s) from the Trustees' Ad Hoc Committee on Sponsorships, noting that the Native Hawaiian Congressional Fellowship program may continue as planned (August 2019);
4. **HB172 HD1, SD2, CD1 OHA Budget.** Clarity regarding Section 8 financial and management audit, including related FY 2020-2021 budget realignment implications (September 2019);
5. **Governance.** Board Governance Framework Permitted Interaction Groups—Board By-Laws and T-Level Policies (September 2019);
6. **Work Plan and related Budget Realignment.** Work plan (e.g., program objectives, activities) and budget realignment for FY 2020-2021 based on Board Governance Framework, including policies; Strategic Plan 2020+ strategies; governance, tactical and operational plans (e.g., technology, projects, key personnel position hires). The following realigned budgets will be brought back for Board review and action: A) Operating Budget – 2 Year (20/21); B) Major Project Budget (20/21); and C) Capital Budget (5-Year beginning with FY 20). In addition,

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reserve designation proposals for Trustee consideration and action (e.g., fringe, disaster, iwi kupuna repatriation) will also be provided. (September 2019);

7. **Financial Statements and Reporting.** Quarterly financial statements and strategic reporting and operations (i.e., Statement of Net Position, Statement of Activities, Consolidated Variance Report, notes) (October 2019);
8. **Measurement, Monitoring and Reporting Tools.** Creation of electronic repository for measurement, monitoring, reporting and analysis for short term (e.g., dashboards) and long term (e.g., projections, strategic plan) reporting and monitoring (December 2019);
9. **Communications and Branding Plan, Including Transparency Portal.** Creation and implementation of Communications and Branding Plan, including plan for the creation, population and maintenance of Transparency Portal (January 2020); and
10. **Projections.** Mid-Year update of projections (January 2020); Mid-Biennium update of projections (August 2020).

### **XIV. Recommended Actions**

Administration recommends to the Resource Management Committee:

- A. The approval of the Total Operating Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21) as outlined in Attachment #1, noting the following post approval activities and results which matters will be brought to the Trustees for Trustees' action(s), within the projected time frame in parentheses (month, year):
  1. **Policies.** Economic Development, Debt Management, Spending, Investment and Financial Stability policies (August 2019);
  2. **Strategies.** Strategic Plan 2020+ strategies (August 2019);
  3. **Sponsorships.** Recommendation(s) from the Trustees' Ad Hoc Committee on Sponsorships, noting that the Native Hawaiian Congressional Fellowship program may continue as planned (August 2019);
  4. **HB172 HD1, SD2, CD1 OHA Budget.** Clarity regarding Section 8 financial and management audit, including related FY 2020-2021 budget realignment implications (September 2019);
  5. **Governance.** Board Governance Framework Permitted Interaction Groups—Board By-Laws and T-Level Policies (September 2019);
  6. **Work Plan and related Budget Realignment.** Work plan (e.g., program objectives, activities) and budget realignment for FY 2020-2021 based on Board Governance Framework, including policies; Strategic Plan 2020+ strategies; governance, tactical and operational plans (e.g., technology, projects, key personnel position hires). The following realigned budgets will be brought back for Board review and action: A) Operating Budget – 2 Year (20/21); B) Major Project Budget (20/21); and C) Capital Budget (5-Year beginning with FY 20). In addition, reserve designation proposals for Trustee consideration and action (e.g., fringe, disaster, iwi kupuna repatriation) will also be provided. (September 2019);

7. **Financial Statements and Reporting.** Quarterly financial statements and strategic reporting and operations (i.e., Statement of Net Position, Statement of Activities, Consolidated Variance Report, notes) (October 2019);
  8. **Measurement, Monitoring and Reporting Tools.** Creation of electronic repository for measurement, monitoring, reporting and analysis for short term (e.g., dashboards) and long term (e.g., projections, strategic plan) reporting and monitoring (December 2019);
  9. **Communications and Branding Plan, Including Transparency Portal.** Creation and implementation of Communications and Branding Plan, including plan for the creation, population and maintenance of Transparency Portal (January 2020); and
  10. **Projections.** Mid-Year update of projections (January 2020); Mid-Biennium update of projections (August 2020).
- B. The extension of the Kaka`ako Makai Revenue allocation policy provision of thirty (30) percent of net revenues (as defined in current policy, see page 11) for OHA's Legacy Property management until further edits to the Kaka`ako Makai policy is presented, reviewed and decided upon by the Board of Trustees, in no event later than September 30, 2019.
- C. The approval of 2% across-the-board pay increase of salaries and fringe (see page 17) for FY20 and FY 21 based on individual satisfactory performance evaluation.

**XV. Alternative Actions**

- A. Amend the recommended action.
- B. Do not approve the recommended actions.

**XVI. Attachments**

1. Total Operating Budget for Biennium Period FY 20 & FY 21
2. OHA Organizational Charts (as of May 2019)
3. Commercial Property Executive Summaries (as of April 2019)
4. Special Programs Budget – Other Budget Request Detail
5. Community Input for Biennium Budget (as of June 2019)
6. Administration's BOT Budget Workshop #1

## ATTACHMENTS

1. Total Operating Budget for Biennium Period FY 20 & FY 21
2. OHA Organizational Charts (as of May 2019)
3. Commercial Property Executive Summaries (as of April 2019)
4. Special Programs Budget – Other Budget Request Detail
5. Community Input for Biennium Budget (as of June 2019)
6. Administration's BOT Budget Workshop #1



OFFICE OF HAWAIIAN AFFAIRS  
TOTAL OPERATING BUDGET

BIENNIUM FISCAL PERIODS 2019-2020 (FY 2020) 2020-2021 (FY 2021)

FY 2020	FTE	Core	Fiscal Reserve	Commercial Property Budget		Legacy Property Budget		Special Programs Budget		FY 2020 Total Operating Budget
				Kaka 'ako Makai	Nā Lama Kukui	Palauea Culture Preserve	WKOP Mgmt Fund	Federal Funded	OHA Funded	
Personnel & Fringe Program	179.0	\$ 16,905,440	\$ -	\$ 278,161	\$ -	\$ -	\$ -	\$ 764,248	\$ -	\$ 17,947,849
Contracts		1,351,878	-	81,475	368,276	3,000	9,550	109,017	-	1,923,196
Grants		4,296,719	-	610,000	535,015	75,000	70,000	4,014,215	-	9,600,949
Travel		9,660,921	-	-	-	25,000	10,000	-	-	9,695,921
Equipment		511,087	-	-	-	4,680	8,160	37,045	-	560,972
Overhead		995,570	-	939,500	1,311,958	43,500	158,100	3,750	-	3,452,378
Debt Service		2,964,382	-	644,810	1,087,183	9,200	800	72,979	-	4,779,354
Other		580,048	-	-	2,550,979	-	-	-	-	3,131,027
		-	-	-	-	-	-	-	367,862	367,862
<b>Totals:</b>		<b>\$ 37,266,044</b>	<b>\$ -</b>	<b>\$ 2,553,946</b>	<b>\$ 5,853,411</b>	<b>\$ 160,380</b>	<b>\$ 256,610</b>	<b>\$ 5,001,254</b>	<b>\$ 367,862</b>	<b>\$ 51,459,507</b>

FY 2021	FTE	Core	Fiscal Reserve	Commercial Property Budget		Legacy Property Budget		Special Programs Budget		FY 2021 Total Operating Budget
				Kaka 'ako Makai	Nā Lama Kukui	Palauea Culture Preserve	WKOP Mgmt Fund	Federal Funded	OHA Funded	
Personnel & Fringe Program	179.0	\$ 17,136,197	\$ -	\$ 283,724	\$ -	\$ -	\$ -	\$ 779,582	\$ -	\$ 18,199,503
Contracts		1,192,677	-	59,475	380,057	3,000	9,550	114,191	-	1,758,950
Grants		3,999,924	-	665,000	559,502	42,000	80,000	339,959	-	5,686,385
Travel		9,635,921	-	-	-	35,000	10,000	-	-	9,680,921
Equipment		512,309	-	-	-	4,680	8,160	37,045	-	562,194
Overhead		1,027,036	-	945,200	1,053,578	28,500	95,798	1,250	-	3,151,362
Debt Service		3,134,555	-	647,305	1,002,371	9,000	800	75,202	-	4,869,233
Other		572,163	-	-	2,510,952	-	-	-	-	3,083,115
		-	-	-	-	-	-	-	195,000	195,000
<b>Totals:</b>		<b>\$ 37,210,783</b>	<b>\$ -</b>	<b>\$ 2,600,704</b>	<b>\$ 5,506,460</b>	<b>\$ 122,180</b>	<b>\$ 204,308</b>	<b>\$ 1,347,229</b>	<b>\$ 195,000</b>	<b>\$ 47,186,664</b>



## ATTACHMENTS

1. Total Operating Budget for Biennium Period FY 20 & FY 21
2. **OHA Organizational Charts (as of May 2019)**
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5. Community Input for Biennium Budget (as of June 2019)
6. Administration's BOT Budget Workshop #1

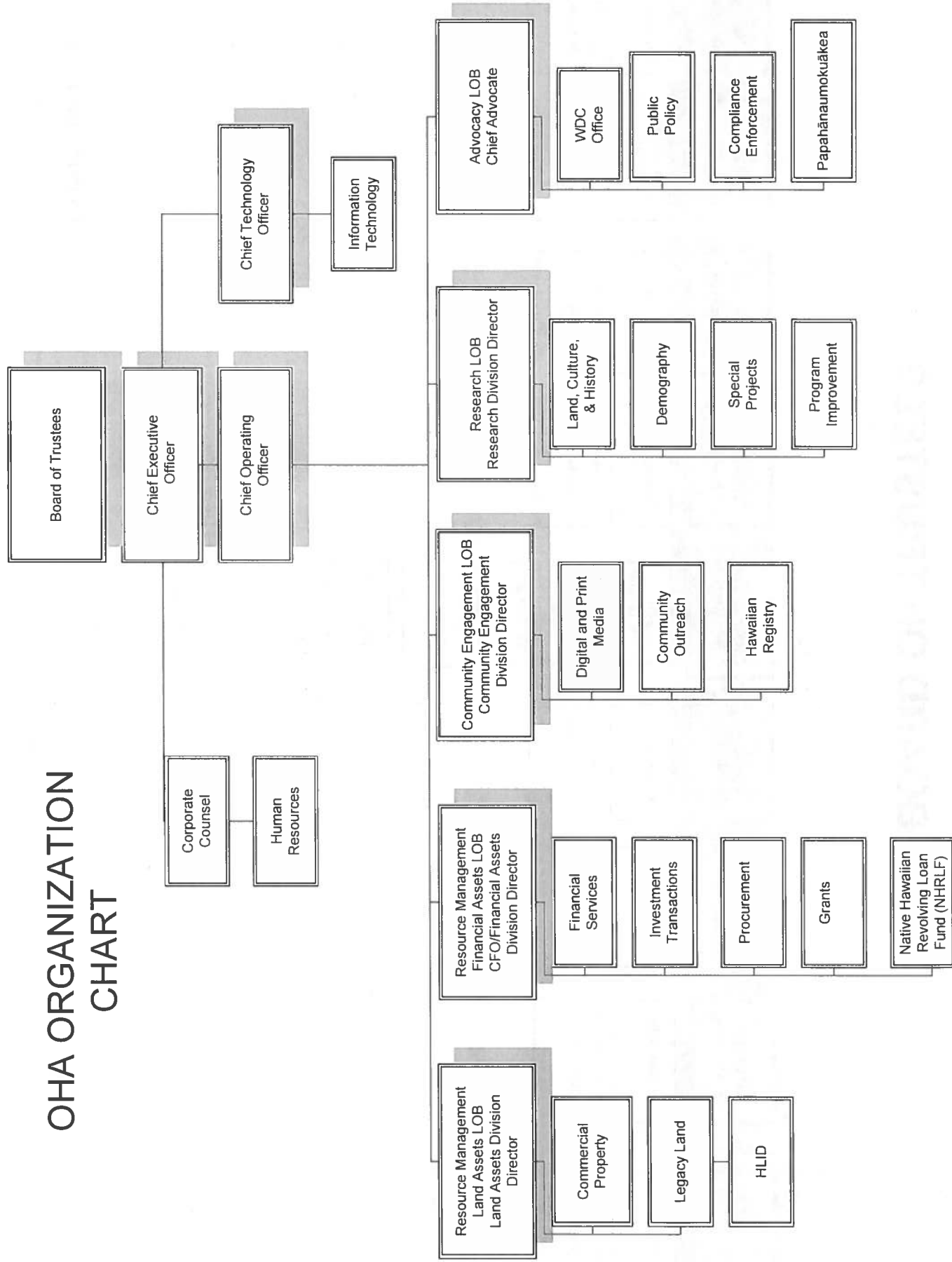
THE UNIVERSITY OF CHICAGO

PHILOSOPHY

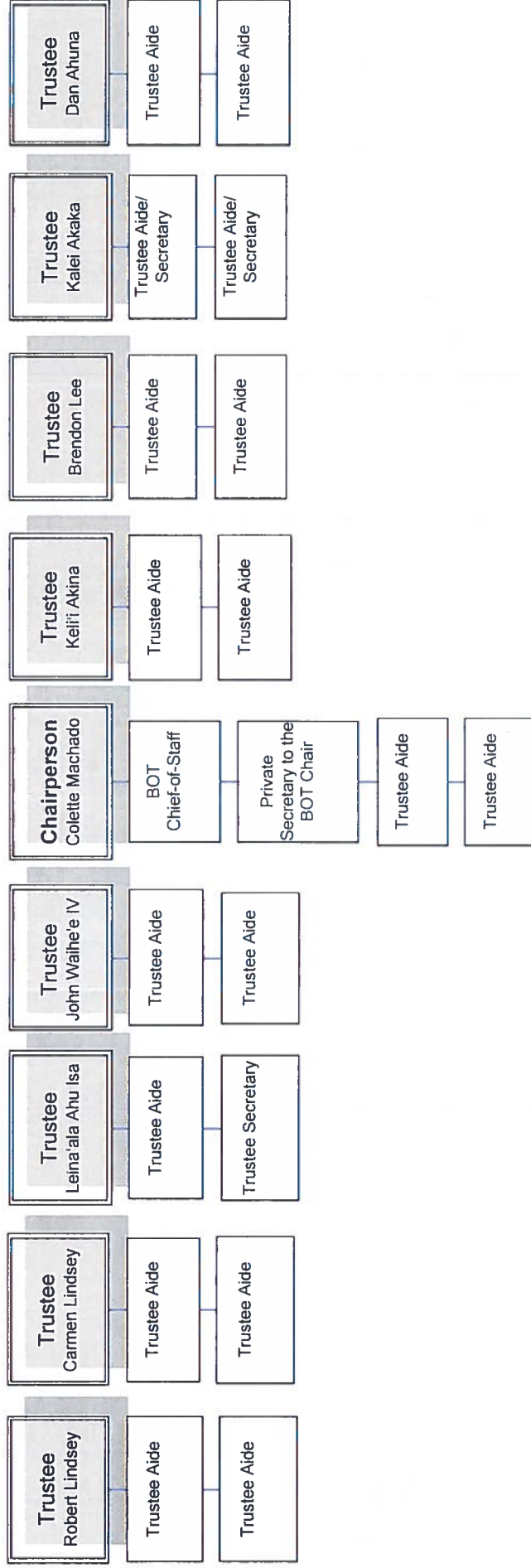
DEPARTMENT OF PHILOSOPHY

PHILOSOPHY

# OHA ORGANIZATION CHART

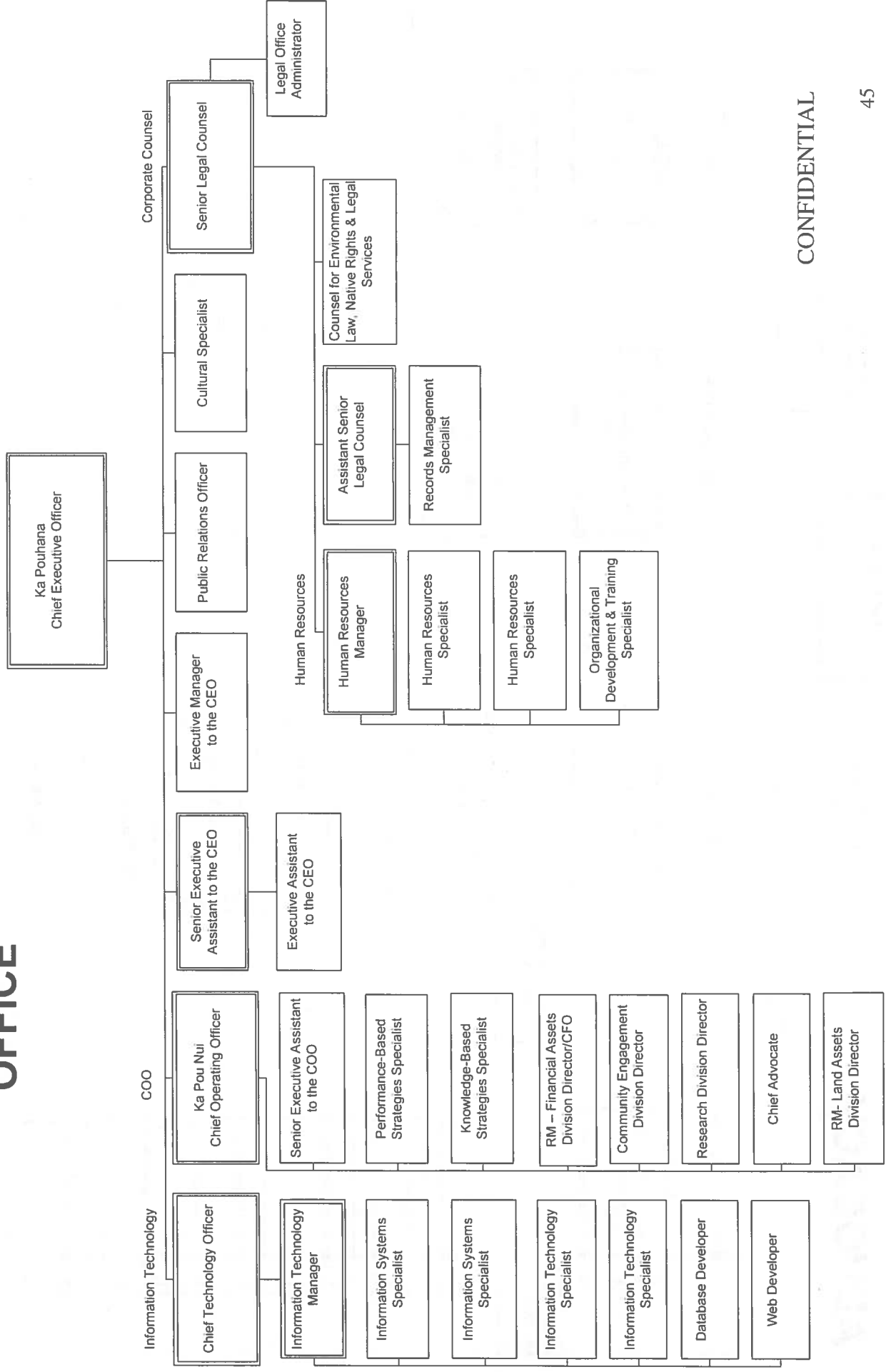


# BOARD OF TRUSTEES



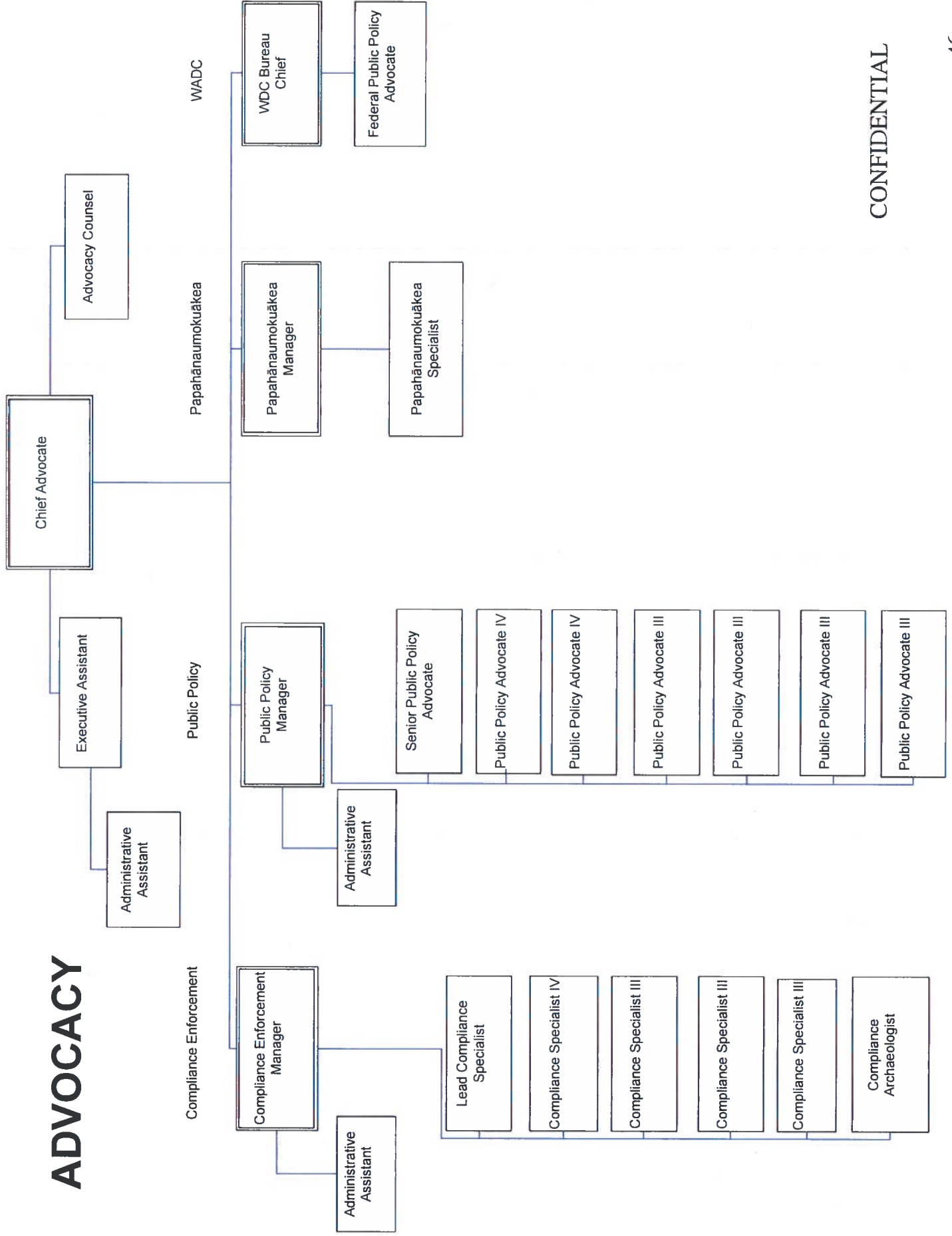
CONFIDENTIAL

# EXECUTIVE OFFICE

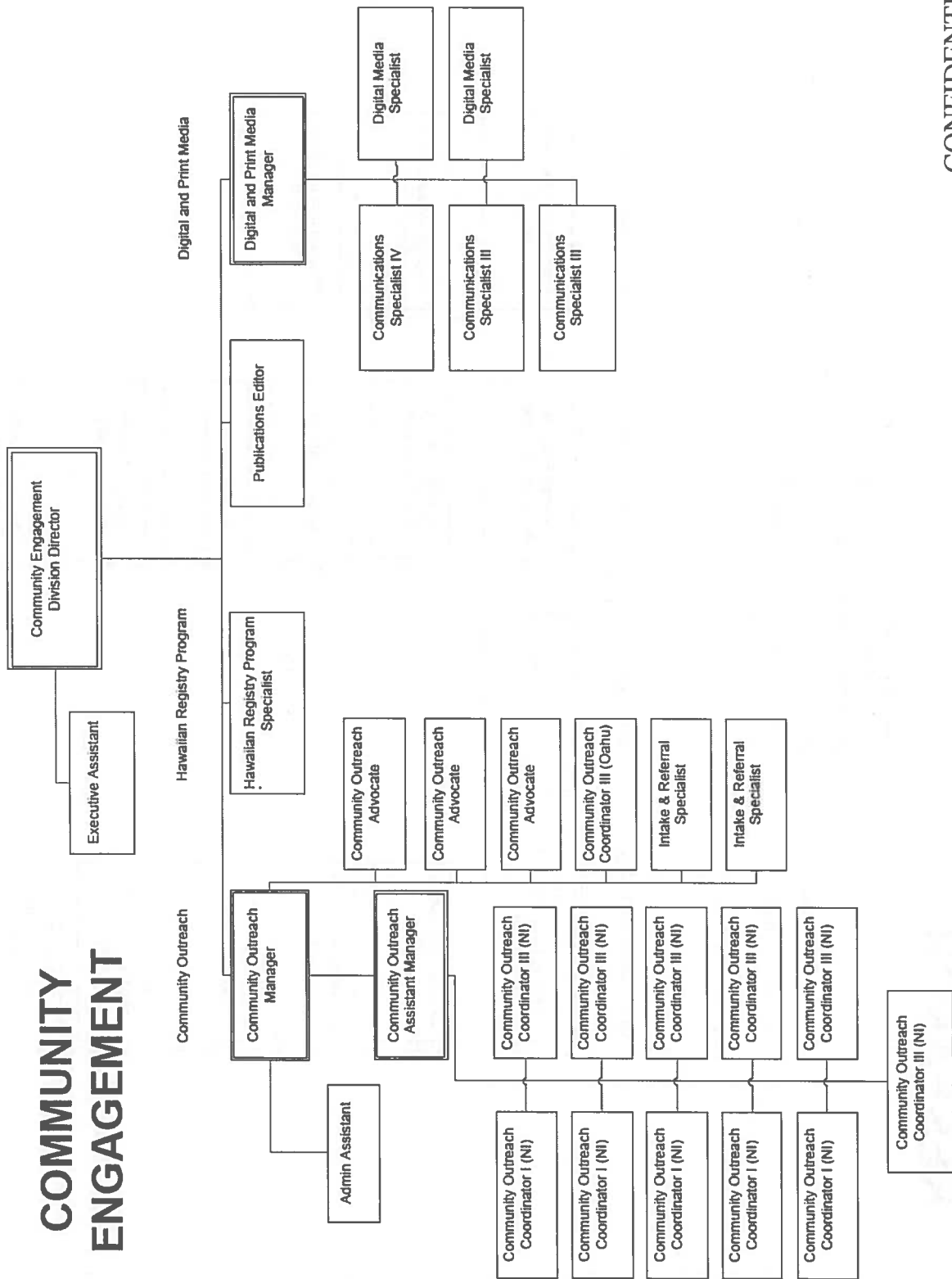


CONFIDENTIAL

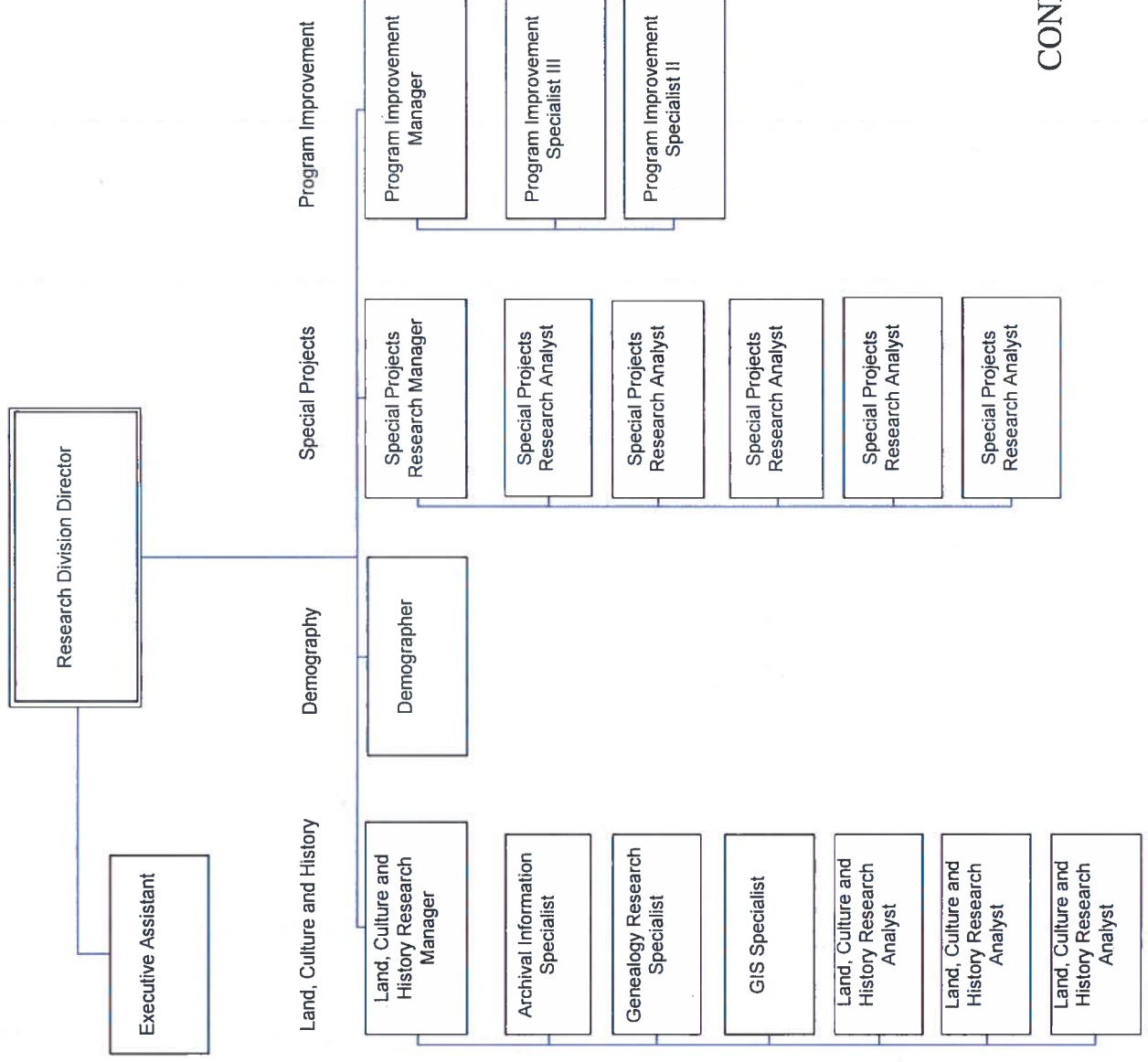
# ADVOCACY



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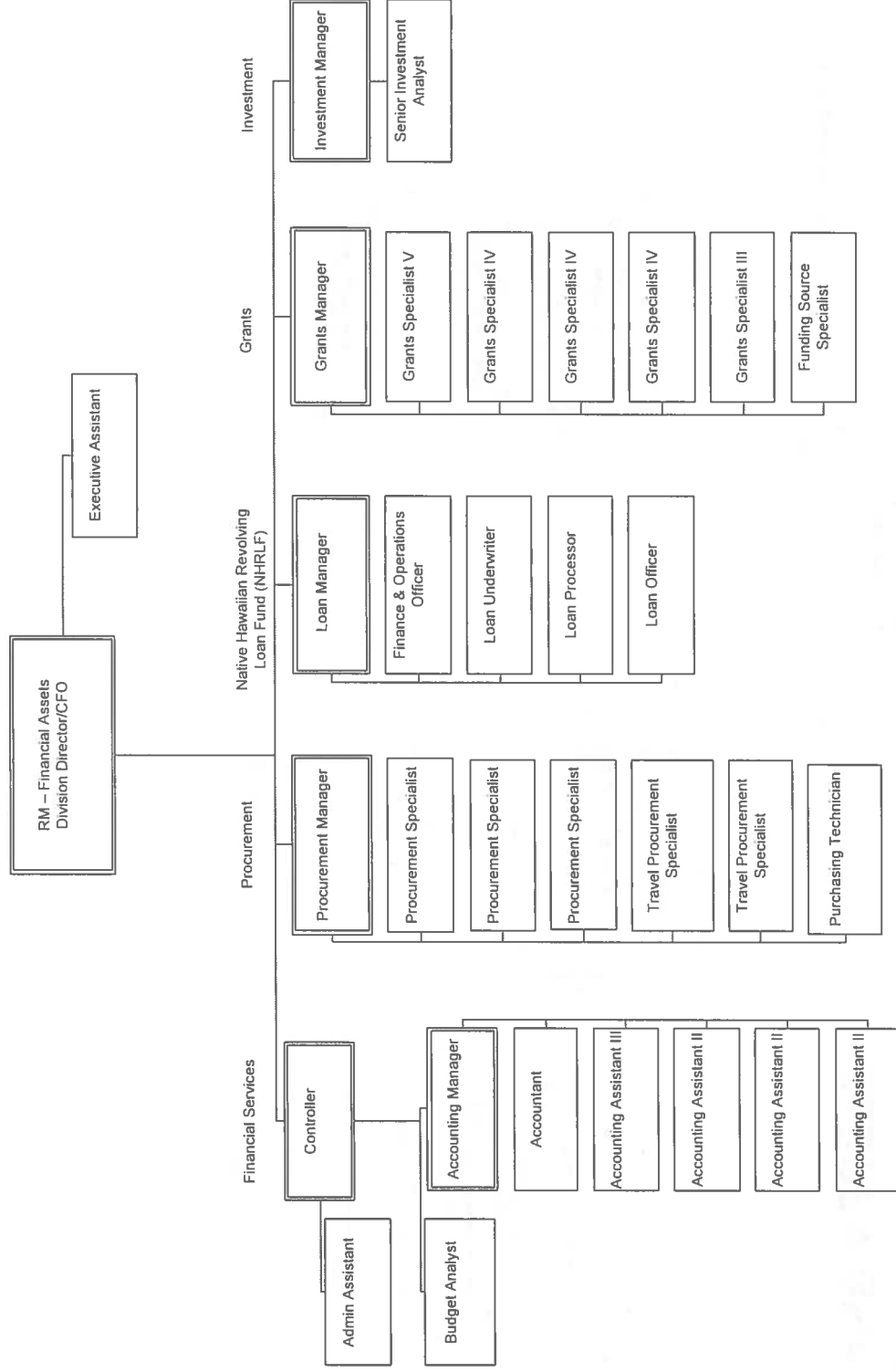


# RESEARCH



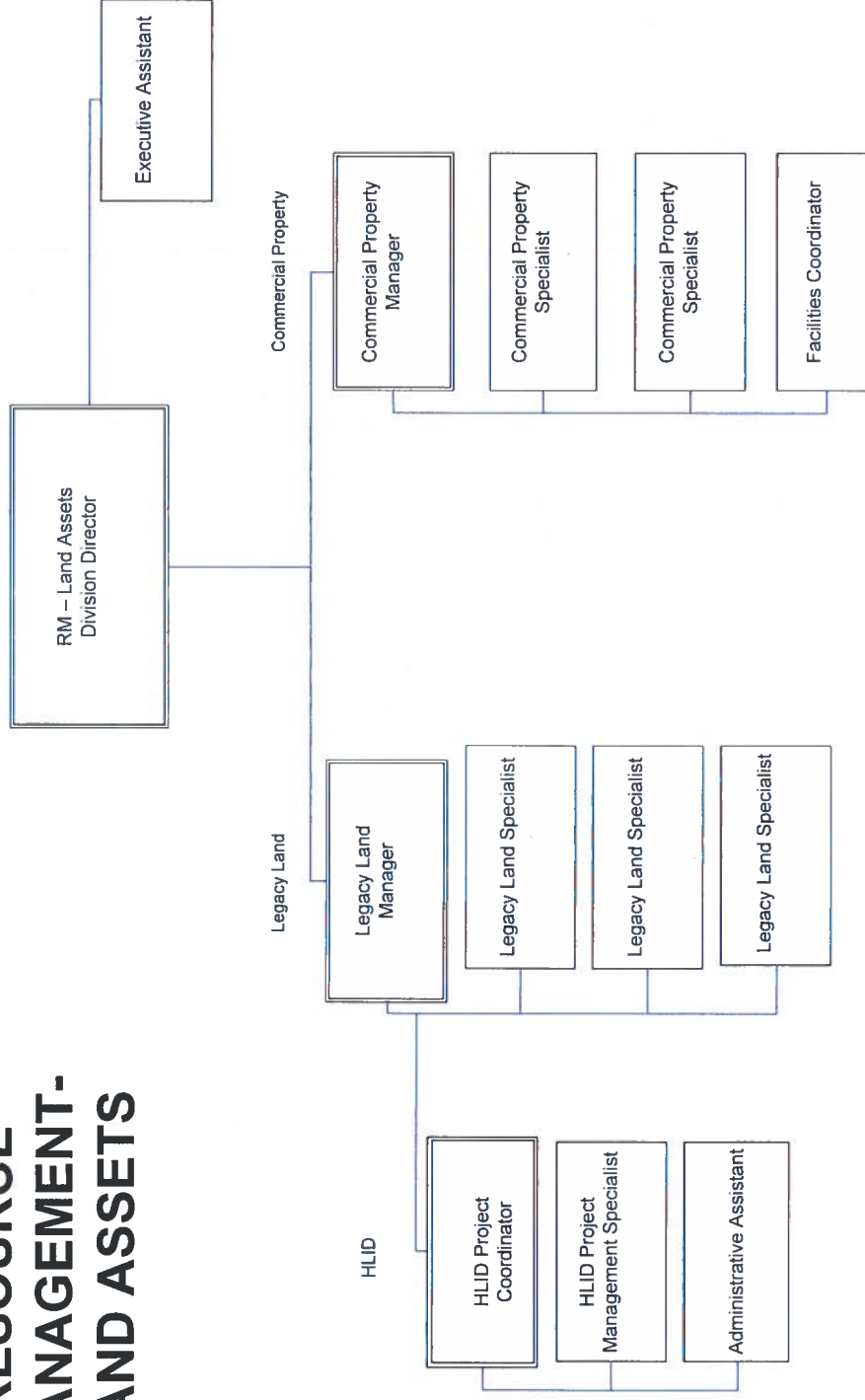
CONFIDENTIAL

# RESOURCE MANAGEMENT- FINANCIAL ASSETS



CONFIDENTIAL

# RESOURCE MANAGEMENT- LAND ASSETS



CONFIDENTIAL

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Kaka'ako Makai  
April 2019  
EXECUTIVE SUMMARY

ATTACHMENT #3

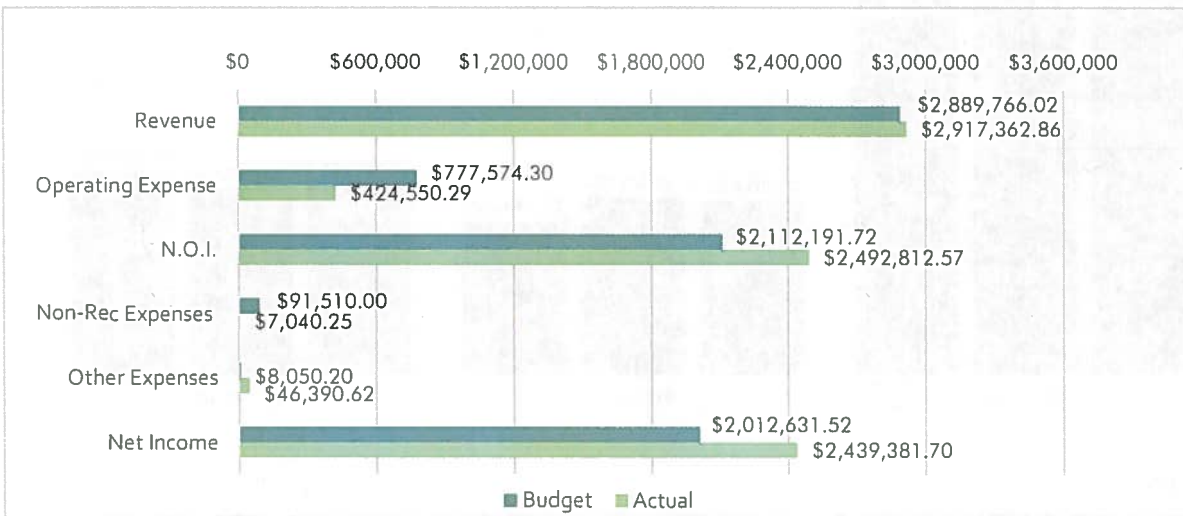
Percent Leased



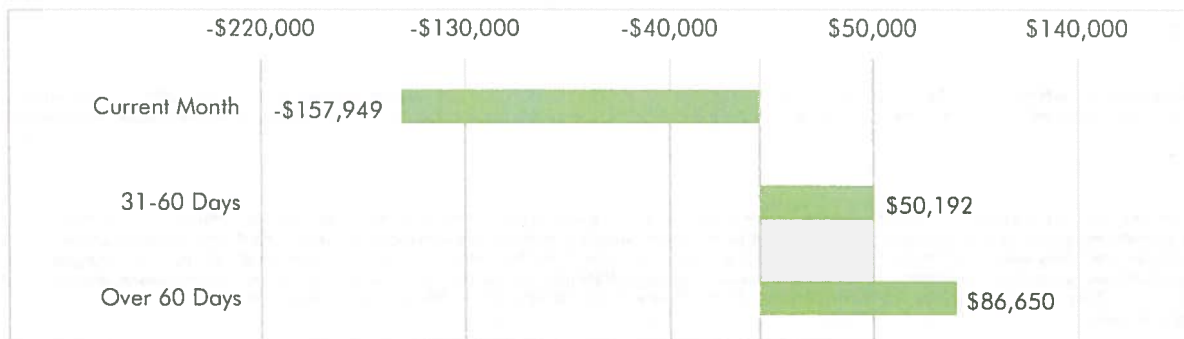
Vacant - Portions of Parcels A and I

We are waiting for OHA legal to review and execute License Agreement with Diamond Parking.

Budget Comparison (YTD)



Accounts Receivable



OFFICE OF HAWAIIAN AFFAIRS  
NA LAMA KUKUI  
560 North Nimitz Highway Honolulu, HI 96817

ATTACHMENT #3

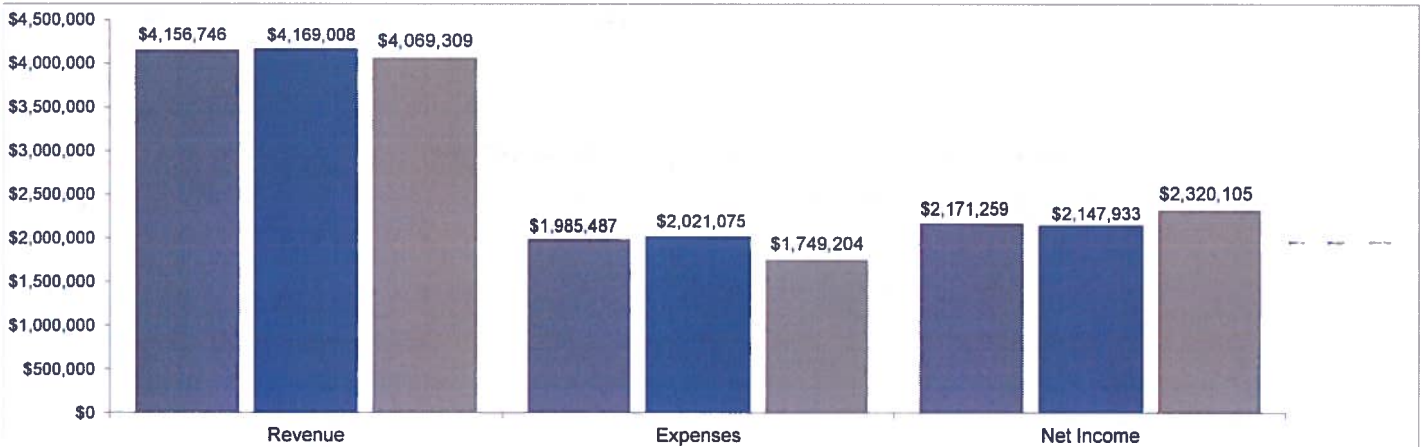
## Executive Summary April 2019

TMK 1150100030000 1150100110000 1150100120000

### OCCUPANCY

Actual	131,675 sq ft	96.78%
Budget	135,164 sq ft	99.34%
GLA	136,062 sq ft	100.00%

### FINANCIAL RESULTS - YTD



### EXPIRING LEASES

Year End	Vacant	MTM	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	Beyond FY27	Total
Sq. Ft Expiring	4,387	46,961	14,915	11,251	30,932	12,588	11,004	2,440	0	0	0	1,584	136,062
Percent	3.22%	34.51%	10.96%	8.27%	22.73%	9.25%	8.09%	1.79%	0.00%	0.00%	0.00%	1.16%	100.00%

### VARIANCE ANALYSIS

#### Revenue

As of April 30, 2019, NLK shows a actual to budget deficit of \$12,262. This is primarily due to lower than budgeted rental income and operating expense recovery. This is offset by unbudgeted operating expense recovery – prior year, late charges and interest, water/sewer recovery and direct reimbursement. Also, there was higher than budgeted electricity recovery, parking income, legal fees recovery, and miscellaneous income.

#### Expenses

As of April 30, 2019, NLK shows a actual to budget deficit of \$35,589. Variance is primarily due to lower than budgeted R&M roofing, R&M fire & safety, R&M air conditioning, A/C contract, tree trimming, pest control, water/sewer, telephone/office, property supplies, insurance, advertising, signage, property management fee, administrative expenses, R&M owners expense, utilities – vacant, and utilities – gross leases. Also, there was no legal fee expense, R&M landscaping, landscaping – interior, and R&M parking lot. The sum of these are offset by higher than budgeted janitorial expenses, cleaning, R&M building/equipment, R&M painting, R&M electrical, landscaping exterior, R&M plumbing, elevator, refuse, security service, security/alarm service, electricity, overhead fee, holiday decorations, utilities – electric recoverable and commission expense. Also, there was unbudgeted utilities – water recoverable, direct expense – tenants, tenant improvements, bank charges and RPT.

### SUMMARY OF SIGNIFICANT PROPERTY ACTIVITIES

A/C replacement in board room area and 117 to be completed in July. Fire system upgrade permit is pending.

Mechanical plans for grease trap (102 restaurant) have been submitted for permit, modified procurement is on-going.

Mass texting application for tenant emergency notifications to be launched in May.

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*Special Programs Budget – Other* are considered special program income and not part of the Native Hawaiian Trust Fund. Expenditure of these funds is authorized through BOT approval of the Special Programs Budget. As of May 2019, the approximate available funds during each fiscal Biennium period, FY 20 and FY 21, for Special Programs Budget appropriations, are summarized in the table below and from **Table 7**:

**Table A: Available Funds for OHA’s FY 20 & FY 21 Special Programs Budget–Other**

Funding Sources	FY 19	FY 20	FY 21
Beginning Balance*	\$129,031	\$142,862	\$0
Hawaiian Projects	76,205	75,000	75,000
Homesteader Loan Program	187,626	150,000	120,000
<b>Sub-total Available Funds:</b>	<b>\$392,862</b>	<b>\$367,862</b>	<b>\$195,000</b>
BOT-Approved Appropriations	-250,000	0	
<b>Proposed Appropriations</b>	<b>0</b>	<b>-367,862</b>	<b>-195,000</b>
<b>Estimated Net Available Funds:</b>	<b>\$142,862</b>	<b>\$0</b>	<b>\$0</b>

*\*Available funds for the Special Programs Budget – Other has been updated since its last presentation and reflects estimated balances through May, 2019 (also known as “Beginning Balance”).*

In May 2019, the Board approved dissolution and other reorganization actions for Hi‘ilei Aloha, LLC and Ho‘okele Pono, LLC. Projections of dissolution, wind-down and other reorganization activities were made and is summarized below:

**Table B: Projected OHA’s FY 20 & FY 21 Special Programs Budget–Other**

Total Operating Budget	BOT Approved		Biennium Budget Request	
	FY18	FY19	FY 20	FY 21
<i>Special Programs Budget – Other</i>				
Hi‘ilei Aloha & Subsidiaries	\$150,000	\$200,000	\$317,000	\$250,000
Ho‘okele Pono & Subsidiaries	50,000	50,000	89,000	75,000
<b>Total</b>			<b>\$406,000</b>	<b>\$325,000</b>

**Table C: Difference Between Available Funds from Special Programs and Projected Costs**

Funding Sources	FY 19	FY 20	FY 21
Beginning Balance*	\$129,031	\$142,862	\$0
Hawaiian Projects	76,205	75,000	75,000
Homesteader Loan Program	187,626	150,000	120,000
<b>Sub-total Available Funds:</b>	<b>\$392,862</b>	<b>\$367,862</b>	<b>\$195,000</b>
BOT-Approved Appropriations	-250,000	0	
<b>Additional Contribution from Core</b>		<b>38,138</b>	<b>130,000</b>
<b>Funding from Special Programs</b>	<b>0</b>	<b>-406,000</b>	<b>-325,000</b>
<b>Estimated Net Available Funds:</b>	<b>\$142,862</b>	<b>\$0</b>	<b>\$0</b>



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Contributor	Comments
1. Rae Leong 6/13/2019 (e-mail)	OHA's priorities should be benefits to their Hawaiian beneficiaries for housing health keiki & education.
2. Roxy Kaanaana 6/4/2019 (e-mail)	<p>My name is Roxy Kaanaana, i am Kanaka Maoli!</p> <p>There are a number of Native Hawaiians living on the streets on all the islands of Hawaii. Granted there are those who prefer to being homeless, then there are the few that need assistance and like many we are a pay check away from becoming homeless.</p> <p>The Office of Hawaiian Affairs was established to serve the Hawaiian community, questions I have are;</p> <ol style="list-style-type: none"> <li>1. Why is OHA selling off our lands? When it can be used for housing.</li> <li>2. Why are the Hawaiians not given a monthly stipen like the Native Americans and Eskimos?</li> </ol> <p>The children of Hawaiian ancestry are moving to the mainland, why? Because the cost of living here are to high that both parents have to work 2 or 3 jobs each just to make ends meet. There is no one home to provide structure, discipline and a loving home that most of the youth in Hawaii end up doing drugs or becoming felons. Is this what we want for the future of Hawaii?</p> <p>Hawaiians are a dying breed, yet OHA has billions of dollars just collecting interest, why not provide the Hawaiians with a helping hand? Doesn't matter if we have 100% Hawaiian blood or if we have 1% as long as we can prove our ancestry then we should be given a monthly stipen.</p> <p>There are a lot of issues that are out there but I hope that some of my input can be looked into because 2 cof my children already moved to the mainland.</p> <p>Mahalo for allowing me to voice my opinions.</p>
3. Germaine Meyers, May 29, 2019 RM Committee Meeting	<p>Aloha my name is Germaine Meyers. I'm an OHA beneficiary for Beneficiary Advocacy and Empowerment. I'm also a Nanakuli Hawaiian Homestead Lessee. Total [today] I provide you my data, views and arguments concerning the Biennium Budget. I thought I was going to be able to resolve them with OHA last night, unfortunately that wasn't so. Being that the Biennum Budget is very important to me, I would like the Trustees to consider some of the data, views and arguments I have concerning the Biennium Budget proposed by Administration.</p> <p>OHA's Non-Core Budget expenses are noted on the pie chart on page 15 as being \$23.6 million or 24% of OHA's total operating budget of \$98.1 Million.</p>

Contributor	Comments
	<p>In regards to the Non-Core Budget expenses</p> <ol style="list-style-type: none"> <li>1) \$4.5 million is being budgeted for the Federal Program “Halawa Luku Interpretive Development”, with \$4.0 million for FY 20 and \$428,000 for FY21. <ol style="list-style-type: none"> <li>a. That’s a huge difference in FY20 expenses vs FY21?</li> </ol> </li> <li>2) \$5.2 million for Kaka’ako Makai Commercial Properties and \$11.3 M for Na Lama Kukui Commercial Properties, for a total of \$16.5 million. However there are discrepancies and missing revenue from the funding section. <ol style="list-style-type: none"> <li>a. There is a \$1 million discrepancy. On page 8, it’s noted that Kaka’ako revenues are \$2.98 Million, or 4% of the total funding of \$74.5 million. However on page 11, Kaka’ako Makai Revenues are noted in the narrative statements that “annually, these parcels are expected to generate more than \$4 million in revenue to OHA.</li> <li>b. Although \$11.3 million of operating expenses are noted for Na Lama Kukui Commercial Properties under the Non-core Expenses (on worksheets page 3), there are no indication on any of the funding sources of the total revenues generated by Na Lama Kukui that will be part of the funding for OHA’s operating budget.</li> </ol> </li> <li>3) Personnel Expenses have \$600,000 discrepancy. On page 18 personnel expenses are \$34.0 million. However on page 20 it’s \$33.4 million.</li> <li>4) Services on Fee Basis Contracts have a \$200,000 discrepancy. A total of \$8.2 on the pie chart (page 23), but \$8.4 million on the worksheets (page 7). <ol style="list-style-type: none"> <li>a. In addition, what accounts for high legal fees?</li> <li>b. \$8.4 million is 11% of the total core operating budget, were 26% is allocated for Grants, or (\$19.4 million).</li> <li>c. My concern are what policies do OHA have to determine when OHA will engage in a lawsuit, for example against Trustee Rowena Akana, or against Beneficiaries such as Kelii Makekahu and Mililani Trask, or against Andrew Walden for OHA’s LLCs? I thought the LLCs were created to prevent OHA from losing money and the Trust assets?</li> </ol> </li> </ol>

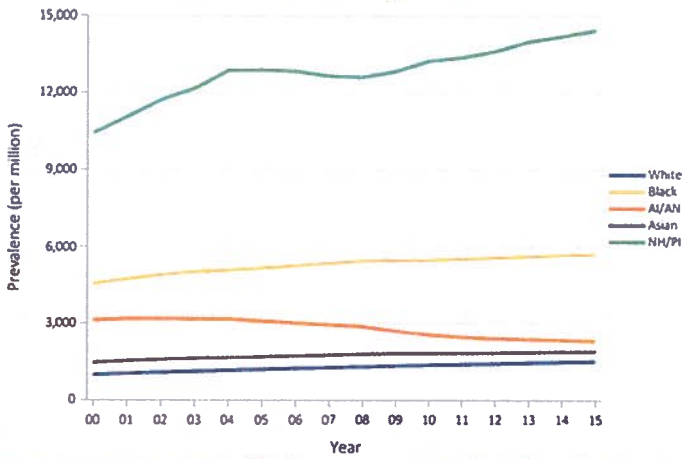
Contributor	Comments
	<p>5) OHA's Facebook currently states that OHA has 170 employees. OHA is budgeting for 158 employees. Also, why does OHA have many more employees than does DHHL?</p> <p>6) OHA's personnel priorities beginning with the lowest are:  Land Assets have 4% (6)  Research 9% (14)  Advocacy 14% (22)  Executive, Trustees, and Financial Assets each have 18% (28) Community Engagement have 19% (30)</p> <p>E Hana Kakou  Ke Akua Pu</p>
<p>4. Anna Peters  5/28/2019 (e-mail)</p>	<p>Unfortunately I won't be able to make this meeting being I will be out of state. I hope that you could include my mana`o on this process. I believe there should be more services around assisting the elderly. Whether it's helping them with legal, financial issues or medical advice on pros &amp; cons on long term care or just providing information on whether to continue to live or let go. Along with that investing in elderly care homes or in early childhood would be even better. Whether through building a community center as a one stop shop for our island or all our islands where people can come and get care, information, workshops, meeting space etc. etc.</p>
<p>5. R N Mansfield  5/24/2019 (e-mail)</p>	<p>Aloha mai,</p> <p>Thank you for distributing this presentation to us, the lahui. My ohana are Pohina of Milolii, Kona, Hema, moku o Keawe, Kama'i of Ale'amai, Hilo, moku o Keawe, Takayama, Akimseu, Iokepa. We are of Obed Uweoulani Nawahine of Olowalu, Maui, of Na'ehu, of Abraham and Margaret Maika'i Dudoit, Lucy Kumaikalani Mansfield, Helen Kalanikauleleiwi Nawahine Wahineokai. Further, I do not claim to speak on their behalf.</p> <p>The presentation is comprehensive and while I am certain that I do not understand all of the details and implications, I trust your effort.</p> <p>The kuleana of education is important and should not be left solely to Kamehameha Schools to carry.</p>

Contributor	Comments
	<p>In the future please consider TMKs belonging to lahui which have been abandoned and subject to public auction. Is it feasible for OHA to create a lahui land trust to which lahui could transfer title?</p> <p>Also, please be certain legislative proposals are carefully crafted to withstand the test of time.</p> <p>I humbly thank you all for your efforts. Surely your aloha aina motivates your efforts and it has no price tag. Our kupuna gifted that to us. Mahalo ke Akua.</p>
<p>6. Sylvia Krewson-Reck  5/24/2019 (e-mail)</p>	<p>5-24-2019</p> <p>Aloha OHA,</p> <p>For many years I have been deeply concerned that the 1906 Incultation Program for Patriotism given to all first graders - and on and in for about seven generations...that the true original kanaka values and principles have been diminished.</p> <p>Most importantly, is the awareness of the NA'AU...a vital part of our anatomy which guided - by conscience - our behavior. I am old enough to recall among some of my kupuna such an awareness. Unfortunately,</p> <p>I fear that this vital guide is less known by several younger generations and I feel it must be restored.</p> <p>This all came to my attention when at 21 I ventured to California, stayed for a while, married and had three kids so I did stay for a long while. Before that I had only known Hawaiian - and local culture...I knew no ha'ole. After much cogitation about the vast differences between ha'ole culture and that of my Hawaii one,</p>

Contributor	Comments
	<p>the Na'au stood out...Ha'ole ike na'au ole..Noone was aware of this precious part of our conscience.</p> <p>More and more throughout the years I have been concerned.  WE DO ALL NEED OUR CONSCIENCE,  don't we?</p> <p>Could OHA set up a kanaka kahiko hie hie kanawai specifically for the purpose of restoring those beautiful pure values once adhered to...for the younger people.</p> <p>Na'auao - knowledge is the balance between the ombination of mind and feelings...Please correct me if not so.</p> <p>Mahalo a nui loa, sylvia</p>
<p>7. Aileen Camello  5/23/2019 (e-mail)</p>	<p>The first Carpenter Training program just completed in Kapolei and my relative is so excited about using the training to help her find a better paying job. I understand there were more than 400 application and only 30-40 were selected. OHA should fund career programs like this to help Hawaiians have an opportunity to get better paying jobs. These programs should be given in the homestead or convenient locations not in downtown . Educational Programs will help Hawaiians get motivated to better themselves.</p> <p>There should be Education funding for all Hawaiian children. Kamehameha can only do so much funding; I think OHA could help close the gap.</p>
<p>8. Julie Kanealii  5/23/2019 (e-mail)</p>	<p>Aloha,</p> <p>Awesome, since you asked....there are too many rules and regulations. Approaching things the same way year after year and expecting a different result is the definition of insanity. It's time to think outside the box, shift the paradigm, please.</p> <p>My husband will never qualify on paper to get a personal or business loan from you folks, why should he have to? You're application process is intimidating to say the least, the people that need it the most are being</p>

Contributor	Comments
	<p>overlooked and underserved. We were recently houseless for 6 weeks and he knew there was no way he would get any help from OHA, so didn't even bother. He was turned down in 1995/96, another time we really needed help. I've never heard him say - "we're in trouble, I know I can count on OHA to help me." If a Kanaka asks for money, <b>GIVE</b> it to them. Do you know how hard it is to ask for help? It's <b>HARD</b> to ask for help and then to get denied is crushing! We know very few Kanaka that have directly benefitted from OHA money, your outreach needs to reach more people.</p> <p>The city of Stockton, California has a pilot program - Economic Security Project - where a number of residents will be given \$500 a month for 18 months. Here's the link - <a href="https://money.cnn.com/2018/07/09/technology/stockton-california-basic-income-experiment/index.html">https://money.cnn.com/2018/07/09/technology/stockton-california-basic-income-experiment/index.html</a>. Find a number, any number that will make a significant impact, and start there. Put rules in place of course - a Kanaka Maoli (no blood quantum only genealogy) must be 18 years old and earn less than \$60,000 a year for example (this number depends on family size and <b>MUST</b> fully realize the cost of living here), and <b>MUST</b> live in Hawai'i (this keeps the money in Hawai'i). What a huge impact you could have, that extra money could mean stable housing, eating healthy (less reliance on medical services), cover education costs, eliminate credit card debt, the ability to pursue passion employment - not a dead end job - the list goes on. No matter what OHA does as an organization you will never be successful until you pull the ones that need the most help up from the depths; we are experiencing a major crises here in Hawai'i.</p> <p>I'd also say either beef up your grant programs or direct the money elsewhere. I've applied for grants for our civic club through OHA. There are too many applicants for too small a pool of money to make a difference. As a neighbor island nonprofit it seems to us that O'ahu projects are given preference. One year we were told OHA receives very few applications from Kaua'i, please apply, and then we were turned down. Shocking.</p> <p>Another option that I've just discovered is called Living Benefits, a life insurance program that gives you access to benefits while you're living. It offers protection if you die too soon, become ill, or live too long. You can also borrow against it for emergencies. This is a way to level the playing field, and empower people to live well, and with peace of mind (never touch the principal, live off the interest). The highest contributing factor to bankruptcy in the nation is caused by a medical emergency. There's too much</p>

Contributor	Comments
	<p>to share here, I'd love to get you more information for your employees, as well as beneficiaries.</p> <p>Here's a question - If the Kanaka Maoli are called beneficiaries of OHA, but not all benefit how does that work?</p> <p>I would also like to ask another question - Why does the newspaper Ka Wai Ola use the English version of months, example - April - apelila instead of ka'elo used on the Hawaiian calendar? My sister-in-law Rogelyn Kaneali'i sent in an ad for Ka Wai Ola and asked this question but never got an answer.</p> <p>Mahalo,</p>
<p>9. Earl Carinio  5/23/2019 (e-mail)</p>	<p>Aloha OHA, my name is Earl Kekaulaiwi Carinio and I reside at XXXXXXXX, Kailua-Kona, a DHHL leesee in the Village of Lai O'Pua. I moved here from California after a long and grateful career at the Naval Surface Warfare Center, in Port Hueneme, CA. I am part of the "brain drain" that left the Islands in search of a meaning filled career in Engineering in California. I am blessed to come home and live back in Hawaii. During my hiatus from the Islands I served in the United States Air Force in Europe (USAFE) 1960-64, and California National Guard while pursuing my Engineering Degree at California State University San Jose 1969-1971. I also completed my Master of Science in Systems and Safety Management at The University of Southern California (1978) .</p> <p>During my time in Europe, I took up the sport of Fencing and after 3 years Fencing with my German and Air Force teammates, I competed and won the German Sports District Championship for all military competitors in Germany.</p> <p>Long story short, I came back to the Sport when I come across the Silver Sword Fencers training in the Kona Gymnasium, introduced my self to the Fencing Master Joe Zapatoloiva, who made me his Assistant Coach. Circumstances beyond our control, impacts our stability to establish a stable venue to practice our sport in West Hawaii. We practice at the Kealakehe High School Cafeteria on Tue 3:45pm-6:00Pm and at Halehale Wai Recreation Center 3:45-6:00PM. Hopefully we can find a permanent facility at the West Hawaii Community Center Lai 'O'Pua 2020 with the approval Bo Kahui.</p> <p>Our lessons are free with the only cost is for the students to pay for the safety equipment which costs \$150. The equipment includes a Mask, padded jacket, chest protector and a practice foil. This costs prohibits many students from</p>

Contributor	Comments
	<p>participating in this sport. Our students range from 8 yr old and up. I am requesting funds to provide the baseline equipment for 15 students which amounts to \$2,250. This startup fund can ease the financial burden of many of our students in the West Hawaii Community. For further information on our Academy contact Joe Zapatoloiva at <a href="mailto:joezn0329@gmail.com">joezn0329@gmail.com</a> or myself at <a href="mailto:ecarinio@https://urldefense.proofpoint.com/v2/url?u=http-3A_Yahoo.com&amp;d=DwIFaQ&amp;c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_CdpgnVfiiMM&amp;r=rG_5R46Awj9EA-mpEcM3Ghb1xKW97hlo7-TYYANHFM&amp;m=sWJpyeJ2QxNT4NBcJDLVIfuls9NEcT5XbH702oIQs3s&amp;s=SMqTz-Pw-xPKh_042nCOxanpHAYXZPhYN4v55tkZy0&amp;e=">ecarinio@ https://urldefense.proofpoint.com/v2/url?u=http-3A_Yahoo.com&amp;d=DwIFaQ&amp;c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_CdpgnVfiiMM&amp;r=rG_5R46Awj9EA-mpEcM3Ghb1xKW97hlo7-TYYANHFM&amp;m=sWJpyeJ2QxNT4NBcJDLVIfuls9NEcT5XbH702oIQs3s&amp;s=SMqTz-Pw-xPKh_042nCOxanpHAYXZPhYN4v55tkZy0&amp;e=</a>.</p>
<p>10. Ramona Wong  5/23/2019 (e-mail)</p>	<p>Just my thoughts, given the highest rate within ethnicity in Hawai'i and apparently the nation (see slide below), I would love to explore what OHA can do to expand awareness of Native Hawaiians and support health education like Aloha Kidney (<a href="http://www.alohakidney.com">www.alohakidney.com</a>) shown to make a difference in people's ability to make choices that nudge them away from or at least slow the progression of chronic disease.</p> <p><b>vol 2 Figure 1.11 Trends in adjusted prevalence of ESRD, by race, in the U.S. population, 2000-2015</b></p>  <p><small>Data Source: Reference Table 8.2(2) and special analyses, USRDS ESRD Database. Point prevalence on December 31 of each year. Standardized for age and sex. The standard population was the U.S. population in 2011. Abbreviations: NH/PI: Native Hawaiian/Pacific Islander; AI/AN: American Indian/Alaska Natives; ESRD, end-stage renal disease.</small></p> <p><b>USRDS</b> 2017 Annual Data Report  Volume 2, Chapter 1 18</p> <p>Mahalo for the opportunity to respond,</p>

Contributor	Comments
11. Ken Hill 5/23/2019 (e-mail)	<p>Sorry I'm not Hawaiian. I'm Republican just like President Lincoln. I believe in freedom!</p> <p>Please consider getting your sovereignty from the US government. True you will never get all your land back because this is the most strategic military base in the entire world.</p> <p>For God sakes take what you can get, just like the rest of the American tribes on the mainland.</p> <p>Aloha</p>
12. luciana dupio 5/23/2019 (e-mail)	<p>I feel OHA needs to pay great attention to our kupunas..they need assistance with housing this is not one solution fits all..medical bills overwhelmingly affects our kupuna in every way ..if these two issues are not pono then we are not respecting their life that they spent loving and caring for all of us..</p> <p>To much money and attention is given to small business altho it is important equal attention need to be given to our precious Kupunas. I will soon be there and so will you and I hope when I need help I will not be turned down like my mom was so often did that she stop cslling on OHA. How sad is thst day.</p>
13. Robin Puanani Danner, SCHHA Chairman	<p>Just for everyone's convenience, attached is the last biennium budget analysis we submitted to OHA back in 2017.</p>



March 31, 2018

Board of Trustees  
Office of Hawaiian Affairs  
560 N. Nimitz Highway, Suite 200  
Honolulu, Hawaii 96817

Re: *Beneficiary input on the OHA Biennium Budget proposed by the OHA Administration to the OHA Board of Trustees*



Aloha Chair and Members of the OHA Board of Trustees:

My name is Robin Puanani Danner, the elected chairman of the Sovereign Councils of the Hawaiian Homeland Assembly (SCHHA), the oldest and largest organization unifying Hawaiian Home Lands (HHL) community leaders and self-governing homestead associations throughout the state of Hawaii. The SCHHA protects and advances the interests of native Hawaiians eligible under the federal Hawaiian Homes Commission Act (HHCA) of 1921, whether on the land, or awaiting a land award.

On behalf of our SCHHA Vice Chair, Kammy Purdy from Molokai and our SCHHA Chair Emeritus, Kamaki Kanahale from Oahu, and our entire SCHHA Executive Council, we appreciate the opportunity to review, contemplate and submit recommendations on the OHA FY2018/FY2019 Biennium Budget. Our SCHHA Executive Council established a budget review team, consisting of all of our SCHHA executives, all of our SCHHA policy directors, as well as individual homestead leader members. We dedicated ourselves to thoroughly understanding the budget numbers and budget structure, as well as to improve our understanding of the administration structure, staffing levels and kuleana.

We congratulate OHA for the incredible fiscal team you have in place, that distributed excellent and comprehensive budget data to all OHA beneficiaries last week.

We also want to express that members of the OHA Executive team have been extraordinarily responsive to our budget review team in answering clarifying questions to ensure a complete understanding of budget line items by our team. Thank you sincerely, it made an already burdened workload much easier to be able to give our manao on our OHA budget.

The enclosed budget review document includes five (5) overall budget findings and fourteen (14) recommendations as follows:

- |   |                   |
|---|-------------------|
| 1. OHA Staffing/Duplication/Beneficiary Land Trust Fund | 3 recommendations |
| 2. OHA Management Top Heavy                             | 1 recommendations |
| 3. OHA Centric versus Beneficiary Centric Spending      | 3 recommendations |
| 4. Grants Program Adjustments                           | 5 recommendations |
| 5. Limited Liability Corporations                       | 2 recommendations |

You will find thoughtful manao from HHCA Beneficiaries that care about both our trust agencies, DHHL and OHA, and all our Native Hawaiian people, regardless of blood quantum. One of the recommendations, is to establish a Land Trust Fund to begin the acquisition of lands, and establishment of a land trust like Hawaiian Home Lands for all Native Hawaiians to achieve affordable housing opportunities, especially rentals.

We recommend that this fund begin with a modest reduction of 10% in staffing resources totaling \$1.5M under each year of your biennium budget, and for net revenues from the commercial property on Nimitz

to further build this Land Trust Fund to enable OHA to acquire relevant lands and/or multi-family residential properties that may become available across Hawaii in the years ahead. One of the greatest accomplishments OHA can achieve, is to acquire residential trust assets that enable our people to access affordable housing rentals, regardless of blood quantum. Hawaii is our homeland, let's begin with the FY2018/FY2019 Biennium Budget to build a future where our children are never threatened to be forced to leave.

We mahalo the invitation by OHA to all Beneficiaries to review the OHA budget and for creating an environment of welcomed input versus being treated as adversaries. For the 10 days that our budget review team worked together and with various members of the OHA Executive team, at no time did we feel unwelcomed to ask tough questions or to share our most frank manao.

Mahalo for your consideration of the work of HHCA beneficiaries to advance the interests of all Beneficiaries.

Sincerely,



Robin Puanani Danner  
SCHHA Chairman

CC: SCHHA Vice Chairman, Kammy Purdy  
SCHHA Chairman Emeritus, Kamaki Kanahele  
SCHHA Executive Council and Homestead Members



**SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

# **Comparison of OHA & SCHHA Proposal to the OHA Board of Trustees For 2-Year Funding FY2018 & FY2019**

**This Kit Prepared by SCHHA based on OHA Budget Data on: March 28, 2017**

**The SCHHA formed an OHA Budget Review Team to provide input on the OHA Proposal.**

**Following are the comparable numbers from the OHA proposal and the SCHHA proposal:**

**Summary of OHA versus SCHHA Budget Proposal:**

<b>Spending Purpose</b>	<b>OHA Proposal FY 2018</b>	<b>SCHHA Prop FY 2018</b>	<b>SCHHA Difference</b>
<b><u>OHA Personnel (158 FTE vs 142 FTE)</u></b>	<b>\$15,379,000</b>	<b>\$13,827,566</b>	<b>-\$1,551,434</b>
<b><u>Beneficiary Serving Grants</u></b>	<b>\$9,772,000</b>	<b>\$13,433,256</b>	<b>\$3,661,256</b>
To Nonprofits	6,742,680	11,534,376	\$4,791,696
To DHHL	3,029,320	-0-	-\$3,029,320
To Beneficiary Legal/Social Services		1,898,880	\$1,898,880
<b><u>OHA Contracts</u></b>	<b>\$5,934,000</b>	<b>\$2,774,145</b>	<b>-\$3,159,855</b>
OHA Services	4,035,120	2,774,145	-\$1,260,975
To Beneficiary Legal/Social Services	1,898,880	-0-	-\$1,898,880
<b><u>OHA Programs (conf, allowances, print, etc)</u></b>	<b>\$1,602,000</b>	<b>\$1,204,704</b>	<b>-\$397,296</b>
<b><u>OHA Travel</u></b>	<b>\$443,000</b>	<b>\$338,895</b>	<b>-\$104,105</b>
<b><u>OHA Equipment</u></b>	<b>\$900,000</b>	<b>\$900,000</b>	<b>-0-</b>
<b><u>OHA Overhead</u></b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>-0-</b>
<b><u>OHA Debt Service</u></b>	<b>\$579,000</b>	<b>\$579,000</b>	<b>-0-</b>
<b>Subtotal Core Operating Costs</b>	<b>\$37,609,000</b>	<b>\$36,057,566</b>	<b>-\$1,551,434</b>
<b>Land Acquisition Fund for a Housing Land Trust like HHL for all Native Hwns</b>	<b>-0-</b>	<b>\$1,551,434</b>	<b>\$1,551,434</b>
<b>Total Core Operating Costs</b>	<b>\$37,609,000</b>	<b>\$37,609,000</b>	<b>-0-</b>
<hr/>			
<b>Spending Purpose</b>	<b>OHA Proposal FY 2019</b>	<b>SCHHA Prop FY 2019</b>	<b>SCHHA Difference</b>
<b><u>OHA Personnel (167 FTE vs 142 FTE)</u></b>	<b>\$15,528,000</b>	<b>\$13,961,535</b>	<b>-\$1,566,465</b>
<b><u>Beneficiary Serving Grants</u></b>	<b>\$9,782,000</b>	<b>\$13,338,934</b>	<b>\$3,556,934</b>
To Nonprofits	6,749,580	11,527,094	\$4,777,514
To DHHL	3,032,420	-0-	-\$3,032,420
To Beneficiary Legal/Social Services		1,811,840	\$1,811,840
<b><u>OHA Contracts</u></b>	<b>\$5,662,000</b>	<b>\$2,646,985</b>	<b>-\$3,015,015</b>
OHA Services	3,850,160	2,646,985	-\$1,203,175
To Beneficiary Legal/Social Services	1,811,840	-0-	-\$1,811,840
<b><u>OHA Programs (conf, allowances, print, etc)</u></b>	<b>\$1,718,000</b>	<b>\$1,291,936</b>	<b>-\$426,064</b>
<b><u>OHA Travel</u></b>	<b>\$493,000</b>	<b>\$377,145</b>	<b>-\$115,855</b>
<b><u>OHA Equipment</u></b>	<b>\$725,000</b>	<b>\$725,000</b>	<b>-0-</b>
<b><u>OHA Overhead</u></b>	<b>\$3,036,000</b>	<b>\$3,036,000</b>	<b>-0-</b>
<b><u>OHA Debt Service</u></b>	<b>\$567,000</b>	<b>\$567,000</b>	<b>-0-</b>
<b>Sub Total Core Operating Costs</b>	<b>\$37,511,000</b>	<b>\$35,944,535</b>	<b>-\$1,566,465</b>
<b>Land Acquisition Fund for a Housing Land Trust like HHL for all Native Hwns</b>	<b>-0-</b>	<b>\$1,566,465</b>	<b>\$1,566,465</b>
<b>Total Core Operating Costs</b>	<b>\$37,511,000</b>	<b>\$37,511,000</b>	<b>-0-</b>

## **BENEFICIARIES FIRST – An alternative budget to the OHA Board of Trustees**

### **Budget Review Project Background**

The SCHHA Executive Council consists of elected and appointed beneficiaries of the Hawaiian Homes Commission Act, that either live on homestead lands, or are on the waitlist for a homestead land award. Moku represented are Kauai, Oahu, Maui, Molokai and Hawaii Island and includes 7 Policy Directors with policy expertise in the areas of Native Rights, Farming & Ranching, Affordable Housing, Telecommunications, Economic Development, DHHL Compliance to the HHCA and Political Action Committee functions. The current SCHHA Chairman is **Robin Puanani Danner** from Kauai, its Vice Chairman is **Kammy Purdy** from Molokai and its Chairman Emeritus, **Kamaki Kanahele** from Oahu.

For the first time in the SCHHA's 30-year history, its Executive Council established an OHA Budget Review team consisting of SCHHA members to work together to become competent in OHA's budget and organizational structure in meeting its mission of serving Native Hawaiian beneficiaries, including HHCA beneficiaries to provide comprehensive feed-back to the OHA Board of Trustees.

### **SCHHA Budget Review Team Findings**

The budget review team finds that OHA has three (3) core functional responsibilities as follows:

- 1. Core Organizational Governance – 29 FTE**
  - a. Board of Trustees – 9 FTE
  - b. Staff Support to Board of Trustees – 20 FTE
  - c. Trustee Allowances for Relevant Expenditures and Funding Special Requests
- 2. Core Organizational Administration Systems – 61 FTE**
  - a. Executive Team – 7 FTE
  - b. Staff Support to Executive Team – 11 FTE
  - c. Organizational Financial Systems & Asset Management – 31 FTE
  - d. Land & Real-estate Asset Management – 12 FTE
- 3. Core Organizational Programs & Services to, for or on behalf of Beneficiaries – 77 FTE**
  - a. Community Engagement Program – 31 FTE
    - i. OHA Statewide Office System for Beneficiary Access
    - ii. Community Outreach to Beneficiaries
    - iii. Newspaper, Website & Other Informational Systems for Beneficiary Access
    - iv. Grant Resources & Legal/Social Services for Beneficiary Access
  - b. Advocacy – 28 FTE
    - i. State & Federal Policy Advocacy on behalf of Beneficiaries
    - ii. Compliance & Enforcement of Existing Laws impacting Beneficiaries
    - iii. Self-Governance & Registry Management on behalf of Beneficiaries
    - iv. Management of Papahanumokuakea on behalf of Beneficiaries
  - c. Research – 18 FTE
    - i. Research, tracking & publication of Data Statistics about Beneficiaries

The above staffing allocations total 167 FTE; however, it should be noted that OHA has a freeze on 9 of these positions, and the funding levels in the OHA funding proposal does not include dollars for these 9 positions.

### **SCHHA Budget Review Team Recommendations**

The budget review team finds the following based on a review of how trust funds are currently budgeted and proposed by the OHA Administration:

- 1. OHA has an enormous staff FTE.** The sheer size of OHA is incredible for the basic functions it performs, many of which are duplicative to other long standing and effective Beneficiary organizations.

Essentially, out of the **\$37M** in annual operations, OHA spends only **\$8.5M** in nonprofit grants (\$6.7M for education, housing/health/income, culture/land/water, event and other program sponsorships and \$1.8M in legal/social service contracts) that directly touch Beneficiaries. The \$3M in OHA funds that flow to DHHL are not included in the \$8.5M because those funds subsidize DHHL, another state agency for its debt service and operations. None of the \$3M flows directly to HHCA beneficiaries.

Overall, including staffing costs, contract costs, program costs – OHA spends more Beneficiary trust funds on itself than on Beneficiaries.

In addition, fringe benefit rates are rising for every state agency, to support the State to meet its obligations to State employees from a 38% rate to 60%. This means that achieving goals with internal staff is becoming more and more expensive, and certainly can be achieved by improving collaboration with and avoiding duplication with Beneficiary nonprofits, where fringe rates are not at 60%.

### **SCHHA recommends the following:**

- A. Conduct an Inventory of Statewide Serving Beneficiary Organizations** that have full time staff, to assess level of capacity, prior accomplishments and current menu of services being delivered to ascertain the duplicative functions at OHA.
- B. Reduce Staffing Levels** by 10% or 16 FTE Positions for the next 2 years. Set a goal of further reduction by additional FTE positions in the follow-on biennium based on the Inventory of Statewide Beneficiary Organizations.

Call on all Division Managers to improve OHA Collaboration with Beneficiary Organizations to improve productivity and maximize OHA resources in achieving the tenets of its strategic plan, particularly in the program areas of research, policy advocacy and community organizing and capacity building. Staffing costs and the 60% fringe rate can be reduced through improved collaboration.

- C. Create a Beneficiary Land Acquisition Fund**, wherein 100% of the cost savings from the 16 staff reductions totaling a modest \$1.5M annually be deposited into this new fund every single year, including follow-on biennium.

When opportunities arise, OHA should purchase farm lands, subdivisions or housing projects, to establish a land trust program like Hawaiian Home Lands for all Native

Hawaiians. In 1920, the Congress established a land trust and set the blood quantum at 50%. As the SCHHA, we call on OHA to help all our people, regardless of blood quantum, and begin the process of directing funds annually from staff reduction savings, to help all our Hawaiian people to access affordable housing in our homeland (ownership and rental).

2. **OHA is extremely top heavy.** Currently OHA has 1 manager for every 6 employees (21 managers over 130-line staff). If trustees, and executives are included, OHA has 1 manager for every 3.5 employees (21 managers + 9 trustees + 7 directors/CEO/COO over 130-line staff). Our kids have a 1 to 20 ratio of teacher to students in any typical classroom. Given the size of OHA, there should be far greater efficiencies in management to line staff ratios.

**SCHHA recommends the following:**

- A. **Minimize middle managers** within Divisions, by requiring highly compensated Directors to manage line staff within Divisions, especially when line staff number less than 10 in a program area, and improve collaboration with existing Beneficiary Organizations to achieve workload.
3. **OHA Centric versus Beneficiary Centric.** The incredible levels of funding in line items for OHA Programs, for OHA Travel, for OHA Service Contracts versus for direct Beneficiary impact are misdirected. Line after line, literally, OHA spends more Beneficiary trust funds on itself, than on Beneficiaries or Beneficiary Organizations delivering service on the ground, at nearly a 4:1 ratio (again \$37M total, with only \$8M in direct funding to Beneficiary service organizations).

**SCHHA recommends the following:**

- A. **Redirect a portion of travel costs** for OHA staff in specific divisions, to increase Program Sponsorships and other grant programs to fund Beneficiary Organizations to maintain capacity and expertise in subject matter areas that these organizations provide direct services in. Currently, the OHA travel line item totals **\$443K** for FY2018. We recommend **\$104K** be transferred to the Grants Program.
- B. **Redirect a portion of program costs** designated for OHA and non-OHA conferences and conference fees, to the Grants Program to fund proficient Beneficiary Organizations that have conducted statewide and national conferences for literally decades on every topic including business, Native rights, nonprofit capacity building, resource development, policy priorities, land trust uses, education and health among others.

OHA should not be coordinating conferences, but rather facilitating the work of Beneficiary Organizations that do. Nor should OHA staff be attending conferences to build their own capacity, but rather should be attending Beneficiary conferences to remain connected to the capacity and priorities of Beneficiaries. We recommend that **\$396K** of the line items on conferences totaling **\$416K** in the FY 2018 budget for example, be transferred to the grants budget for use by Beneficiary Organizations.

- C. **Redirect a portion of the OHA contracts budget** to the grants section to fund grants or grant contracts to Beneficiary Organizations to deliver services to OHA and/or directly to Beneficiaries on the ground. We recommend for example in FY 2018, that of the **\$4M** dedicated to contracts by OHA staff, that **\$1.2M** be transferred to the Program sponsorship procure grants with Beneficiary Organizations that have incredible expertise.

- 4. **OHA Grant Program Adjustments.** The grants program is the primary vehicle for Beneficiaries to be directly impacted by their own Beneficiary trust funds. As such, the grant program should be managed in such a way that represents the vital needs of our people and continues to invest in the capacity of the many mature Beneficiary Controlled Nonprofits.

**SCHHA recommends the following:**

- A. **Move the Social Service/Legal Service contract into Grants program**, to better reflect funds that have a direct impact on Beneficiaries, like other grant funding programs.

In terms of the scope of service of this annual contract, Beneficiaries have voiced that Handi-Van, Summer Youth Employment programs, and Kupuna Employment programs should be included.

- B. **Adopt a Beneficiary Serving and Controlled Organization Criteria for Grant Scoring.**

The knowledge of Beneficiary life ways and best practices are best found in Beneficiary controlled and serving organizations. As such, a policy should be adopted that requires grant criteria that honors and values Beneficiary Organizations on all awards under the grants budget, including scoring criteria that rewards organizations that dedicate 100% of their mission, resources, and expertise to Beneficiary communities. This will have an excellent side benefit, in that it will encourage non-Beneficiary focused organizations to seek out and partner with Beneficiary organizations.

- C. **Redirect funds in the grants budget designated to DHHL**, to direct project development by Homestead Associations and Beneficiary Organizations on Hawaiian Home Lands in community facilities, rental housing, access to water resources, farming and ranching infrastructure and capacity that serves all Beneficiaries. Today, Homestead Associations are highly capable, having built multi-family rental projects, community centers, marketplaces, certified kitchens and other economic development facilities and projects.

The designation of **\$3M** between state agencies currently in the budget, was never the subject of consultation with HHCA beneficiaries, nor based on the needs of HHCA beneficiaries, nor the capacity of DHHL to perform adequately. To date, DHHL has failed to fulfill the commitment made to OHA to fund 20 regional grants with these funds, and has failed to report to anyone, how this \$3M annual cost is benefitting HHCA beneficiaries.

- D. **Improved Transparency.** We recommend the transfer of the Executive Sponsorship funds in the budget to the Program Sponsorship line item to further strengthen

transparency and dissuade any special treatment of funds awarded outside the guidelines of grant making. For example, the CEO awarded \$25,000 to a mainland Asian American organization, that has a record of failing to serve Native Hawaiians or to collaborate with Native Hawaiians.

Moreover, we recommend that OHA publish quarterly reports for any grants awarded during the quarter for event sponsorships, program sponsorships or leveraged projects.

- E. **Establish a firm policy that any allocation of Kakaako funds**, must be directed to the Grants program and not for other operating costs of the agency. This simple commitment, signals quite clearly, that the Kakaako investment has a direct impact to Beneficiary lives. We do not want OHA to follow the misguided management of HHCA trust funds, where DHHL keeps our people on the waitlist, under the guise of leasing our lands for revenue generation, wherein all the revenue funds DHHL staff and operations instead of directly impacting HHCA Beneficiary lives.

- 5. **LLCs Properly & Improperly Used by OHA.** LLCs have been established by OHA to hold certain trust assets, and in at least one case, to simply operate a program outside the parameters of OHA as an agency. There are many good reasons that entities utilize an LLC vehicle in general corporate affairs, namely to create a corporate veil against potential liability. However, The OHA LLCs have been established in an undisciplined way, with some maximizing this powerful mitigation of liability approach, and some for no apparent mitigation purpose.

**SCHHA recommends the following:**

- A. **Complete a review** to assess all LLCs and maintain any LLC that hold real property assets that may pose liability from accidents or unforeseen circumstances. Eliminate any LLCs that are solely program, consulting or service based and move these functions into the agency.
- B. **Establish an LLC to hold the commercial property owned by our trust**, to mitigate the same or similar liability issues as other land based LLCs. We recommend that 100% of annual net income from this LLC be deposited to the Trust Corpus and to the recommended Beneficiary Land Trust discussed in item 1.C above to provide housing to all Native Hawaiians.

### **Summary**

The SCHHA has convened our leaders and members to spend dedicated volunteer hours to review, contemplate and identify our best manao on how Beneficiary funds should be spent in FY2018 and FY2019. We have matched the level of funding proposed by the OHA administration at **\$37.5M**, by making only one major reduction totaling **\$1.5M** annually in staffing levels and redirecting that cost savings to a land acquisition fund to establish a Beneficiary Land Trust for all Native Hawaiians regardless of Blood Quantum.

All other line item reductions that are highly “OHA Centric” totaling **\$1.7M** in travel, program costs, and contract costs, we have redirected to “Beneficiary Centric” spending under the Grants Program. We have redirected the **\$1.8M** in legal and social service contracts currently located within the contracts section of the budget to the Grants Program budget section to be better reflective of direct Beneficiary

impact services. And finally, we have repurposed **\$3M** in trust funds currently being issued to DHHL in the Grants Program to direct development by homestead associations that serve all Native Hawaiians in rental housing, agricultural parks, and economic development projects on our trust lands.

In summary, this budget review identifies **5 overall budget findings** and **14 specific recommended actions** as follows:

- |  |                   |
|--|-------------------|
| 1. OHA Staffing/Duplication Services/Beneficiary Land Trust Fund | 3 recommendations |
| 2. OHA Management Top Heavy                                      | 1 recommendations |
| 3. OHA Centric versus Beneficiary Centric Spending –             | 3 recommendations |
| 4. Grants Program Adjustments –                                  | 5 recommendations |
| 5. Limited Liability Corporations –                              | 2 recommendations |

The result of this budget review project, if considered by the OHA Board of Trustees, will give greater balance to how Beneficiary trust funds are spent, moving from the OHA proposal of **\$37M to issue \$8M** in direct impact funding grants, to the SCHHA proposal of **\$35M to issue \$13M** in direct impact funding grants to Beneficiaries, and **\$1.5M** dedicated to a Beneficiary Land Trust to begin building a land based trust to serve the residential needs of all of our Native Hawaiian people.

Said another way, the OHA proposal directs **\$15M** in OHA staffing costs to issue **\$8M** in direct impact funding grants to Beneficiaries versus the SCHHA proposal of **\$13M** in staffing costs to issue **\$13M** in direct impact funding grants to Beneficiaries – a far more balanced approach that puts Beneficiaries First.

Mahalo for the opportunity to engage, and give meaningful input.



**SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

# **OHA Administration Proposal to the OHA Board of Trustees For 2-Year Funding FY2018 & FY2019**

**This Kit Prepared by SCHHA based on OHA Budget Data on: March 28, 2017**

**The SCHHA formed an OHA Budget Review Team to contemplate the OHA Proposal to spend \$37M annually in Beneficiary Trust Funds on OHA's Operating Budget.**

**Following are the numbers made public by OHA for Beneficiary Review and Comment.**

### Summary of OHA Administration Budget Proposal

<u>Spending Purpose</u>	<u>FY2018</u>	<u>FY2019</u>
OHA Personnel (167 FTE)	\$15,379,000	\$15,528,000
Beneficiary Serving Grants	\$9,772,000	\$9,782,000
To Nonprofits	\$6,742,680	\$6,749,580
To DHHL	\$3,029,320	\$3,032,420
OHA Contracts	\$5,934,000	\$5,662,000
OHA Programs (Conferences, Allowances, Dues)	\$1,602,000	\$1,718,000
OHA Travel	\$443,000	\$493,000
OHA Equipment	\$900,000	\$725,000
OHA Overhead	\$3,000,000	\$3,036,000
OHA Debt Service	\$579,000	\$567,000
<b>TOTAL CORE OPERATING COSTS PROPOSED</b>	<b>\$37,609,000</b>	<b>\$37,511,000</b>

# OHA Draft Budget Proposal to the Board of Trustees - March 2017

This data has been confirmed against OHA provided spreadsheet

	FY 2018	FY 2019	2 Years
<b>CORE BUDGET</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>
<b>NON-CORE BUDGET (funded by Grant/Reserve Sources)</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
<b>COMBINED CORE + NON-CORE BUDGET</b>	<b>52,609,000</b>	<b>52,511,000</b>	<b>105,120,000</b>
<b>Description of SOURCE OF FUNDS</b>			
5% Annual Withdrawal from NHTF Corpus	17,609,000	17,411,000	35,020,000
Set Amount by Legislature from Public Land Revenues	15,100,000	15,100,000	30,200,000
State General Funds for NHLC/Helping Hands/Fringe	4,500,000	4,500,000	9,000,000
Allocation by BOT of 10% of Kakaako Revenues	400,000	500,000	900,000
<b>Total SOURCE OF FUNDS</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>
<b>Description of Proposed USE OF FUNDS</b>			
<b>Personnel Costs/OHA PPT</b>	<b>15,379,000</b>	<b>15,528,000</b>	<b>30,907,000</b>
Salaries (167 FTE - 138 Ops & Execs/29 Trustees & Staff) - 66%	10,150,140	10,248,480	20,398,620
Benefits/Fringe - 32%	4,921,280	4,968,960	9,890,240
<b>SubTotal FTE Positions</b>	<b>15,071,420</b>	<b>15,217,440</b>	<b>30,288,860</b>
Student Help-1%	153,790	155,280	309,070
Reserves (incentives, vacation, OT)-1%	153,790	155,280	309,070
<b>Total Personnel Costs</b>	<b>15,379,000</b>	<b>15,528,000</b>	<b>30,907,000</b>
167 FTE: 31-Comm Engage; 28-Advocacy; 18-Research; 12-Land; 31-Fin Assets; 18 Exec Team; 29-BOT Team			
130 are Line Staff; 21 are Managers; 7 are Executives; 9 are Trustees			
That's 1 mgr/exec/trustee for every 3.5 line staff on average			
That's 1 mgr for every 6.2 line staffers on average			
Fringe rate is increasing from 37% to 60% to help state fund backlog amounts due to state employees			
<b>NOTE: Budget Amount Represents Funding for 157 FTE (9 positions frozen by OHA)</b>			
<b>Grant Costs/OHA PPT</b>	<b>9,772,000</b>	<b>9,782,000</b>	<b>19,554,000</b>
Executive Sponsorships - 1%	97,720	97,820	195,540
Program Sponsorships - 2%	195,440	195,640	391,080
Event Sponsorships - 2%	195,440	195,640	391,080
Leveraged Grants - 6%	586,320	586,920	1,173,240
Culture/Land/Water - 10%	977,200	978,200	1,955,400
Health/Housing/Income - 20%	1,954,400	1,956,400	3,910,800
Education - 28%	2,736,160	2,738,960	5,475,120
DHHL - 31%	3,029,320	3,032,420	6,061,740
<b>Total Grant Award Costs</b>	<b>9,772,000</b>	<b>9,782,000</b>	<b>19,554,000</b>
<b>Contract Costs/OHA PPT</b>	<b>5,934,000</b>	<b>5,662,000</b>	<b>11,596,000</b>
BOT/Executive-5%	296,700	283,100	579,800
Fee Svcs on Resource Mgmnt (water, land, financial, etc)-19%	1,127,460	1,075,780	2,203,240
Legal/Consulting Fee Services to OHA-22%	1,305,480	1,245,640	2,551,120
*Other Program Contracts (spent by 5 Divisions)-22%	1,305,480	1,245,640	2,551,120
Fee Svcs to Ben for legal/social (NHLC/Helping Hands)-32%	1,898,880	1,811,840	3,710,720
<b>Total Contract Costs</b>	<b>5,934,000</b>	<b>5,662,000</b>	<b>11,596,000</b>
<b>Program Costs/OHA PPT</b>	<b>1,602,000</b>	<b>1,718,000</b>	<b>3,320,000</b>
Mailing/Shipping - 18%	288,360	309,240	597,600
OHA Organized Conferences - 15%	240,300	257,700	498,000
Other - 12%	192,240	206,160	398,400

Trustee Allowances - 12%	192,240	206,160	398,400
Printing - 11%	176,220	188,980	365,200
Advertising - 8%	128,160	137,440	265,600
Conference Fees - 6%	96,120	103,080	199,200
Non OHA Conferences - 5%	80,100	85,900	166,000
Dues - 5%	80,100	85,900	166,000
Subscriptions - 4%	64,080	68,720	132,800
Honorariums - 4%	64,080	68,720	132,800
<b>Total Program Costs</b>	<b>1,602,000</b>	<b>1,718,000</b>	<b>3,320,000</b>
<b>Travel Costs/OHA PPT</b>	<b>443,000</b>	<b>493,000</b>	<b>936,000</b>
Trustee Travel - 45%	199,350	221,850	421,200
Advocacy Team Travel - 18%	79,740	88,740	168,480
Executive Team Travel - 13%	57,590	64,090	121,680
Community Engagement Team Travel - 9%	39,870	44,370	84,240
Financial Assets Team Travel - 7%	31,010	34,510	65,520
Research Team Travel - 4%	17,720	19,720	37,440
Land Asset Team Travel - 3%	13,290	14,790	28,080
SPRI Travel - 1%	4,430	4,930	9,360
<b>Total Travel Costs</b>	<b>443,000</b>	<b>493,000</b>	<b>936,000</b>
<b>Equipment Costs/OHA PPT</b>	<b>900,000</b>	<b>725,000</b>	<b>1,625,000</b>
Repair & Maintenance - 65%	585,000	471,250	1,056,250
Software & Equipment - 30%	270,000	217,500	487,500
Furniture & Fixtures-5%	45,000	36,250	81,250
<b>Total Equipment Costs</b>	<b>900,000</b>	<b>725,000</b>	<b>1,625,000</b>
<b>Overhead Costs/OHA PPT</b>	<b>3,000,000</b>	<b>3,036,000</b>	<b>6,036,000</b>
Office Leases, CAM, Utilities - 59%	1,770,000	1,791,240	3,561,240
Insurance - 15%	450,000	455,400	905,400
Utilities - 11%	330,000	333,960	663,960
Supplies - 6%	180,000	182,160	362,160
Other - 6%	180,000	182,160	362,160
Communications - 3%	90,000	91,080	181,080
<b>Total Overhead Costs</b>	<b>3,000,000</b>	<b>3,036,000</b>	<b>6,036,000</b>
<b>Debt Service/OHA PPT</b>	<b>579,000</b>	<b>567,000</b>	<b>1,146,000</b>
Principal & Interest on LOC balance - 100%	579,000	567,000	1,146,000
<b>Total Debt Service</b>	<b>579,000</b>	<b>567,000</b>	<b>1,146,000</b>
<b>GRAND TOTAL CORE BUDGET by OHA</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>
For context - FY 2016, OHA Spent	35,892,729		
Difference between FY2016 and FY 2018	1,716,271		
<b>NON-CORE BUDGET</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
Fiscal Reserve Authorization	TBD	TBD	
Governance Planning	TBD	TBD	
Commercial Property - Kakaako & Na Lama Kukui	TBD	TBD	
Legacy Property - Palaeua Culture Preserve & Wao Kele O Puna	TBD	TBD	
Special Programs HLIC/NHRLF/EPA	TBD	TBD	
Special Programs Other - Hiilei & Hookele Pono	TBD	TBD	
<b>GRAND TOTAL NON-CORE BUDGET</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
<b>GRAND TOTAL OF CORE + NON-CORE BUDGET PROPOSAL</b>	<b>90,218,000</b>	<b>52,511,000</b>	<b>105,120,000</b>



**SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

# **SCHHA Proposal to the OHA Board of Trustees For 2-Year Funding FY2018 & FY2019**

**This Kit Prepared by SCHHA based on OHA Budget Data on: March 28, 2017**

**The SCHHA formed an OHA Budget Review Team to provide input on the OHA Proposal.**

**Following are the numbers as developed by the SCHHA for OHA Board of Trustee Consideration:**

## Summary of SCHHA Recommendations for the OHA Administration Budget Proposal

<u>Spending Purpose</u>	<u>FY2018</u>	<u>FY2019</u>
OHA Personnel (142 FTE)	\$13,827,566	\$13,961,535
Beneficiary Serving Grants**	\$13,433,256	\$13,338,934
To Nonprofits	\$13,433,256	\$13,338,934
To DHHL	\$-0-	\$-0-
OHA Contracts	\$2,774,145	\$2,646,985
OHA Programs (Conferences, Allowances, Dues)	\$1,204,704	\$1,291,936
OHA Travel	\$338,895	\$377,145
OHA Equipment	\$900,000	\$725,000
OHA Overhead	\$3,000,000	\$3,036,000
OHA Debt Service	\$579,000	\$567,000
<b>TOTAL CORE OPERATING COSTS PROPOSED</b>	<b>\$36,057,566</b>	<b>\$35,944,535</b>
<b>Compared to TOTAL OHA PROPOSAL</b>	<b>\$37,609,000</b>	<b>\$37,511,000</b>
<b>*Difference (100% consisting of Staff Reduction)</b>	<b>\$(1,551,434)</b>	<b>\$(1,566,465)</b>

\*Cost Savings Directed to a Land Acquisition Fund

\*\*Increases Beneficiary Funds by \$3,661,256 & \$3,556,934 by Decreasing OHA/DHHL Funds by Same

# SCHHA Proposal of OHA Draft Budget to Board of Trustees

This spreadsheet is SCHHA's recommended revisions - Updated March 30, 2017

	FY 2018	FY 2019	2 Years
<b>CORE BUDGET</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>
<b>NON-CORE BUDGET (funded by Grant/Reserve Sources)</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
<b>COMBINED CORE + NON-CORE BUDGET</b>	<b>52,609,000</b>	<b>52,511,000</b>	<b>105,120,000</b>
<b>Description of SOURCE OF FUNDS</b>			
5% Annual Withdrawal from NHTF Corpus	17,609,000	17,411,000	35,020,000
Set Amount by Legislature from Public Land Revenues	15,100,000	15,100,000	30,200,000
State GF for fringe/legal/social/hsg/education/income	4,500,000	4,500,000	9,000,000
Allocation by BOT of 10% of Kakaako Revenues - to Grants	400,000	500,000	900,000
<b>Total SOURCE OF FUNDS</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>
<b>Description of Proposed USE OF FUNDS</b>			
<b>Personnel Costs/OHA PPT</b>			
Salaries (142 FTE - Reduce by 10%)	9,135,126	9,223,632	18,358,758
Benefits/Fringe (Reduce accordingly)	4,384,860	4,427,343	8,812,204
<b>SubTotal FTE Positions</b>	<b>13,519,986</b>	<b>13,650,975</b>	<b>27,170,961</b>
Student Help (Add Kupuna & placement at NHOs)	153,790	155,280	309,070
Need Data: Reserves (incentives, vacation, OT)	153,790	155,280	309,070
<b>Total Personnel Costs (Decrease by 10%)</b>	<b>13,827,566</b>	<b>13,961,535</b>	<b>27,789,101</b>
142 FTE: 16 FTE reductions from Division Teams			
Require Division Executives to Manage Pgm Staff of 10 or less- reduce high # of managers			
Reducing FTE is the only way to reduce rising fringe rates (at 60% rate)			
Use contracting/grant functions with NHOs to deliver direct services to OHA & Community			
Difference to OHA Budget	(1,551,434)	(1,566,465)	(3,117,899)
<b>100% of this reduction to go to a Land Acquisition Fund &amp; Reinvestment to the Corpus</b>			
<b>Grant Costs/OHA PPT - Limit to NHO Orgs ONLY/Others Partner</b>			
Executive Sponsorships - To Program Sponsors	0	-	-
Prgm Sponsors - From Exec, Contracts, Travel	1,735,136	1,694,954	3,430,090
Event Sponsorships - From OHA/Non-OHA Conf Costs	515,840	539,240	1,055,080
Leverage Grants	586,320	586,920	1,173,240
Culture/Land/Water	977,200	978,200	1,955,400
Health/Housing/Income/Social/Legal	3,853,280	3,768,240	7,621,520
Education	2,736,160	2,738,960	5,475,120
Redirect from DHHL to HHA Facilities/Rentals/Ag	3,029,320	3,032,420	6,061,740
<b>Total Grant Award Costs - Increase by 37%</b>	<b>13,433,256</b>	<b>13,338,934</b>	<b>26,772,190</b>
Difference to OHA Budget	3,661,256	3,556,934	7,218,190
<b>100% of increase to Beneficiary Grants/Services comes from OHA contract, OHA program &amp; OHA Travel</b>			
<b>Contract Costs/OHA PPT</b>			
BOT/Executive	296,700	283,100	579,800
Fee Svcs on Res Mgmnt (water, land, fin, etc) - 25% to Pgm Grants	845,595	806,835	1,652,430
Legal Fee Services to OHA - 25% to Grants	979,110	934,230	1,913,340
*Other Program Contracts (spent by 5 Divisions)-50% to Pgm Grants	652,740	622,820	1,275,560
Fee Svcs (legal/social svcs)- to Grants	0	-	-
<b>Total Contract Costs - Redirect to Grants</b>	<b>2,774,145</b>	<b>2,646,985</b>	<b>5,421,130</b>
Difference to OHA Budget	(3,159,855)	(3,015,015)	(6,174,870)
<b>100% of decreases flow to increases to Beneficiary Grants/Services</b>			

<b>Program Costs/OHA PPT</b>				
Mailing/Shipping	288,360	309,240	597,600	
OHA Organized Conferences - 100% to Event Grants	0	-	-	
Other - Need Info	192,240	206,160	398,400	
Trustee Allowances	192,240	206,160	398,400	
Printing	176,220	188,980	365,200	
Advertising	128,160	137,440	265,600	
Conference Fees - 80% to Pgm Grants	19,224	20,616	39,840	
Non OHA Conferences - 100% to Event Grants	0	-	-	
Dues	80,100	85,900	166,000	
Subscriptions	64,080	68,720	132,800	
Honorariums	64,080	68,720	132,800	
<b>Total Program Costs - Redirect to Grants</b>	<b>1,204,704</b>	<b>1,291,936</b>	<b>2,496,640</b>	
Difference to OHA Budget	(397,296)	(426,064)	(823,360)	
<b>100% of decreases flow to increases to Beneficiary Grants/Services</b>				
<b>Travel Costs/OHA PPT</b>				
Trustee Travel	199,350	221,850	421,200	
Advocacy Team Travel - 50% to Capacity	39,870	44,370	84,240	
Executive Team Travel - 50% to Capacity	28,795	32,045	60,840	
Community Engagement Team Travel - 50% to Capacity	19,935	22,185	42,120	
Financial Assets Team Travel - 50% to Capacity	15,505	17,255	32,760	
Research Team Travel	17,720	19,720	37,440	
Land Asset Team Travel	13,290	14,790	28,080	
SPRI Travel	4,430	4,930	9,360	
<b>Total Travel Costs - Redirect to Capacity</b>	<b>338,895</b>	<b>377,145</b>	<b>716,040</b>	
Difference to OHA Budget	(104,105)	(115,855)	(219,960)	
<b>100% of decreases flow to increases to Beneficiary Grants/Services</b>				
<b>Equipment Costs/OHA PPT</b>				
Repair & Maintenance	585,000	471,250	1,056,250	
Software & Equipment	270,000	217,500	487,500	
Furniture & Fixtures	45,000	36,250	81,250	
<b>Total Equipment Costs</b>	<b>900,000</b>	<b>725,000</b>	<b>1,625,000</b>	
<b>Zero Change</b>				
<b>Overhead Costs/OHA PPT</b>				
Office Leases, CAM, Utilities - 59%	1,770,000	1,791,240	3,561,240	
Insurance - 15%	450,000	455,400	905,400	
Utilities - 11%	330,000	333,960	663,960	
Supplies - 6%	180,000	182,160	362,160	
Need Info - Other	180,000	182,160	362,160	
Communications - 3%	90,000	91,080	181,080	
<b>Total Overhead Costs</b>	<b>3,000,000</b>	<b>3,036,000</b>	<b>6,036,000</b>	
<b>Zero Change</b>				
<b>Debt Service/OHA PPT</b>				
Principal & Interest on LOC balance	579,000	567,000	1,146,000	
<b>Total Debt Service</b>	<b>579,000</b>	<b>567,000</b>	<b>1,146,000</b>	
<b>Zero Change</b>				
<b>GRAND TOTAL SCHHA Proposal for OHA Core Budget</b>	<b>36,057,566</b>	<b>35,944,535</b>	<b>72,002,101</b>	
<b>GRAND TOTAL OHA Proposal for OHA Core Budget</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>	

SCHHA Proposal for Core Budget Difference	(1,551,434)	(1,566,465)	(3,117,899)
SCHHA Proposes Staff Savings to Beneficiary Land Trust	1,551,434	1,566,465	3,117,899
SCHHA Proposed Amount Increase to Beneficiary Grants/Svcs	3,661,256	3,556,934	7,218,190
SCHHA Proposed Amt Redirected from DHHL to Homestead Develop	3,029,320	3,032,420	6,061,740
<b>NON-CORE BUDGET</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
Fiscal Reserve Authorization	TBD	TBD	
Governance Planning	TBD	TBD	
Commercial Property - Kakaako & Na Lama Kukui	TBD	TBD	
Legacy Property - Palauea Culture Preserve & Wao Kele O Puna	TBD	TBD	
Special Programs HLIC/NHRLF/EPA	TBD	TBD	
Special Programs Other - Hiilei & Hookele Pono	TBD	TBD	
<b>GRAND TOTAL NON-CORE BUDGET</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
<b>GRAND TOTAL OF CORE + NON-CORE BUDGET PROPOSAL</b>	<b>52,609,000</b>	<b>52,511,000</b>	<b>105,120,000</b>

Brown - SCHHA has made a revision to the line item

Green - SCHHA increased the line item in dollars

Red - SCHHA decreased the line item in dollars



**SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Board of Trustees - 29 FTE**

This staffing sheet represents the Board of Trustees and staff.

**Board of Trustees – 9 FTE**

**Board of Trustee Staff – 20 FTE**

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Executive Office Sheet - 19 FTE**

**CEO Office - 4 FTE**

Chief Executive Officer  
Senior Executive Assistant  
Executive Assistant  
Executive Manager

**COO Office – 10 FTE**

Chief Operating Officer  
Executive Assistant  
Public Relations Officer  
Cultural Specialist  
Knowledge Based Strategies Specialist – frozen  
Performance Based Strategies Specialist  
Human Resources Manager  
Human Resource Assistant  
Human Resource Specialist  
Human Resource Specialist

**Corporate Counsel – 5 FTE**

Senior Legal Counsel  
Legal Assistant  
Assistant Senior Legal Counsel/Risk Manager Officer  
General Counsel for Government Regulatory Law & Compliance  
Counsel for Environmental Law, Native Rights & Legal Services

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Resource Management Financial Assets Division Sheet – 34 FTE + 5 Federally Funded**

The purpose of the Resource Management Financial Assets Line of Business is to provide resource management and organizational infrastructure services to the OHA Board of Trustees and Administration executives so that they can protect, preserve, and grow intrusted financial, non-financial and real assets over the long term for the Native Hawaiian people.

**Division Executive Team – 3 FTE**

Chief Financial Officer/Resource Management Director  
Executive Assistant  
Administrative Assistant

**Administrative Services Program** provides financial, and procurement support to the Administration and managers so they can efficiently allocate and manage resources in the best long term interests of beneficiaries.

**Administrative Services Program – 16 FTE**

Controller  
Administrative Assistant  
Budget Analyst  
Accounting Manager  
Accountant  
Accounting Assistant  
Accounting Assistant  
Accounting Assistant  
Accounting Assistant  
Accounting Assistant  
Procurement Manager  
Purchasing/Procurement Specialist  
Purchasing/Procurement Specialist  
Purchasing Technician  
Travel Services/Procurement Specialist  
Travel Services/Procurement Specialist

**Information Systems and Records Management Program** provides business technology tools and applications, records management, and network services to OHA leaders and staff so they can conduct business and achieve results in a reliable and efficient computing environment.

**Information Systems and Records Management Program – 6 FTE**

Information Systems/Records Manager  
Information Systems Specialist  
Information Systems Specialist  
IT Specialist  
Information Specialist  
Records Management Specialist

**Investment Transactions Program** provides financial and land investment strategy, acquisition, and asset management services to OHA so they can steward and grow the value of portfolio investments for the eventual legal transfer to the new Native Hawaiian governing entity.

**Investment Transaction Programs – 2 FTE**

Investment Transactions Manager

Senior Investment Analyst

**Transitional Assistance Program** provides information and referral, financial assistance and short term health care, education, and income assistance services to Native Hawaiians individuals and families so they can maintain or improve their issue while they access additional services and opportunities to stabilize their life situation and move toward self – sufficiency.

**Transitional Assistance Program – 7 FTE**

Transitional Assistance Manager

Administrative Assistant

Grants Specialist

Grants Specialist

Grants Specialist

Grants Specialist

Funding Source Specialist - frozen

**Native Hawaiian Revolving Loan Fund** staff are not part of the CORE BUDGET because they are funded by federal program dollars. NHRLF is designed to provide Native Hawaiians better access to credit, capital, and financial services and skills as a part of a larger effort to create jobs, wealth, and economic and social well-being. NHRLF offers business, consumer education and consumer home improvement capital.

**NHRLF Program – 5 FTE NOT INCLUDED IN DIVISION FTE TOTAL**

Manager

Research Analyst

Research Analyst

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review**  
**OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Resource Management Land Assets Division Sheet – 10 FTE + 3 Federally Funded**

The kuleana of the Resource Management Land Assets Line of business is to restore and enhance the reciprocal relationship between Kanaka and Aina through exemplary traditional and innovative stewardship of OHA's lands; promoting efforts to ensure that resources and opportunities remain sustainably available for the current needs and future prosperity of our beneficiaries.

**Division Executive Team – 2 FTE**

Land & Property Director  
Executive Assistant

**Commercial Property Management Program** is responsible for the oversight of management, leasing and development at Kakaako Makai and Na Lama Kukui, as well as all OHA facility related issues.

**Commercial Property Management Program – 4 FTE (2 FTE funded by Kakaako Maikai, not Core Budget)**

Land & Property Manager  
Land Management Specialist  
Natural Resource Management Specialist  
Land Specialist

**Land & Property Management Program** cares for all OHA's legacy and programmatic lands totaling approximately 26,000 acres of conservation, agricultural and commercial property.

**Land & Property Management Program – 4 FTE**

Land & Property Manager  
Land Management Specialist  
Natural Resource Management Specialist  
Land Specialist

**Halawa-Lulukū Interpretive Development Project** mitigates adverse impacts to select cultural sites caused by the construction of Interstate H-3. In 1987 an MOA was made with the Hawaii State Historic Preservation Office, the Advisory Council on Historic Preservation and the Federal Highways Administration to ensure Section 106 compliance of National Historic Preservation Act for H-3. In 2000, a cooperative agreement was made between OHA and HDOT, tasking OHA with developing an Interpretive Development Plan implementing select projects from the IDP and creating a Stewardship Management Plan.

**Halawa-Lulukū IDP – 3 FTE not FUNDED BY CORE BUDGET – Federally Funded**

HLID Project Coordinator  
HLID Project Planner  
Administrative Assistant

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Research Division Sheet – 18 FTE**

The Research Line of Business compiles, gathers, analyzes and reports data in order to identify gaps and important issues related to Native Hawaiians; inform our advocacy efforts; and ensure that OHA's actions and initiatives are based on the best information available.

**Division Executive Team – 2 FTE**

Research Director  
Executive Assistant

**Land, Culture, and History Program** provides comparative research services to the organization so that informed decisions using credible historical analysis can be made to protect Native Hawaiian physical and intellectual rights. LCH developed and maintains repositories of Hawaiian knowledge that are accessible to the public via the Papakilo and the KIPUKA online databases. Cultural and historical research information sheets are also available on the OHA website.

**Land Culture History Program – 6 FTE**

LCH Manager - frozen  
GIS Specialist  
Research Analyst  
Research Analyst  
Research Analyst  
Research Analyst

**Special Projects Program** provides applied research services to the organization that identify issues and trends to inform advocacy, policy, and operational initiatives. The special projects team supports specialized research needs across the organization as it produces Indicator Sheets and Fact Sheets on education and economic self-sufficiency.

**Special Projects Program – 4 FTE**

Manager  
Research Analyst  
Research Analyst  
Research Analyst

**Program Improvement Program** provides administrative and programmatic findings and recommendations to OHA decision makers in order to ensure that contracts, programs, and projects are properly executed and implemented in accordance with the terms and conditions stated in the contract and to identify outputs, outcomes and impact on beneficiaries. Formative and summative evaluations use a systematic method for collecting, analyzing and reporting information.

**Program Improvement Program – 3 FTE**

Manager  
Program Improvement Specialist  
Program Improvement Specialist – frozen

**Demography Program** provides population and social demographic information to the organization as well as the public via its Native Hawaiian Data Book. Additionally, the section produces Indicate Sheets and Fact Sheets on Health.

**Demography Program – 3 FTE**

Manager

Research Analyst

Research Analyst

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Community Engagement Division Sheet – 30 FTE**

The overall kuleana of the Community Engagement Line of Business is to create two-way communication channels that support OHA's strategic priorities, its mission and vision. The CE Division focuses on sharing information and connecting OHA in meaningful ways with Hawaiian communities and the general public.

**Division Executive Team – 3 FTE**

Community Engagement Director  
Publications Lead  
Executive Assistant II

**Community Outreach** is responsible for helping OHA establish and maintain mutually beneficial relationships with beneficiaries and other valued stakeholders. Duties include sharing with beneficiaries how to access OHA's programs and services, raising public awareness of OHA's efforts and building collaborative relationships with a wide array of partners to achieve OHA's strategic goals.

**Community Outreach Program – 20 FTE**

Community Outreach Manager  
Community Outreach Assistant Manager  
Administrative Assistant  
Community Outreach Coordinator – Oahu  
Community Outreach Coordinator – Oahu  
Community Outreach Coordinator – Oahu  
Community Outreach Coordinator – Oahu  
Community Outreach Coordinator – Hilo  
Community Outreach Coordinator - Hilo  
Community Outreach Coordinator – Kona  
Community Outreach Coordinator - Kona  
Community Outreach Coordinator – Lanai  
Community Outreach Coordinator – Maui  
Community Outreach Coordinator - Maui  
Community Outreach Coordinator – Molokai  
Community Outreach Coordinator - Molokai  
Community Outreach Coordinator – Kauai  
Community Outreach Coordinator – Kauai  
Intake and Referral Specialist  
Intake and Referral Specialist

**The DPM program** connects OHA and the community via digital and print media platforms, applies communications industry best practices to materials it develops and distributes, and aims to inform, education and inspire audiences with its media products. The DPM program manages OHA's digital and print media platforms that include oha.org, kamakakoi.com, mooaupuni.com, social media accounts, a direct e-mail program, short and long format video productions and the monthly Ka Wai Ola newspaper.

**Digital and Print Media – 7 FTE**

Digital and Print Media Manager

Digital Media Specialist

Digital Media Specialist

Communications Specialist

Communications Specialist

Communications Specialist

Public Relations & Media Specialist - frozen

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Advocacy Division Sheet - 29 FTE**

The Advocacy Division is one of several Divisions in the OHA Administration. Overall, Advocacy exists to fulfill OHA's statutory kuleana to advocate on behalf of our beneficiaries, and to assess policies and practices as they impact our beneficiaries. Each of our programs is tied to one element of that mission.

**Division Executive Team – 3 FTE**

Executive  
Advocacy Counsel  
Assistant

**Public Policy** focuses on shaping laws, regulations, rules, guidelines, and in some cases court decisions, as they are still being considered. They're best known for their work during the state legislative session, but they also do a fair amount of analysis and commentary on executive actions. To a limited extent, they work on certain federal policy when there's a strong state-level implementation or nexus. (Think HHCA or ESSA.)

**Public Policy Program – 8 FTE**

Public Policy Manager  
Administrative Assistant  
Senior Public Policy Advocate  
Public Policy Advocate IV  
Public Policy Advocate III  
Public Policy Advocate III  
Public Policy Advocate III  
Public Policy Advocate III

**Compliance Enforcement** focuses primarily on the implementation of existing state and federal law as it affects Native Hawaiians. Since OHA is named in NAGPRA and NHPA and we are regularly consulted on other matters concerning cultural resources and natural resources, CE's expertise is primarily in those areas. They handle virtually all of OHA's consultation requests, including Section 106, Chapter 343, etc.

**Compliance Enforcement – 6 FTE**

Compliance Enforcement Manager  
Administrative Assistant  
Compliance Enforcement Archeologist  
Compliance Enforcement Specialist III  
Compliance Enforcement Specialist III  
Compliance Enforcement Specialist III

**Governance** exists to coordinate OHA's work as it relates to Native Hawaiian self-determination. For the past several years, this meant serving as the liaison to Na'i Aupuni and spearheading OHA's advocacy in support of the rulemaking to reestablish the government-to-government relationship with the United States. More recently, it has shifted to public education on self-determination issues and indigenous rights and expanding OHA's analysis in the international arena. Governance also oversees OHA's Hawaiian Registry Program, which is also a statutorily mandated program.

**Governance – 4 FTE**

Governance Manager  
Governance Specialist  
Hawaiian Registry Specialist  
Genealogy Resource Specialist

**Washington DC Bureau** is our eyes and ears at the federal capitol. They monitor pending federal legislation and executive actions, do a lot of coordinating with stateside parts of OHA on various state/federal issues, and lead our efforts to maintain a pipeline for Native Hawaiians to experience DC and consider federal public service.

**Washington DC Bureau – 3 FTE**

Washington DC Bureau Chief  
Administrative Assistant  
Federal Public Policy Advocate

**Papahānaumokuākea Marine National Monument Management** was established several years ago to handle OHA's responsibilities as a member of the PMNM Monument Management Board, and to advocate for our rightful places as a Co-Trustee of the monument. Now that OHA has been elevated to Co-Trustee as of January 10, 2017, this program's role is to continue to conduct analysis and advocacy on behalf of our beneficiaries as it pertains to the monument, but this time with a greater degree of authority.

**Papahānaumokuākea Marine National Monument Management – 2 FTE**

PMNM Manager (Keola)  
PMNM Specialist (Brad)

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



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OFFICE OF HAWAIIAN AFFAIRS  
Interoffice Memorandum

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Date: May 30, 2019

To: Ke Kauhuhu Colette Y. Machado  
Ke Kua Leina‘ala Ahu Isa  
Ke Kua Dan Ahuna  
Ke Kua Kaleihikina Akaka  
Ke Kua Keli‘i Akina  
Ke Kua Brendon Kalei‘Ōlana Lee  
Ke Kua Carmen Hulu Lindsey  
Ke Kua Robert K. Lindsey, Jr.  
Ke Kua John Waihe‘e IV

From: Kamana‘opono M. Crabbe, Ph.D., Ka Pouhana, Chief Executive Officer

CC: Sylvia M. Hussey, Ed.D., Ka Pou Nui, Chief Operating Officer  
Lisa Watkins-Victorino, Pou Kihi Kōne, Research Director  
Miles Nishijima, Pou Kihi Kanaloa ‘Ōlana, Resource Management Land Assets Director  
Mehanaokalā Hind, Pou Kihi Lono, Community Engagement Director  
Raina Gushiken, Ka Paepae, Corporation Counsel, Interim Senior Legal Counsel  
Sterling Wong, Ke Kahua Paikala, Public Relations Officer  
Lisa Victor, Ka Pou Kihi ‘Enehana, Chief Technology Officer  
Gloria Li, Kanaloa Waiwai, Controller  
Grace Chen, Kanaloa Waiwai, Budget Analyst

Subject: FY20-21 Biennium Budget Book

Attachments:

1. Memorandum re: OHA Biennium Budget Workshop/Presentation dated May 28, 2019
  2. Total Operating Budget Biennium Fiscal Periods 2019-2020 (FY 2020) 2020-2021 (FY 2021)
-

## **I. OVERVIEW**

As indicated in the attached memorandum, Administration outlined the following workshop/presentation plan:

### **A. FY 20-21 Biennium Budget Workshop – Part I – WE, May 29, 2019**

1. **CONTEXT AND GOAL:** To propose a balanced biennium budget (FY2020-2021) for the RM Committee's approval considering multiple factors influencing the challenges facing/before OHA (KP-CEO)
2. **REAR VIEW MIRROR PERSPECTIVE:** Looking back while facing forward (KPN-COO)
3. **FINANCIAL-INVESTMENT PROJECTIONS:** Looking forward (SPIRE-Rodney Lee and Lucas Sayin)

In presenting the above three items, two power point presentations were presented at the May 29, 2019 Resource Management Committee budget workshop (see below):

THE OFFICE OF HAWAIIAN AFFAIRS  
*Empowering Hawaiians, Strengthening Hawai'i*



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**B. FY 20-21 Biennium Budget Workshop – Part II – WE, June 5, 2019**

4. **PRESENTATION ON THE BIENNIUM BUDGET** (KP, KPN and Controller Gloria Li)
5. **SUMMARY AND RECOMMENDATIONS**

In preparing for the above workshop, this FY 20-21 biennium budget book (FY20-21 BBB) is herein distributed.

**II. BALANCED CORE BUDGET DEFINITION**

Administration presents for the Board’s consideration and recommends approval of a “balanced” core budget. A “balanced” core budget means that expenses for FY 20 and FY 21, do not exceed the Spending Limit.

SOURCES OF FUNDING	Biennium Budget Request	
	FY 20	FY 21
5% of Investment Portfolio	\$17,692,555	\$17,886,701
Public Land Trust Revenues	15,100,000	15,100,000
State of Hawai`i General Funds	3,037,879	3,037,879
Allocation of Kaka`ako Makai Revenues	1,435,610	1,186,572
<b>Total:</b>	<b>\$37,266,044</b>	<b>\$37,211,152</b>

OPERATING BUDGET	Biennium Budget Request	
	FY 20	FY 21
<b>1. Core Operating Budget</b>		
Personnel (including 60% fringe)	\$16,905,440	\$17,136,197
Non-Personnel	20,360,683	20,075,035
<b>Total:</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

**III. OTHER ITEMS OF NOTE**

The following items are not currently in the FY20/21 biennium budget book and schedules; and will be addressed in the final action item based on the Board’s directives: (1) HB172 HD1 SD2 CD1 – OHA Budget Bill - \$500K of Trust Funds for a financial and management audit by December 2019; and (2) Hi`ilei Aloha LLC and Ho`okele Pono LLC activities and actions.

#### **IV. FY 20-21 BIENNIUM BUDGET BOOK CONTENTS**

The contents of the FY20-21 BBB is tabbed, organized and sequenced as follows:

1. **Fiscal Year 2020 and 2021 Preliminary Biennium Budget - Core<sup>1</sup>**
2. **Attachment 1 – Prior Year Actual Expenditures Data Tables<sup>2</sup>**
3. **Fiscal Year 2020 and 2021 Preliminary Budget – Non-Core** – includes Commercial Property (i.e., Kaka`ako Makai, Na Lama Kukui), Federal Programs (i.e., Halawa-Luluku Interpretive Development, Native Hawaiian Revolving Loan Fund), Special Programs (e.g., legacy properties, Palaeua Culture Preserve, Wao Kele O Puna Management Fund, LLCs, Fiscal Reserve)<sup>3</sup>.
4. **Supporting Attachment 2 – FY 20/21 Biennium Budget Summary and Data Tables** – this attachment provides core budget summary by line item and related data tables<sup>4</sup>; and calculation of 5% of the Native Hawaiian Trust Fund Twenty (20) Quarter Rolling Market Value computation.
5. **Supporting Attachment 3** – This attachment contains a number of schedules including: (A) Comparative Performance of Native Hawaiian Trust Fund (NHTF), as of December 2018, noting since NHTF fund inception (3/1/2003), the investment portfolio has earned an average investment return of 6.37%; (B) Core Travel Expenditures, FY 2016 – FY 2021, historical actual expenditure compared to budgeted requested amount for FY 20/21; (C) Special Programs; (D) Fiscal Reserve Rollforward computation(s), noting that because of the moratorium on fiscal reserves, approved by the Board in February 2018, the actual FY 2018 increment of approximately \$1.5MM and the projected FY 2019 increment of \$1.0MM is suspended; (E) Ceded Land Revenues/Public Land Trust tracking since FY 2012 indicating the amount that was transferred to OHA from various departments and the amount in excess of \$15.1MM OHA transfers to Budget & Finance Department; (F) NHTF Withdrawals, FY 2005 to FY 2019<sup>5</sup>; and (G) Notes to Financial Statements as of June 30, 2018, Note L – Long Term Liabilities for information on long term debt of the agency.
6. **Public Comment Feedback Documents** – A copy of submitted documents from the Sovereign Councils of the Hawaiian Homelands Assembly, along with public comments submitted via the [ohabudget@oha.org](mailto:ohabudget@oha.org) website is included in this section.
7. **Organization Charts** – Organization charts by position are provided for the following seven organization units: Board of Trustees, Executive Office, Community Engagement, Research, Land Assets, Financial Assets and Advocacy.

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<sup>1</sup> Note: This presentation was circulated to the Trustees (in draft form) on Friday, May 17, 2019 ahead of the public posting on Monday, May 20, 2019. Comments were solicited on-line and collected via [ohabudget@oha.org](mailto:ohabudget@oha.org) along with a Friday, May 24, 2019 “drop in” session at Na Lama Kukui from 1:00 p.m. to 4:00 p.m. A neighbor island call in session is scheduled for Wednesday, June 5, 2019 from 5:00 p.m. to 7:00 p.m.

<sup>2</sup> Tables were included in the Wednesday, May 29, 2019 RM Committee Budget Workshop presentation slides.

<sup>3</sup> Via RM #18-03, the Board approved a moratorium on fiscal reserve spending that is still in place.

<sup>4</sup> This attachment will be the primary attachment in Action Item RM #19-09 re: re: OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)

<sup>5</sup> Note, while OHA does not have a NHTF withdrawal policy, the computation (5%) and comparison (of actual) to illustrate the draws over the course of time and the overall running withdrawal percentage (currently at 4.9%).

**V. ACTION ITEM RM #19-09 - OHA Biennium Budget for the Fiscal Biennium  
Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

Attachment 2 of this memo contains summary information of the entire budget which will be included in the Action Item for Trustees' review, consideration and action. The above action item will be drafted to recommend approval of the CORE and NON-CORE budgets for FY 2020-2021 (as summarized in this memorandum Attachment 2), subject to Administration providing information to the Trustees for Trustees' action(s), with the projected time frame in parentheses (month, year):

1. **Policies.** Economic Development, Debt Management, Spending, Investment and Financial Stability policies (July 2019);
2. **Strategies.** Strategic Plan 2020+ strategies (August 2019);
3. **HB172 HD1, SD2, CD1 OHA Budget.** Clarify regarding Section 8, including related FY 2020-2021 budget realignment implications;
4. **Sponsorships.** Recommendation(s) from the Trustees' Ad Hoc Committee on Sponsorships, noting that the Native Hawaiian Congressional Fellowship program may continue as planned (August 2019);
5. **Governance.** Board Governance Framework Permitted Interaction Groups—Board By-Laws and T-Level Policies (September 2019);
6. **Work Plan and related Budget Realignment.** Work plan (e.g., program objectives, activities) and budget realignment for FY 2020-2021 based on Board Governance Framework, including policies; Strategic Plan 2020+ strategies; governance, tactical and operational plans (e.g., technology, projects, key personnel position hires) (September 2019);
7. **Financial Statements and Reporting.** Quarterly financial statements and strategic reporting and operations (i.e., Statement of Net Position, Statement of Activities, Consolidated Variance Report, notes) (October 2019);
8. **Measurement, Monitoring and Reporting Tools.** Creation of electronic repository for measurement, monitoring, reporting and analysis for short term (e.g., dashboards) and long term (e.g., projections, strategic plan) reporting and monitoring (December 2019);
9. **Communications and Branding Plan, Including Transparency Portal.** Creation and implementation of Communications and Branding Plan, including creation, population and maintenance of Transparency Portal (January 2020); and
10. **Projections.** Mid-Year update of projections (January 2020); Mid-Biennium update of projections (August 2020).

**VI. RESOURCE MANAGEMENT BUDGET REVIEW ASSISTANCE**

In preparation for the Resource Management Committee meeting on Wednesday, June 5, 2019 and related action on the FY 20/21 Biennium Budget, Interim Chief Financial Officer Sylvia Hussey ([sylviah@oha.org](mailto:sylviah@oha.org)), Controller Gloria Li ([glorial@oha.org](mailto:glorial@oha.org)) and/or Budget Analyst Grace Chen ([gracec@oha.org](mailto:gracec@oha.org)) are available to walk through the FY20-21 BBB with you and/or your staff in groups of no more than two Trustees (or Trustees' staff) at a time.

KC:sh




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**OFFICE OF HAWAIIAN AFFAIRS**  
Interoffice Memorandum

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**DATE:** May 28, 2019

**TO:** Resource Management Chair Dan Ahuna  
Resource Management Vice Chair Robert Lindsey  
Beneficiary, Advocacy, and Empowerment Chair John Waihe'e, III  
Beneficiary, Advocacy, and Empowerment Vice Chair Kalei Akaka

**Cc:** OHA Board Chair Colette Machado  
OHA Board Vice Chair Brendon Lee  
Sylvia M. Hussey, Ka Pou Nui-Chief Operating Officer

**FROM:** Kamana'opono M. Crabbe, Ka Pouhana-Chief Executive Officer *KC*

**SUBJECT:** OHA Biennium Budget Workshop/Presentation

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This morning Ka Pou Nui, Sylvia Hussey, and I met with SPIRE consultants Rodney Lee and Lucas Sayin to prepare for our Biennium Budget workshop for tomorrow's Resource Management (RM) Committee meeting.

As a preface, Administration and SPIRE have been actively meeting and coordinating OHA priorities for the past 5 months regarding the Fiscal Policies, realigning the 2016 FSP Implementation Plan, restructuring OHA's Chart of Accounts, and preparing more for the Biennium Budget. A month ago, we had planned to do a Biennium Budget Workshop that included the following:

1. **CONTEXT and GOAL:** To propose a balanced biennium budget (FY2020-2021) for the RM Committee's approval considering multiple factors influencing the challenges facing before OHA. (KP-CEO Kamana'o)
2. **REAR VIEW MIRROR PERSPECTIVE:** Looking back while facing forward (KPN-COO Sylvia)
3. **FINANCIAL-INVESTMENT PROJECTIONS:** Looking forward (SPIRE-Rodney Lee and Lucas Sayin)
4. **PRESENTATION ON THE BIENNIUM BUDGET** (KP, KPN, and Controller Gloria Li)
5. **SUMMARY & RECOMMENDATIONS**

During our initial discussions and planning up until last week, we anticipated a 4 hour workshop which could be adapted to 3 hours. However, upon review of the agendas for tomorrow's Joint BAE and RM Committee meeting at 10:00am and the RM Committee meeting at 11:00am given the subject matter and time constraints, I am recommending that Administration and SPIRE present on 1-3 above only and defer items 4-5 for next week Wednesday, June 5, 2019.

With items 1-3 we estimate a 1-1.5 hour presentation that would cover in detail analyses and assessments of a range of national to global, State of Hawai'i to OHA "big picture", to OHA internal "small picture" subject matter. Thus, the exclusion of 4 and 5 above, which would be an approximately a 1.5 hour presentation, would be more appropriately presented and discussed before the RM committee on June 5, 2019 given the time constraints of tomorrow's agendas.

On behalf of Administration and SPIRE I regret informing you at such short notice however, we convened this morning to evaluate the situation and circumstances to accommodate both the Joint BAE and RM Committee and the RM Committee priorities while also cognizant of your time and obligations.

We understand the "pressure" and urgency to complete the biennium budget by end of June. However, we have anticipated the various challenges and shall provide the board reasonable options as solutions to remedy the challenges.

:kc

OFFICE OF HAWAIIAN AFFAIRS

ATTACHMENT 2

TOTAL OPERATING BUDGET

BIENNIUM FISCAL PERIODS 2019-2020 (FY 2020) 2020-2021 (FY 2021)

FY 2020 FTE	Core	Fiscal Reserve	Commercial Property Budget		Legacy Property Budget		Special Programs Budget		FY 2020 Total Operating Budget
			Kaka'ako Makai	Nā Lama Kukui	Palauea Culture Preserve	WKOP Mgmt Fund	Federal Funded	OHA Funded	
Personnel & Fringe	179.0	\$ 16,905,440	\$ -	\$ 278,161	\$ -	\$ -	\$ 764,248	\$ -	\$ 17,947,849
Program		1,351,878	-	81,475	3,000	9,550	109,017	-	1,923,196
Contracts		4,376,719	-	610,000	75,000	70,000	4,014,215	-	9,680,949
Grants		9,581,000	-	-	25,000	10,000	-	-	9,616,000
Travel		511,087	-	-	4,680	8,160	37,045	-	560,972
Equipment		995,570	-	939,500	43,500	158,100	3,750	-	3,452,378
Overhead		2,964,382	-	644,810	9,200	800	72,979	-	4,779,354
Debt Service		580,048	-	-	-	-	-	-	3,131,027
<b>Totals:</b>		<b>\$ 37,266,124</b>	<b>\$ -</b>	<b>\$ 2,553,946</b>	<b>\$ 160,380</b>	<b>\$ 256,610</b>	<b>\$ 5,001,254</b>	<b>\$ -</b>	<b>\$ 51,091,725</b>

FY 2021 FTE	Core	Fiscal Reserve	Commercial Property Budget		Legacy Property Budget		Special Programs Budget		FY 2021 Total Operating Budget
			Kaka'ako Makai	Nā Lama Kukui	Palauea Culture Preserve	WKOP Mgmt Fund	Federal Funded	OHA Funded	
Personnel & Fringe	179.0	\$ 17,136,197	\$ -	\$ 283,724	\$ -	\$ -	\$ 779,582	\$ -	\$ 18,199,503
Program		1,192,677	-	59,475	3,000	9,550	114,191	-	1,758,950
Contracts		4,040,294	-	665,000	42,000	80,000	339,959	-	5,726,755
Grants		9,596,000	-	-	35,000	10,000	-	-	9,641,000
Travel		512,309	-	-	4,680	8,160	37,045	-	562,194
Equipment		1,027,036	-	945,200	28,500	95,798	1,250	-	3,151,362
Overhead		3,134,555	-	647,305	9,000	800	75,202	-	4,869,233
Deb Service		572,163	-	-	-	-	-	-	3,083,115
<b>Totals:</b>		<b>\$ 37,211,231</b>	<b>\$ -</b>	<b>\$ 2,600,704</b>	<b>\$ 122,180</b>	<b>\$ 204,308</b>	<b>\$ 1,347,229</b>	<b>\$ -</b>	<b>\$ 46,992,112</b>

# Fiscal Year 2020 and 2021 Preliminary Biennium Budget - Core BOT Workshop



The Office of Hawaiian Affairs  
May 2019



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# Budget Construction Process



In October 2018, OHA programs were tasked with the development of their FY 2020 and FY2021 Strategic Work Plans. The Executive Team then identified large commitments and priority projects. The next step is the community sharing period. This step will help to inform Administration's submission of the final Biennium budget to the Board of Trustees for approval in May 2019.

The following graph explains OHA's budget process.



# Budget Construction Timetable (Original Plan)



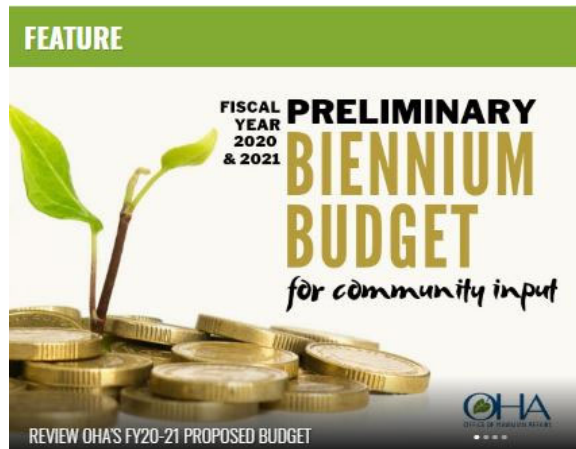
BIENNIIUM BUDGET TIMETABLE						
Activity	DEC 18	JAN 19	FEB 19	MAR 19	APR 19	MAY 19
<b>Work Plans</b>						
1st Draft Due to COO	3					
Feedback on 1st Draft Due to Programs Completed	4-10					
2nd Draft Due to COO	11-14					
Final Approval of Work Plans by COO	17-21					
<b>Biennium Budget Development</b>						
Budget Workbooks Developed with Work Plans		2-11				
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Consolidated Requests presented to Executive Team			1			
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Preparation for Community Input Sessions Completed				6		
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Processing of Community Input Completed				29		
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Budget data presented are preliminary and subject to change. 4

# Community Sharing

## Reach summary

- OHA's email list blast sent to 17,000+ subscribers
- OHA's news release
  - Big Island Now
  - The Garden Isle Newspaper
  - Maui News



- Facebook post reached over 855 people
- Facebook post shared 4 times
- Instagram post
- 396+ visits to the [www.oha.org/budget](http://www.oha.org/budget) webpage



# Funding – Spending Limit for OHA



OHA's total operating budget consists of core and non-core budget items. The core operating budget is the focus of this document, as the non-core operating budget items are those that have their own designated funding sources including income from lending activities, commercial leasing and federal grants.

**Table 1: Spending Limit for OHA's Total Operating Budget – FY 20/21**

Spending Limit	FY18	FY19	FY 20	FY 21
<b>1. Core Operating Budget</b>				
5% of Investment Portfolio	\$17,555,826	\$17,448,120	\$17,692,555	\$17,886,701
Public Land Trust Revenues	15,100,000	15,100,000	15,100,000	15,100,000
State of Hawai'i General Funds *	3,037,897	3,037,879	3,037,879	3,037,879
Allocation of Kaka'ako Makai Revenues	433,997	440,709	1,435,610	1,186,572
<b>Sub-total – Core Operating Budget:</b>	<b>\$36,127,720</b>	<b>\$36,026,708</b>	<b>\$37,266,044</b>	<b>\$37,211,152</b>
<b>2. Fiscal Reserve Authorizations</b>				
Designation Limit	\$0	\$0	\$4,243,980	\$4,243,980
<b>Sub-total – FR Authorizations:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,243,980</b>	<b>\$4,243,980</b>
<b>3. Commercial Property</b>				
Kaka'ako Makai	\$6,908,133	\$9,677,390	\$10,895,270	\$11,116,552
Nā Lama Kukui	6,983,325	7,210,399	7,462,857	6,910,471
<b>Sub-total – Commercial Property:</b>	<b>\$13,891,458</b>	<b>\$16,887,789</b>	<b>\$18,358,127</b>	<b>\$18,027,023</b>
<b>4. Federal Programs Budget</b>				
Halawa Luluku Interpretive Development	\$1,258,264	\$1,270,947	\$4,099,249	\$428,199
Native Hawaiian Revolving Loan Fund	1,215,507	825,292	902,005	919,030
<b>Sub-total – Federal Programs Budget:</b>	<b>\$2,473,771</b>	<b>\$2,096,239</b>	<b>\$5,001,254</b>	<b>\$1,347,229</b>
<b>5. Special Programs Budget</b>				
Special Programs Budget - Legacy Properties	\$686,807	\$638,202	\$717,727	\$554,842
Special Programs Budget – Other	319,468	263,832	225,000	195,000
<b>Sub-total – Special Programs Budget:</b>	<b>\$1,006,275</b>	<b>\$902,034</b>	<b>\$942,727</b>	<b>\$749,842</b>
<b>Total Operating Budget:</b>	<b>\$53,499,224</b>	<b>\$55,912,770</b>	<b>\$65,812,132</b>	<b>\$61,579,226</b>

\*SOH General Fund – final version of the bill has not been issued, and was transmitted to the Governor on May 1, 2019.

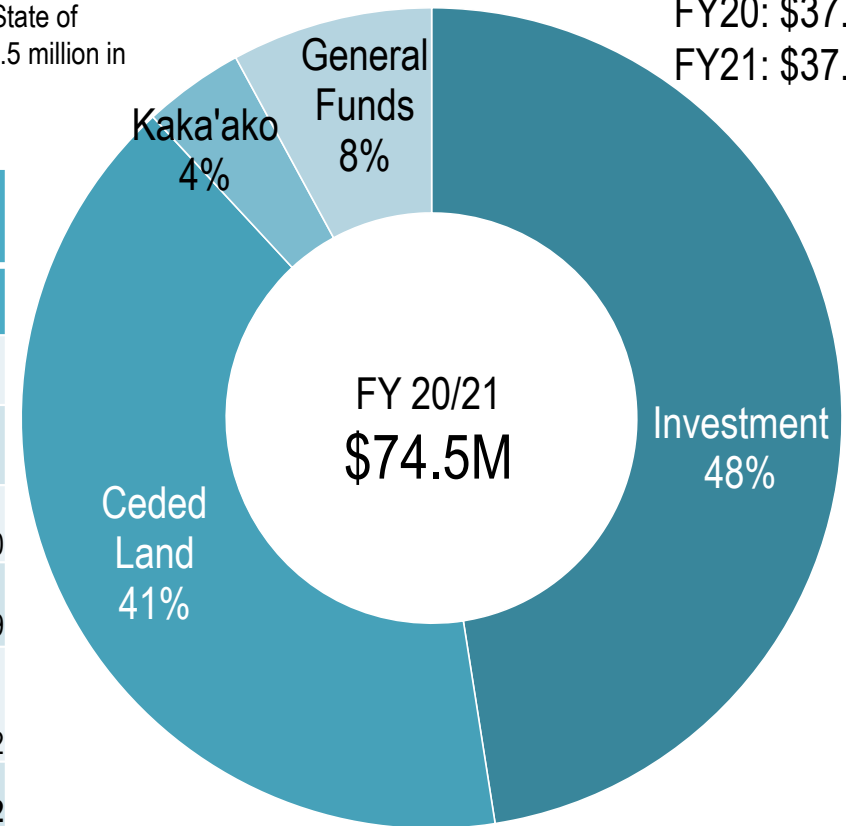
Budget data presented are preliminary and subject to change. 6

# Funding – Core Operating Budget

OHA's core operating budget is dependent upon four major sources of funding. The sources are: a percentage of investment portfolio; public land trust allotments; Kaka'ako Makai revenues; and State of Hawai'i general fund appropriations. These sources are projected to generate approximately \$74.5 million in FY 20/21.

**Table 2: Spending Limit for OHA's Core Operating Budget – FY 20/21**

FUNDING SOURCES	BOT Approved		Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Core Operating Budget				
5% of NHTF Portfolio	\$17,555,826	\$17,448,120	\$17,692,555	\$17,886,701
Public Land Trust Revenues	15,100,000	15,100,000	15,100,000	15,100,000
State of Hawai'i General Funds *	3,037,879	3,037,879	3,037,879	3,037,879
Allocation of Kaka'ako Makai Revenues	433,997	440,709	1,435,610	1,186,572
<b>Spending Limit:</b>	<b>\$36,127,702</b>	<b>\$36,026,708</b>	<b>\$37,266,044</b>	<b>\$37,211,152</b>



Budget data presented are preliminary and subject to change. 7

# Funding

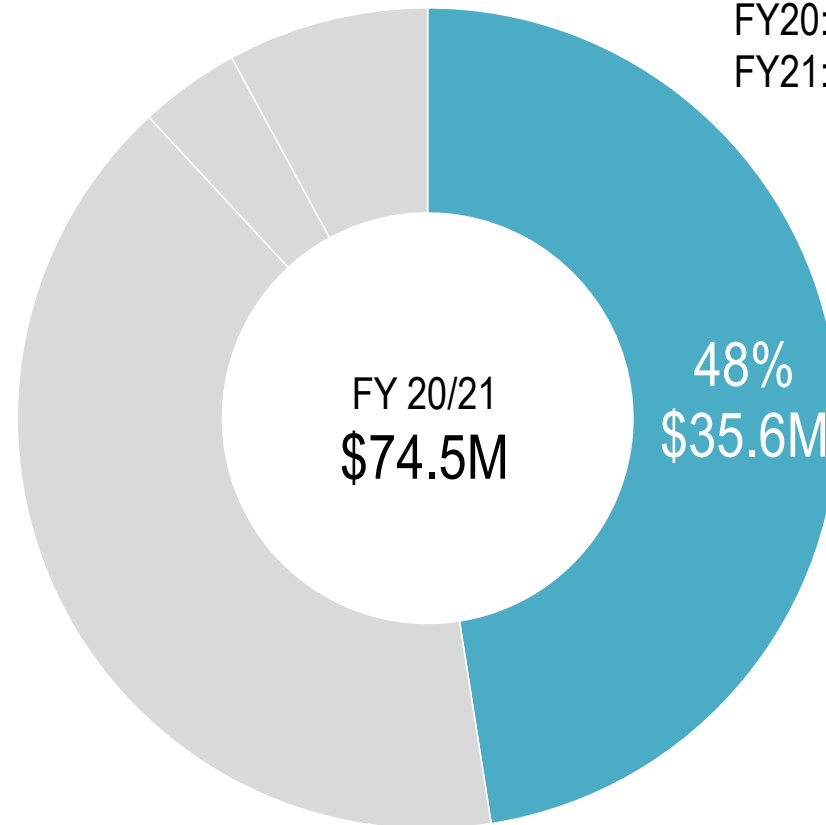
## 1. Investment Portfolio

The largest source of funding is OHA's ability to spend 5% of its investment portfolio, pursuant to its Spending Policy, which allows for a maximum 5% allocation of funding based upon a 20-quarter rolling average market value.

For FY20, the 5% spending amounts to approximately \$17.7 million. For FY21, the computed 5% spending increased slightly to \$17.9 million for a total of \$35.6 million over the two year period or 48% of OHA's total core operating budget.



FY20: \$17.7M  
FY21: \$17.9M

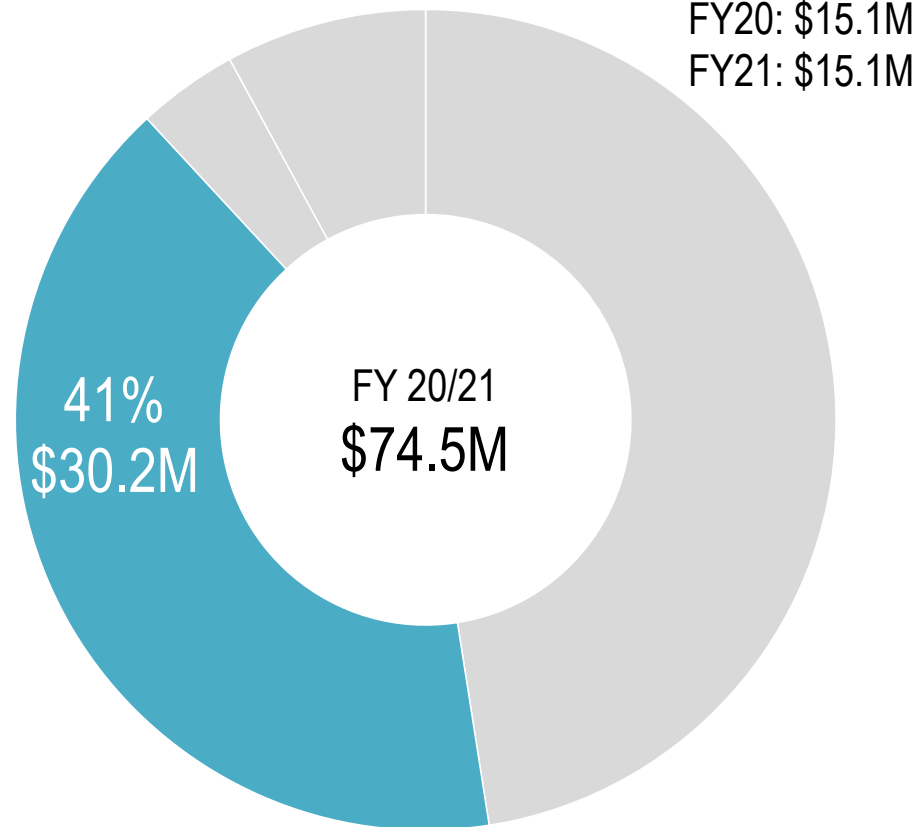


Budget data presented are preliminary and subject to change. 8

# Funding

## 2. Public Land Trust Revenues (PLT)

The PLT is a subset of state lands which is held in trust for the betterment of the conditions of native Hawaiians, and the general public. PLT lands are comprised of former Crown and Government lands of the Hawaiian Kingdom. Hawai'i's constitution establishes OHA in part to receive and administer native Hawaiians' pro rata share of revenues derived from the PLT. The pro rata share is generally understood to be **20% of the revenues** from PLT lands. How this 20% should be calculated is a matter of longstanding debate between OHA and the State. In 2006, the State agreed to pay OHA a fixed \$15.1 million per year as a temporary approximation of the PLT share. At 41% of OHA core operating budget, this is the second largest source of funding.



Budget data presented are preliminary and subject to change. 9

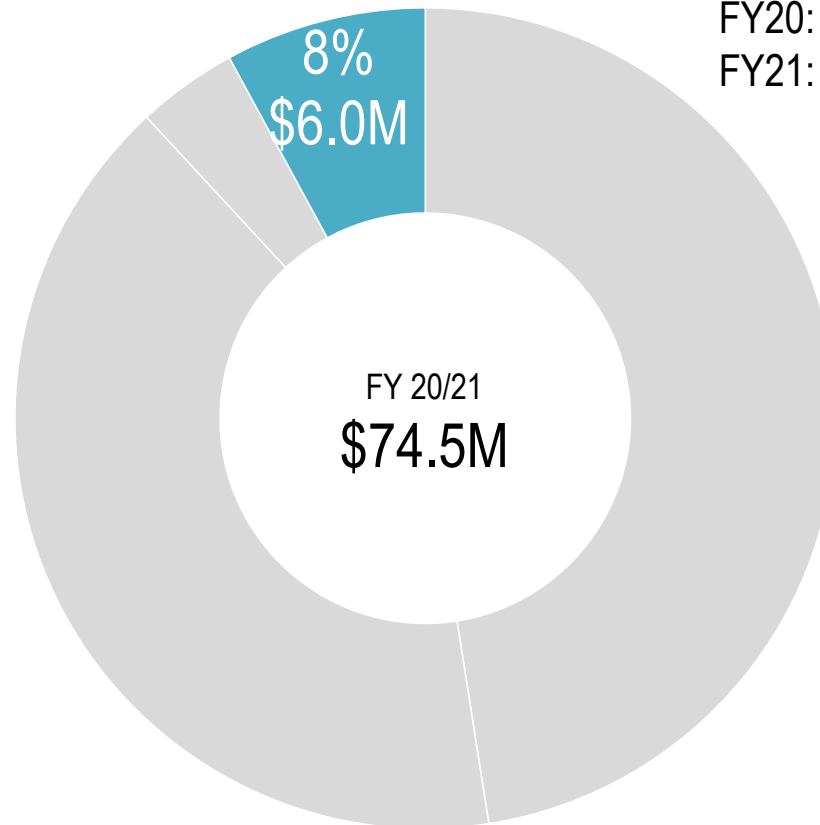
# Funding

## 4. State of Hawai'i General Funds

The fourth source of funding is provided through the State of Hawai'i General Funds. OHA fulfills its fiduciary responsibilities to beneficiaries by advocating at the state legislature each year for general fund appropriations.

On average, OHA receives \$3 million in general fund appropriations annually. In continuing its advocacy efforts, OHA has consistently sought increases to its request to leverage its own Trust Funds for community benefit.

For FY20 and FY21, OHA received an annual funding of approximately \$3 million; for a total of \$6 million over the two years, constituting 8% of OHA's core operating budget.



FY20: \$3.0M  
FY21: \$3.0M

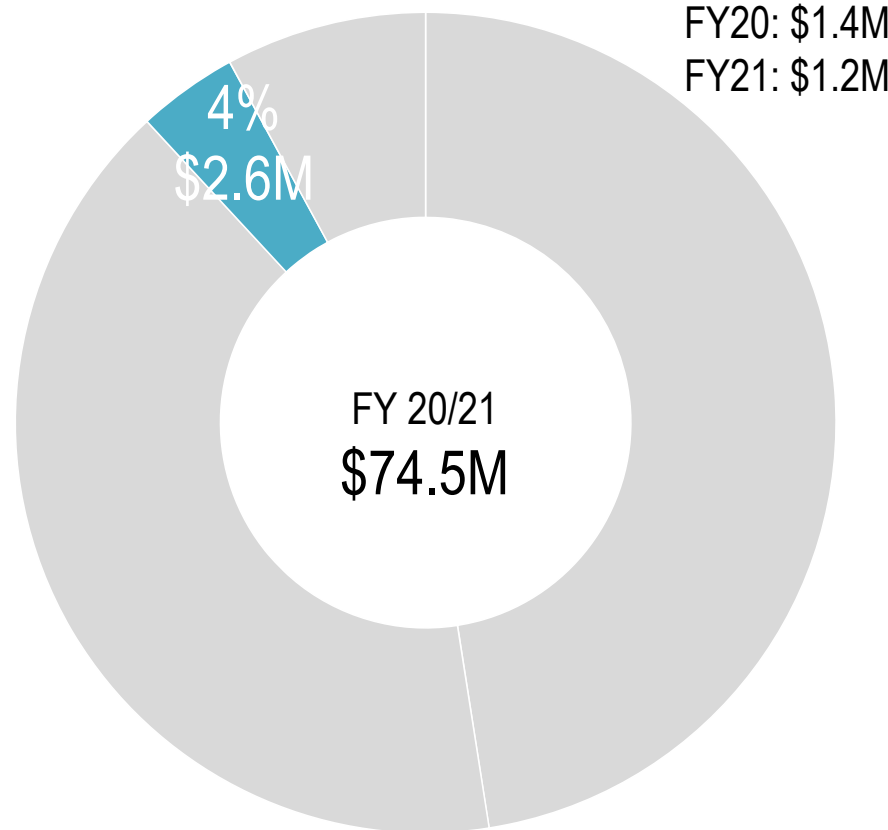
# Funding

## 3. Kaka'ako Makai Revenues

The third source of funding, albeit a small percentage of OHA's total core operating budget, reflects a commitment by OHA's Board of Trustees to ensure maximum funding for continuing grants program support.

In 2012, OHA officially took title of 30 acres of prime real estate in Kaka'ako Makai. Annually, these parcels are expected to generate more than \$4M in revenue to OHA. OHA's Board of Trustees authorized a portion of these revenues to help support OHA's cultural preservation lands and the grants program.

The estimated amount is approximately \$1.4 million in FY20 and slightly decreased to \$1.2 million in FY21, for a total of \$2.6 million or 4% of OHA's total core operating budget.



Budget data presented are preliminary and subject to change. 11

# Total Operating Budget Summary



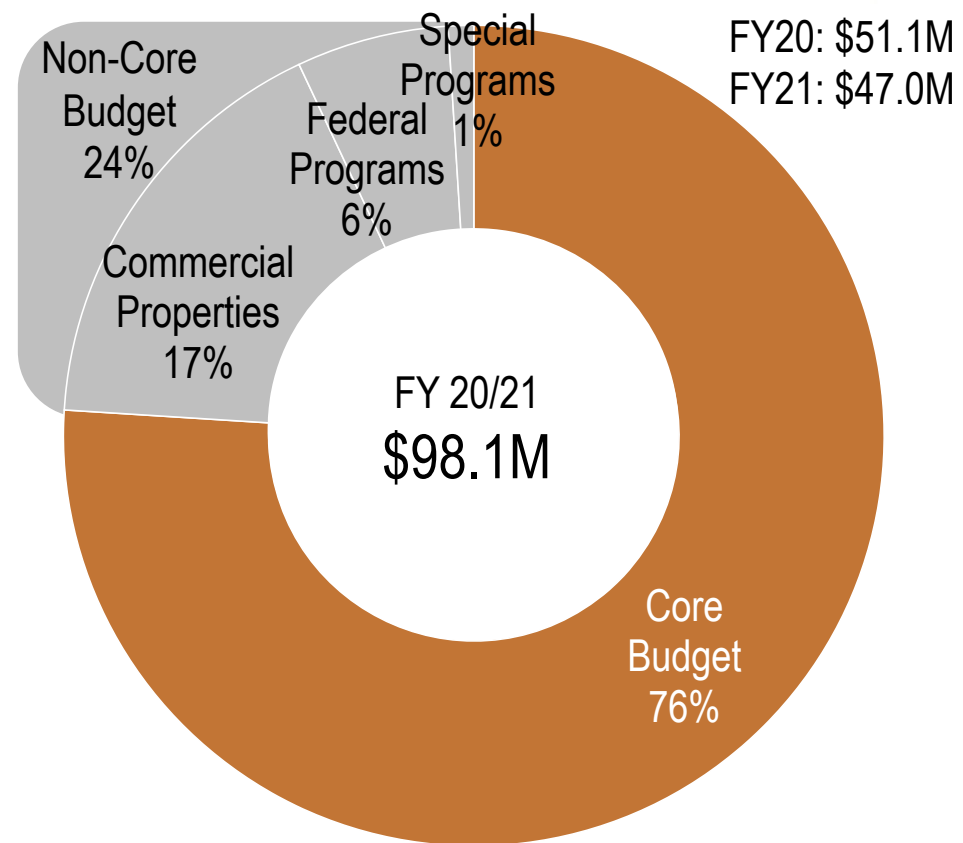
<b>Total Operating Budget</b>	<b>FY 20</b>	<b>FY 21</b>	<b>Total</b>
<b>1. Core Operating Budget</b>			
Personnel	\$16,905,440	\$17,136,197	\$34,041,637
Non-Personnel	20,360,684	20,075,034	40,435,718
<b>Sub-total – Core Operating Budget:</b>	<b>\$37,266,124</b>	<b>\$37,211,231</b>	<b>\$74,477,355</b>
<b>3. Commercial Property</b>			
Kaka'ako Makai	\$2,553,946	\$2,600,704	\$5,154,650
Nā Lama Kukui	5,853,411	5,506,460	11,359,871
<b>Sub-total – Commercial Property:</b>	<b>\$8,407,357</b>	<b>\$8,107,164</b>	<b>\$16,514,521</b>
<b>4. Federal Programs Budget</b>			
HLID Project	\$4,099,249	\$428,199	\$4,527,448
NHRLF Program	902,005	919,030	1,821,035
<b>Sub-total – Legacy Property:</b>	<b>\$5,001,254</b>	<b>\$1,347,229</b>	<b>\$6,348,483</b>
<b>5. Special Programs Budget</b>			
Legacy Property			
Palauea Culture Preserve	\$160,380	\$112,180	\$272,560
Wao Kele O Puna Management Fund	256,610	204,308	460,918
<b>Sub-total – Special – Federal:</b>	<b>\$416,990</b>	<b>\$326,488</b>	<b>\$743,478</b>
Special Programs Budget – Other			
Hi'ilei Aloha & Subsidiaries	\$0	\$0	\$0
Ho'okele Pono & Subsidiaries	0	0	0
<b>Sub-total – Special – Other:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Sub-total – Special Programs Budget:</b>	<b>\$416,990</b>	<b>\$326,488</b>	<b>\$743,478</b>
<b>Total Operating Budget:</b>	<b>\$51,091,725</b>	<b>\$46,992,112</b>	<b>\$98,083,837</b>

Budget data presented are preliminary and subject to change. 12

# Total Operating Budget



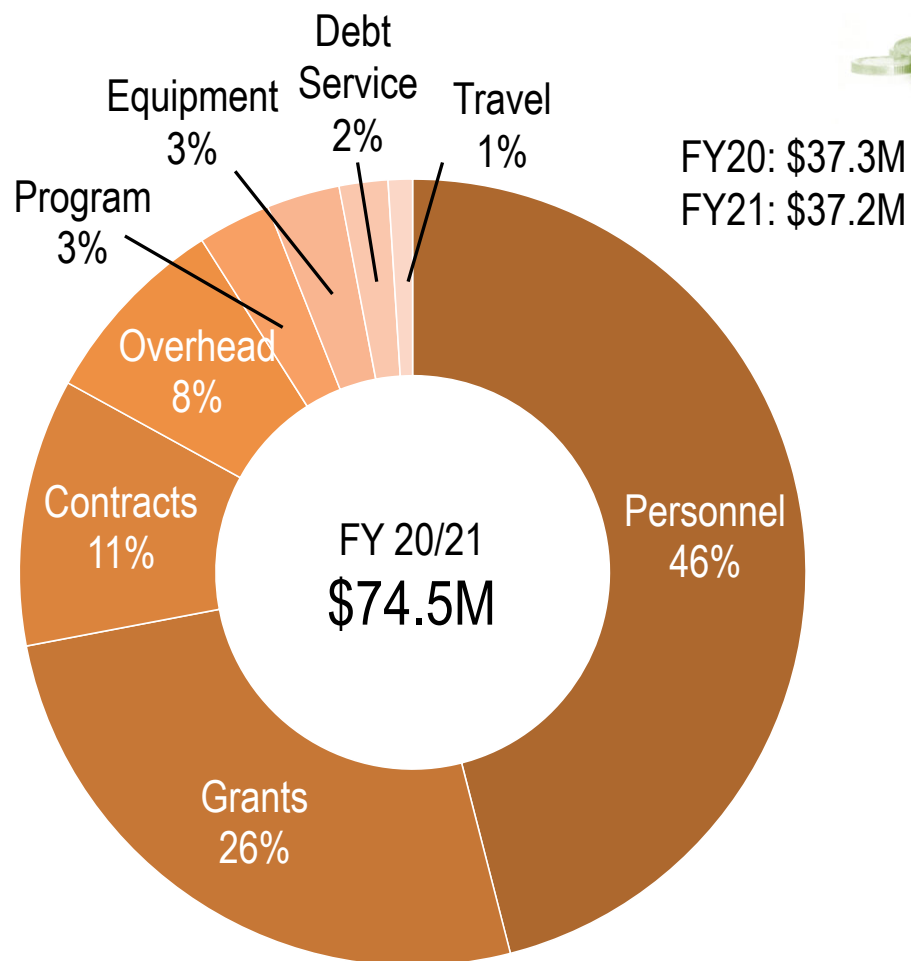
OHA's total operating budget consists of core and non-core budget items. The core operating budget is the focus of this document, as the non-core operating budget items are those that have their own designated funding sources including income from commercial leasing, lending activities and federal grants.



# Core Operating Budget

OHA allocates 46% of its core operating budget to personnel, 26% to its grants program, 11% to contracts, and 8% to overhead costs. The smaller categories include 3% for programs, 3% for equipment, 2% for debt service, and 1% for travel costs.

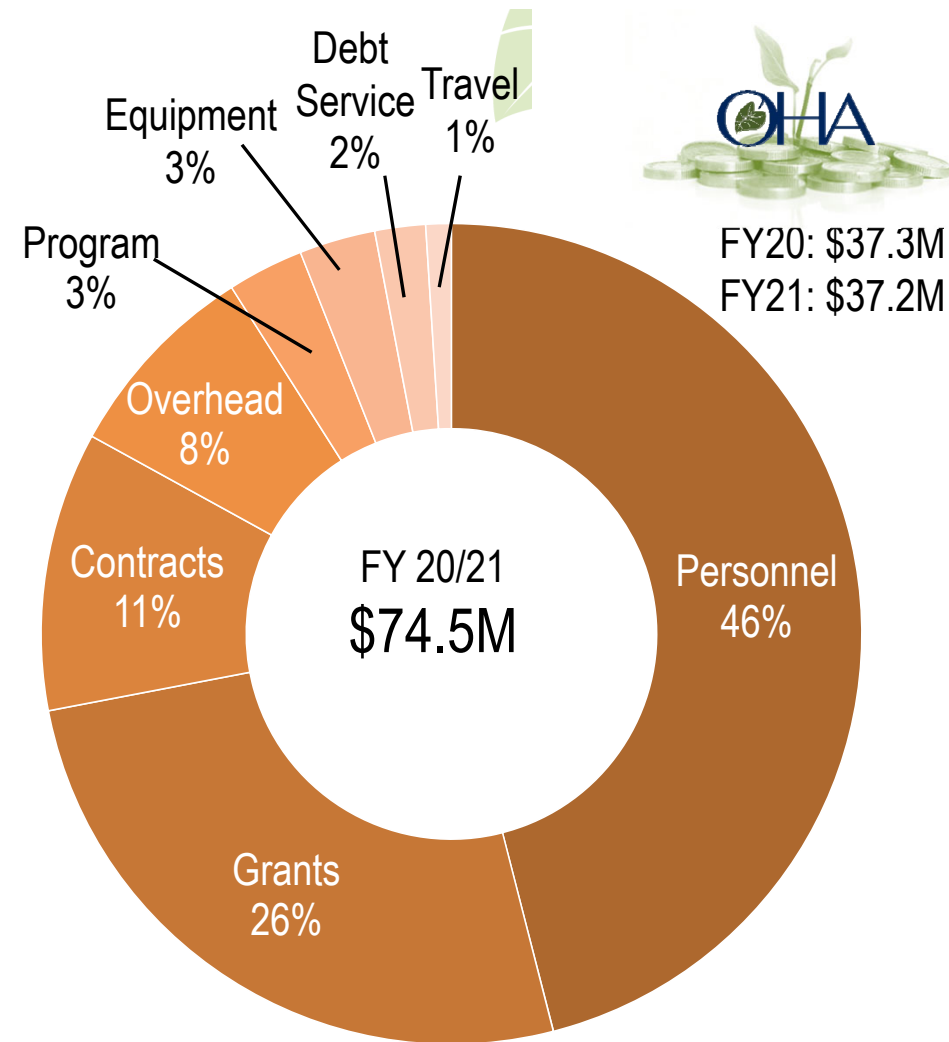
The next few slides will provide a more detailed breakdown of each category, with the exception of debt service. Debt service relates to the principal and interest payment on Line of Credit outstanding balance and totals \$580 thousand for FY20, \$572 thousand for FY21, equaling \$1.15 million over the two-year period.



# Core Operating Budget

CORE OPERATING BUDGET	PROPOSED BUDGET		
	FY 20	FY 21	TOTAL
Personnel (60% fringe)	\$16,905,440	\$17,136,197	\$34,041,637
Grants	9,581,000	9,596,000	19,177,000
Contracts	4,376,719	4,040,294	8,417,013
Overhead	2,964,382	3,134,555	6,098,937
Program	1,351,878	1,192,677	2,544,555
Equipment	995,570	1,027,036	2,022,606
Debt Service	580,048	572,163	1,152,211
Travel	511,087	512,309	1,023,396
<b>Total</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>	<b>74,477,355</b>

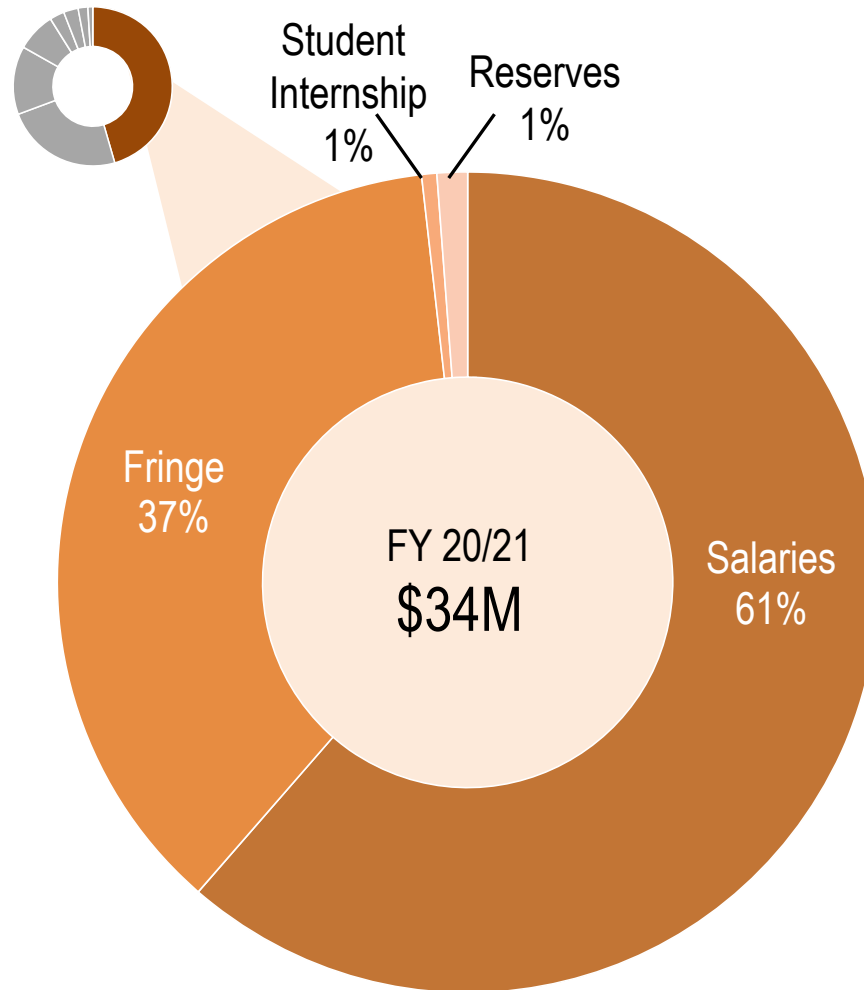
The next few slides will provide a more detailed breakdown of each category.



# Personnel

OHA allocates approximately \$17 million a year of the biennium budget in support of 158 employees under the core budget; constituting 46% of the core operating budget, including the 60.08% fringe benefit rate. This core budget does not include 9 non-core employees whose positions are either funded by commercial properties or federal grants. OHA's 158 full-time employees from core budget represents a decrease from FY18/19, as a result of OHA's decision to leave 12 positions vacant until such time as funding becomes available.

Sixty-one percent of the personnel cost is employee salaries, while a full 37% of personnel cost goes to fringe benefits, as set by the State of Hawai'i at 60.08%. Small portions are allotted to fund student internship and OHA's reserves for vacation payouts, employee continuing education program, and workers compensation payments.

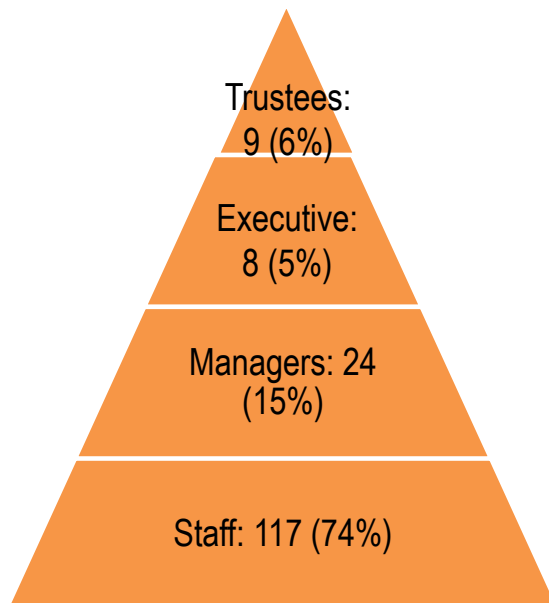


FY20: \$16.9M  
FY21: \$17.1M

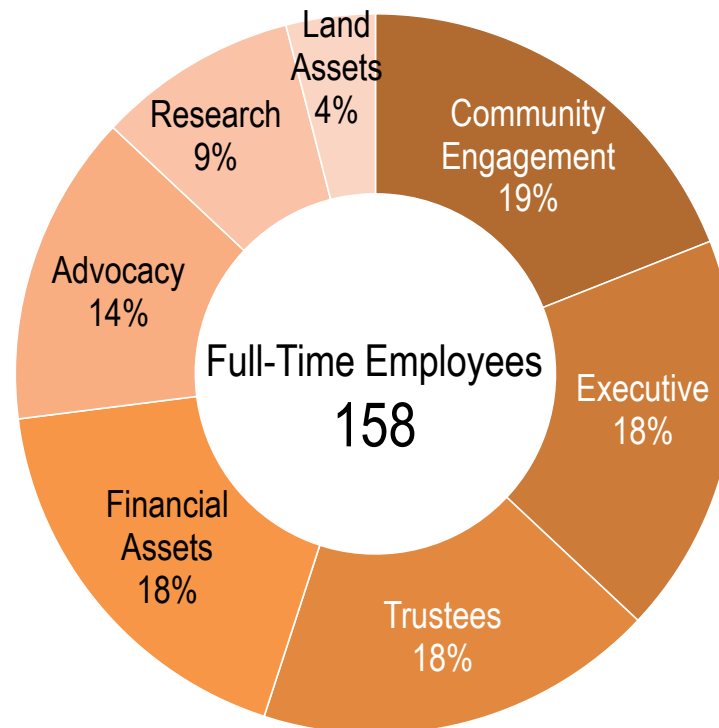
# Personnel



Of OHA's 158 employees under the core budget, 117 are staff members (74% of employees); 24 are managers (15%); 9 are Trustees (6%); and 8 are executives (5%). The figure below represents an average ratio of approximately 1 manager for every 5 staff.



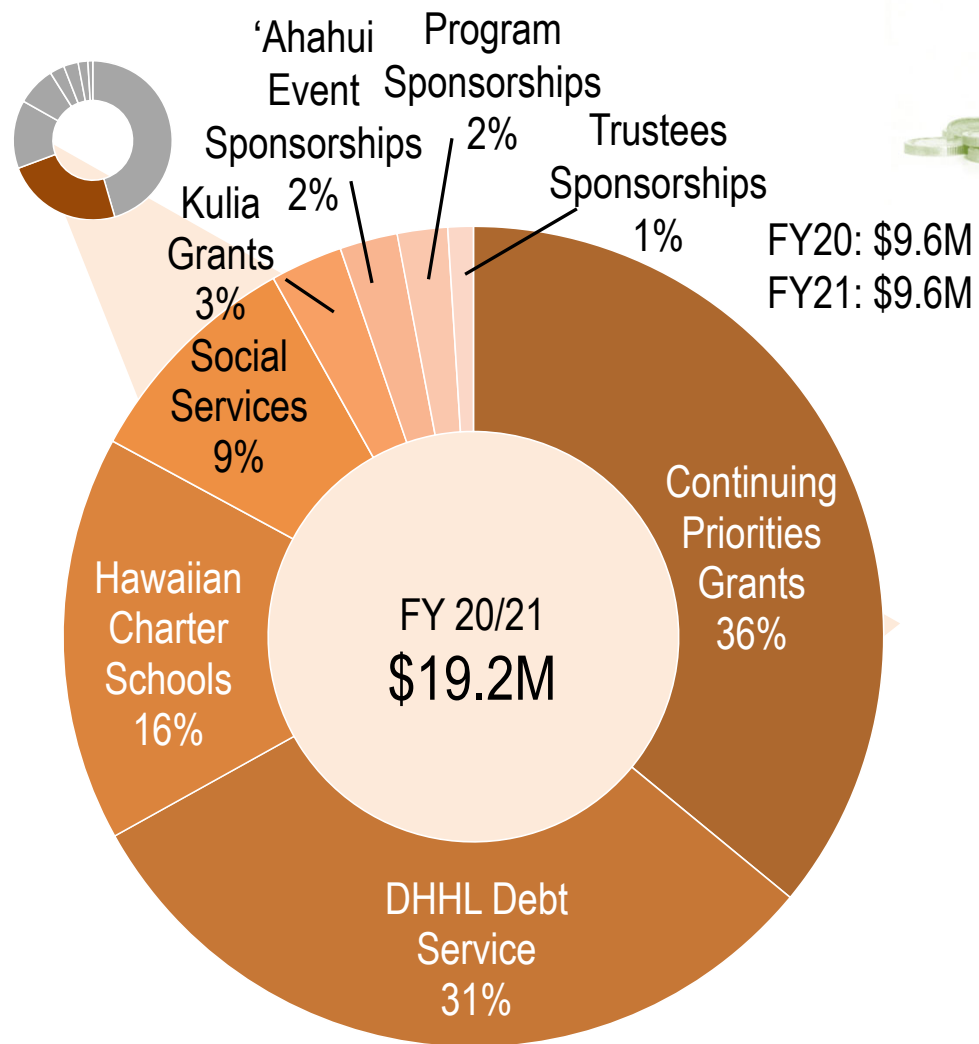
Of OHA's 158 employees: 30 are within Community Engagement, 29 are within the Executive Office; 29 are within the Board of Trustees Office; 28 are within Financial Assets; 22 are within Advocacy; 14 are within Research; and 6 are within Land Assets.



Budget data presented are preliminary and subject to change. 17

# Grants

OHA allocated \$19.2 million over the biennium budget to various grant programs, which constitutes 26% of the core operating budget. Of this budget: 37% is allocated for grants aligned with the continuing Strategic Priorities from the 2010 – 2018 Strategic Plan, including Health, Education, Income, Housing, Culture, and Land, as OHA transitions to its new Strategic Plan. Funding is also allocated to long-term commitments to DHHL homestead development (31%) and to Hawaiian Focused Charter Schools (16%). 9% is allotted for social services so beneficiaries may address unexpected crises. 3% is allocated to the new Kulia grants, which are awarded to innovative projects with a broader focus on bettering conditions of Native Hawaiians. OHA also allocates 5% of grant funding to sponsorship including 'Ahahui Events (2%), Program (2%), and Trustee (1%) Sponsorships (which are currently on a moratorium).



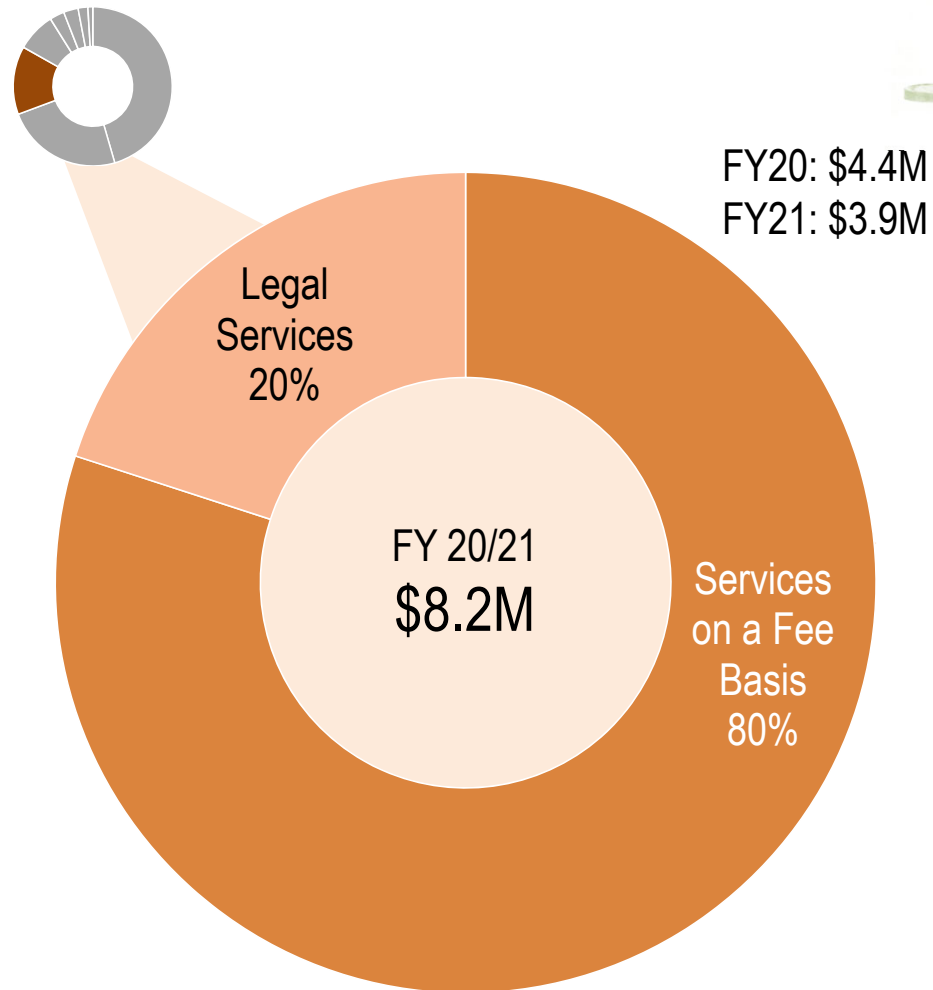
Budget data presented are preliminary and subject to change. 18

# Contracts

Contracts constitute 11% of OHA's core operating budget and is comprised of two main areas: services on a fee basis and legal services.

80% of the Contracts budget is allocated to Services on a Fee Basis which includes contracts from many areas of expertise to help support OHA's strategic focus areas and program operations. It also includes a legal services contract, which provides legal services directly to the beneficiaries, not to OHA.

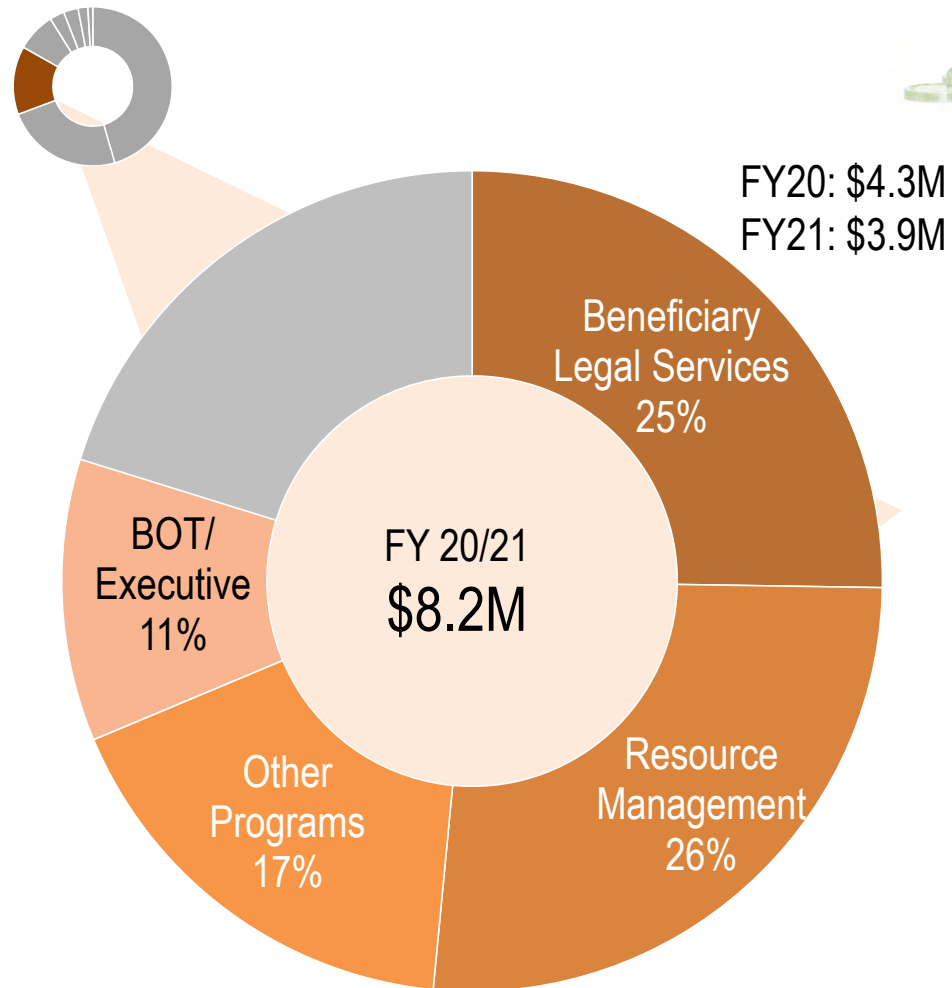
Legal services at 20% are comprised of various litigation, consulting, and Board Counsel needs that arise in the ordinary course of business and are service directly provided to OHA.



# Services on Fee Basis Contracts

Through a State Proviso, 25% of OHA contracts is allocated to beneficiary legal services. The legal services proviso provides beneficiary legal representation for the assertion and defense of quiet title actions, assistance with kuleana tenant rights, and preservation of Native Hawaiian land trust entitlements.

Twenty-six percent of all contract funds is allocated for Resource Management, including Financial and Land Assets, for example services related to Kukaniloko. Other programs (17%) include funding for Native Hawaiian law training course, water and Public Land Trust working groups, and access to Papahānaumokuākea, research, and community engagement. OHA's Trustees and Executive Office account for 11%. Larger expenses include technology upgrades, redesign, and to financial consultant fees.



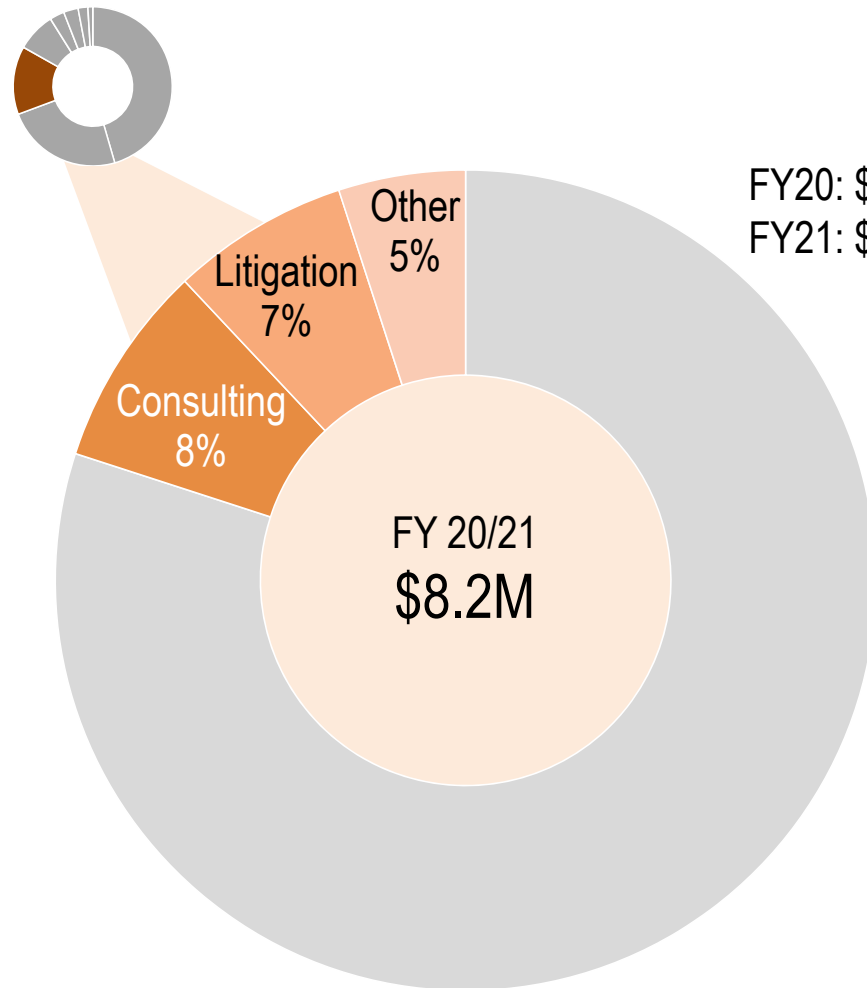
Budget data presented are preliminary and subject to change. 20

# Legal Services Contracts

Eight percent of the Legal Service Contracts budget is allotted for legal consultants who provide OHA with non-litigation legal advice in particular areas of law.

Seven percent is allotted for litigation in which services are rendered in either defending OHA and/or Trustees or as a plaintiff if the Board of Trustees so desires.

The remaining 5% is allotted for other contracts including counsel to the Board of Trustees in which legal advice is rendered regarding Trustee duties, privileges, immunities, and liabilities.



FY 20/21  
\$8.2M

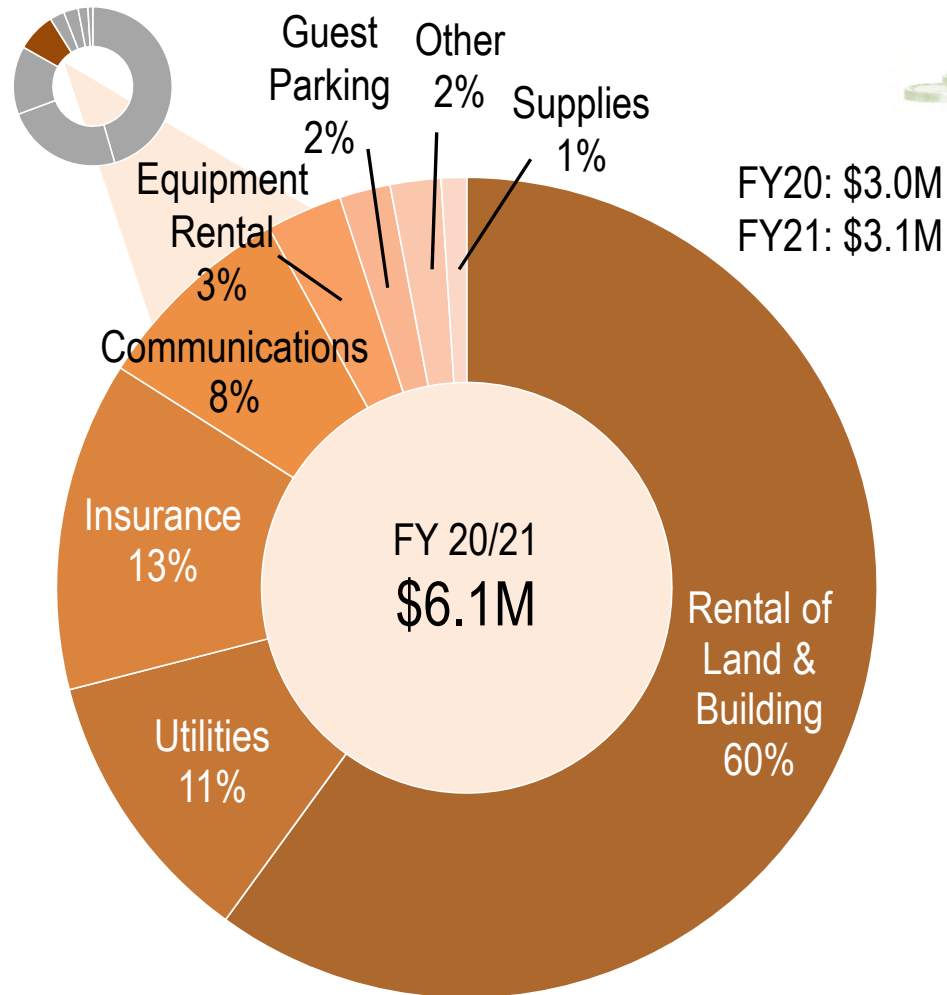
FY20: \$4.3M  
FY21: \$3.9M



# Overhead

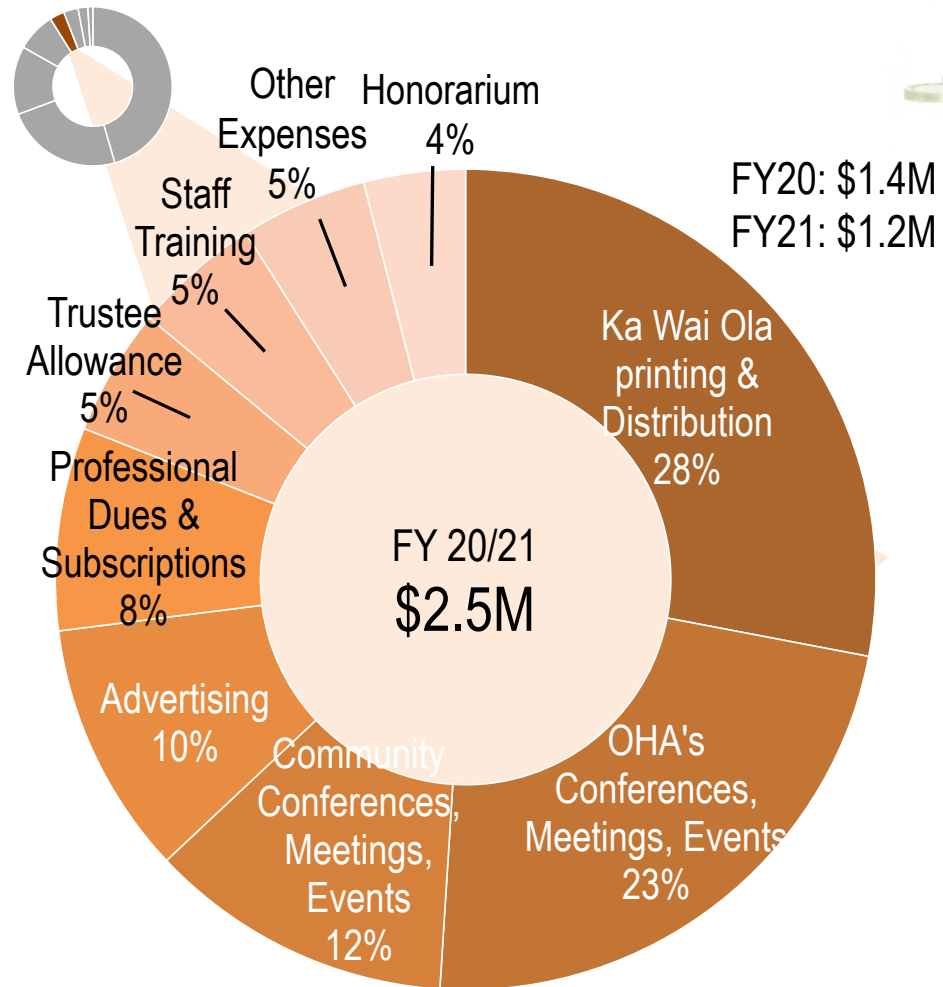
OHA allocates approximately \$3 million annually to Overhead or 8% of the core biennium budget. Of these amounts, office leases account for 60%, which support 7 offices across the State of Hawai'i and 1 office in Washington, D.C. Utilities for these offices make up another 11%.

Thirteen percent (13%) is insurance premiums for liability insurance, workers compensation, board and officers insurance, and other related coverages. Additionally, 8% is allotted for telephone and internet service, 3% for renting equipment, 2% to validate parking for stakeholders and beneficiaries, 1% for office and other supplies; and 2% is made up by small budget items including postage, settlements, and leasehold improvements.



# Program

The next budget category is Program, to which OHA allocates approximately \$1.2 to \$1.4 million annually or 3% of the core biennium budget. These are costs directly related to programs such as printing and distributing of Ka Wai Ola publications (28%), hosting cultural workshops/events (23%), partnering with community organizations to host events (12%), advertising for OHA initiatives (10%), professional dues and subscriptions (8%), trustee protocol allowance (5%), and staff training (5%). Other expenses include, worksite wellness, volunteer stipend, promotional items, honorarium for OHA event participants, etc.

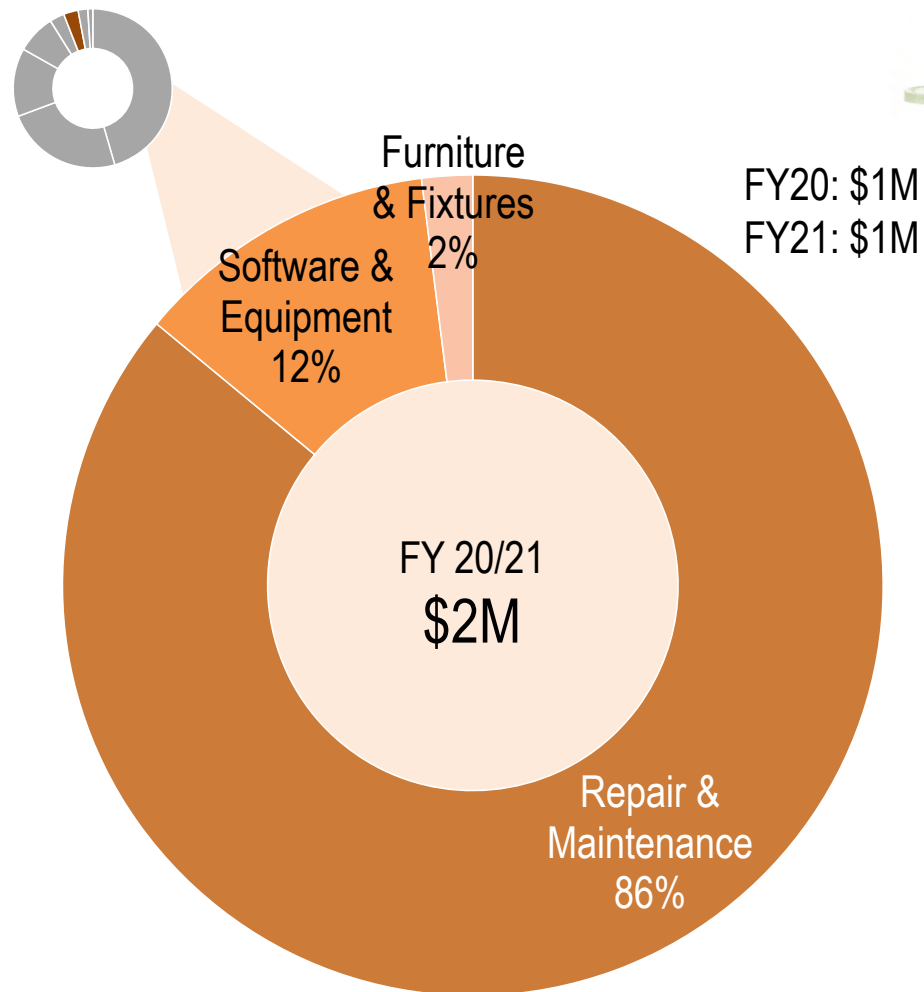


Budget data presented are preliminary and subject to change. 23

# Equipment

OHA allocates \$2 million or 2% of the core biennium budget to equipment; including repair & maintenance, software & equipment, and a smaller portion allocated to furniture and fixtures. Repair & maintenance includes various upkeep work for OHA's facilities and legacy properties. Some of the larger budget items include vegetation maintenance and arborist/tree trimming services for Kūkaniloko legacy property and janitorial service for all offices.

Software & equipment include IT software, hardware, licenses, subscriptions, etc. Larger expenses include the replacement of PCs, laptops, and network equipment and the purchase of software to support new projects planned in FY20 and FY21. Furniture & fixtures include miscellaneous facilities needs that arise during normal course of operation.



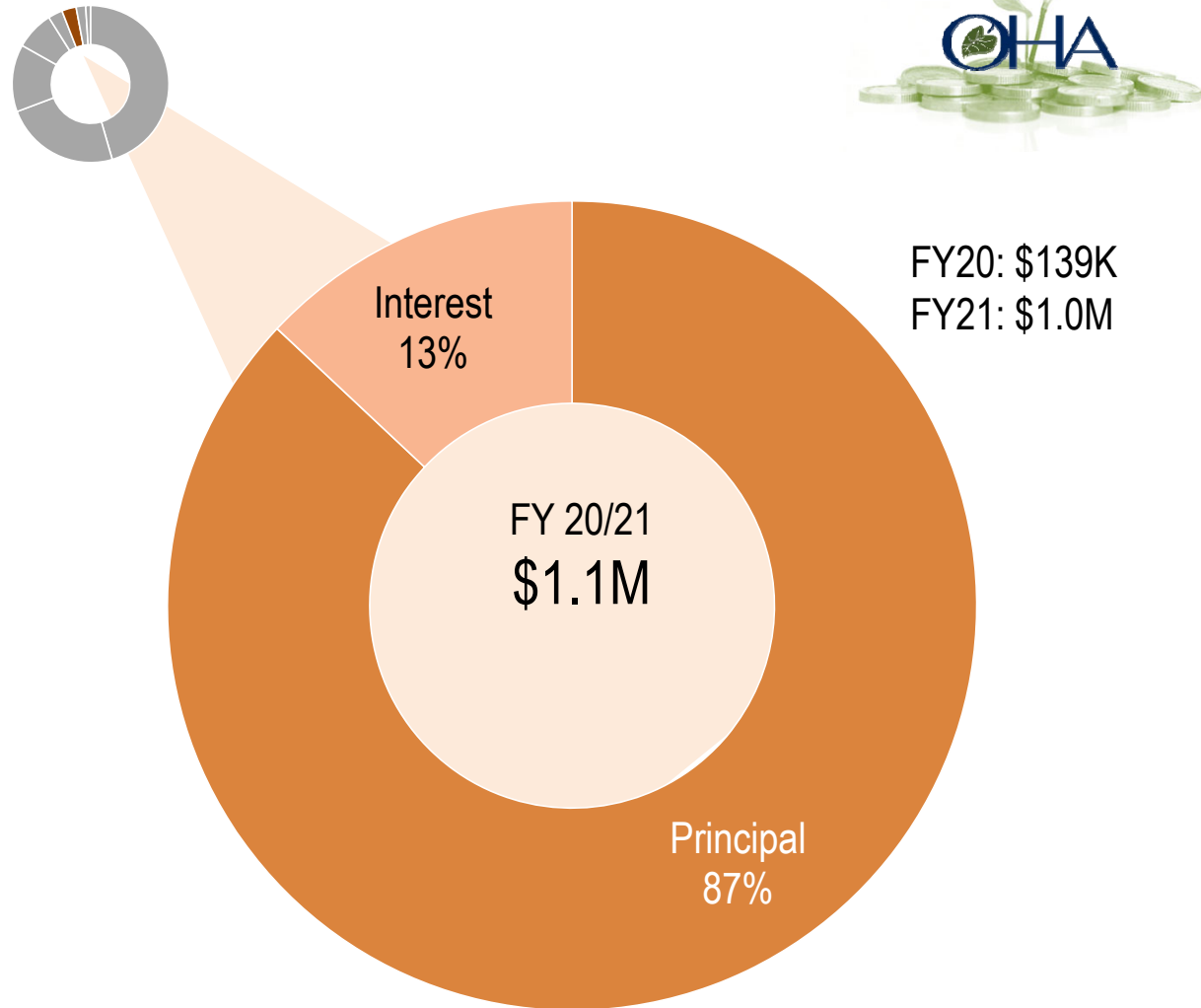
Budget data presented are preliminary and subject to change. 24

# Core Debt Service

Includes all expenditures associated with the payment of debt service for BOT-approved obligations. For FY 20/21 the amounts are \$580,048 and \$572,163, respectively.

In February 2015, OHA obtained a \$5 million credit facility to finance the costs of its Nation Building Initiative. Per Action Item ARM #14-04, only \$3.7 million of the credit facility was available for Nation Building. OHA had two years to draw down the facility in up to six separate tranches. For each tranche, OHA can select among numerous interest rate and maturity options. During the draw period, OHA will only pay interest on the outstanding principal balance. At the conclusion of the draw period in February 2017, OHA can choose to repay the outstanding principal balance over a 3, 5 or 7 year period.

OHA drew a total of \$3,548,000 of the credit facility and elected a 7-year repayment period starting in FY 17. The budgeted costs for debt service in FY 20 and FY 21 are based on amortization schedule maintained by Investments Program staff.

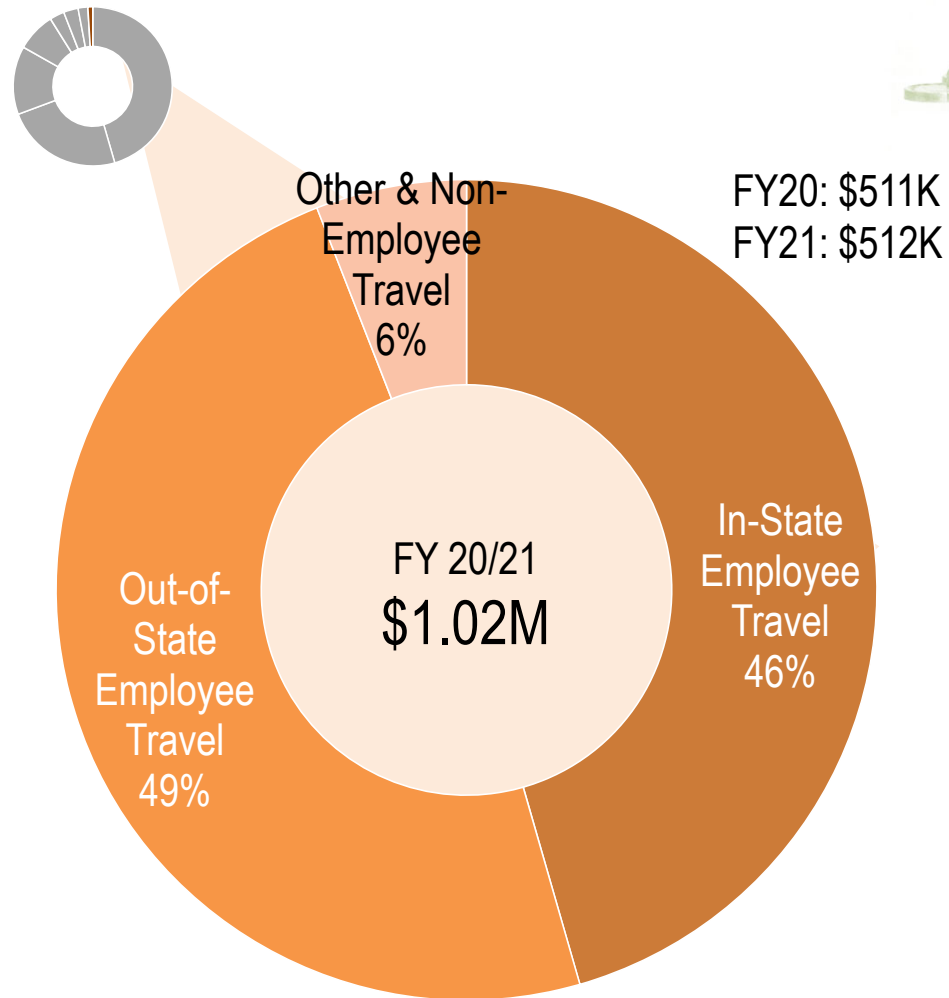


Budget data presented are preliminary and subject to change. 25

# Travel

Lastly, travel budget category makes up a little more than 1% of the core operating budget. These are costs directly related to in-state travels (46%), out-of-state travel (49%) and other & non-employee travel (6%). In-state travels include attendance of BOT and sub-committee meetings by Trustees and Executives that are held throughout the year across the State, grants orientations and site monitoring, and community event coverage on neighbor islands.

The majority of out-of-state travels is related to the annual Lei Draping ceremony held at Washington, DC. Other out-of-state travel is for due diligence meetings and investment conference.





**Mahalo!**

## ATTACHMENT 1

### Prior Year Actual Expenditures Data Tables

Tables below reflect budgeted approved expenditures and actual expenditures.

#### A. CORE OPERATING BUDGET / ACTUAL COMPARISON

**Table 1: Core Operating Budget - FY18**

CORE OPERATING BUDGET	Approved	Actual	Difference	% Spent
	FY 18	FY 18		
Personnel	\$14,739,767	\$13,974,942	\$764,825	95%
Grants	7,323,251	7,150,262	172,989	98%
Contracts	6,474,089	6,054,756	419,333	94%
Overhead	2,646,663	2,415,620	231,043	91%
Program	1,472,218	1,101,072	371,146	75%
Equipment	1,889,876	1,806,895	82,981	96%
Debt Service	630,961	630,952	9	100%
Travel	426,447	344,677	81,771	81%
<b>Total Core Operating Budget:</b>	<b>\$35,603,273</b>	<b>\$33,479,175</b>	<b>\$2,124,097</b>	<b>94%</b>

**Table 2: Core Operating Budget - FY19**

CORE OPERATING BUDGET	Approved	Projected	Difference	% Spent
	FY 19	FY 19		
Personnel	\$15,382,787	\$14,245,529	\$1,137,258	93%
Grants	8,792,199	8,792,199	0	100%
Contracts	5,402,735	5,402,735	0	100%
Overhead	3,023,853	2,722,882	300,971	90%
Program	1,642,249	1,089,481	552,768	66%
Equipment	793,854	725,288	68,566	91%
Debt Service	566,937	566,937	0	100%
Travel	410,158	315,548	94,610	77%
<b>Total Core Operating Budget:</b>	<b>\$36,014,772</b>	<b>\$33,860,598</b>	<b>\$2,154,173</b>	<b>94%</b>

**B. NON-CORE OPERATING BUDGET / ACTUAL COMPARISON****i. Commercial Property Budget / Actual Comparison****Table 3: Kaka'ako Makai Budget - FY18**

<b>Kaka'ako Makai Budget</b>	<b>Approved</b>	<b>Actual</b>	<b>Difference</b>	<b>% Spent</b>
	<b>FY 18</b>	<b>FY 18</b>		
Personnel	\$272,563	\$217,864	\$54,699	80%
Program	70,214	4,325	65,889	6%
Contracts	617,250	565,861	51,389	92%
Travel	9,920	431	9,489	4%
Equipment	1,164,868	122,963	1,041,905	11%
Overhead	243,310	189,155	54,155	78%
<b>Total:</b>	<b>\$2,378,125</b>	<b>\$1,100,599</b>	<b>\$1,277,526</b>	<b>46%</b>

**Table 4: Kaka'ako Makai Budget - FY19**

<b>Kaka'ako Makai Budget</b>	<b>Approved</b>	<b>Projected</b>	<b>Difference</b>	<b>% Spent</b>
	<b>FY 19</b>	<b>FY 19</b>		
Personnel	\$278,035	\$231,826	\$46,209	83%
Program	119,269	10,411	108,858	9%
Contracts	527,181	467,498	59,683	89%
Travel	11,170	2,793	8,377	25%
Equipment	647,864	253,123	394,741	39%
Overhead	738,768	562,939	175,829	76%
<b>Total</b>	<b>\$2,322,287</b>	<b>\$1,528,590</b>	<b>\$793,697</b>	<b>66%</b>

Table 5: Na Lama Kukui Budget - FY18

Na Lama Kukui Budget	Approved	Actual	Difference	% Spent
	FY 18	FY 18		
Program	437,417	295,063	142,354	67%
Contracts	398,628	391,325	7,303	98%
Equipment	952,724	657,823	294,901	69%
Overhead	1,134,352	607,217	527,135	54%
<i>Sub-total</i>	<b>2,923,121</b>	<b>1,951,428</b>	<b>971,693</b>	<b>67%</b>
Debt Service	2,548,912	2,548,035	877	100%
<b>Total</b>	<b>\$5,472,033</b>	<b>\$4,499,463</b>	<b>\$972,570</b>	<b>82%</b>

Table 6: Na Lama Kukui Budget - FY19

Na Lama Kukui Budget	Approved	Projected	Difference	% Spent
	FY 19	FY 19		
Program	304,566	303,485	1,081	100%
Contracts	529,222	503,145	26,077	95%
Equipment	939,724	846,868	92,856	90%
Overhead	791,115	784,620	6,495	99%
<i>Sub-total</i>	<b>2,564,627</b>	<b>2,438,118</b>	<b>126,509</b>	<b>95%</b>
Debt Service	2,517,926	2,517,924	2	100%
<b>Total</b>	<b>\$5,082,553</b>	<b>\$4,956,042</b>	<b>\$126,511</b>	<b>98%</b>

ii. Legacy Property Budget / Actual Comparison

**Table 7: Palauea Culture Preserve - FY18**

Palauea Culture Preserve	Approved	Actual	Difference	% Spent
	FY 18	FY 18		
Program	\$2,000	\$0	\$2,000	0%
Contracts	85,000	26,900	58,100	32%
Grants	25,000	0	25,000	0%
Travel	7,680	288	7,392	4%
Equipment	43,950	6,106	37,844	14%
Overhead	6,000	3,898	2,102	65%
<b>Total:</b>	<b>\$169,630</b>	<b>\$37,192</b>	<b>\$132,438</b>	<b>22%</b>

**Table 8: Palauea Culture Preserve - FY19**

Palauea Culture Preserve	Approved	Projected	Difference	% Spent
	FY 19	FY 19		
Program	\$2,000	\$333	\$1,667	17%
Contracts	36,000	5,000	31,000	14%
Grants	25,000	0	25,000	0%
Travel	7,680	1,678	6,002	22%
Equipment	27,950	7,135	20,815	26%
Overhead	6,000	4,000	2,000	67%
<b>Total</b>	<b>\$104,630</b>	<b>\$18,146</b>	<b>\$86,484</b>	<b>17%</b>

**Table 9: Wao Kele O Puna - FY18**

Wao Kele O Puna	Approved	Actual	Difference	% Spent
	FY 18	FY 18		
Program	\$12,060	\$397	\$11,663	3%
Contracts	152,000	88,505	63,495	58%
Grants	12,500	0	12,500	0%
Travel	20,805	5,358	15,447	26%
Equipment	136,500	122,470	14,030	90%
Overhead	16,900	5,276	11,624	31%
<b>Total:</b>	<b>\$350,765</b>	<b>\$222,006</b>	<b>\$128,759</b>	<b>63%</b>

**Table 10: Wao Kele O Puna - FY19**

Wao Kele O Puna	Approved	Projected	Difference	% Spent
	FY 19	FY 19		
Program	\$12,070	\$2,400	\$9,670	20%
Contracts	92,000	15,396	76,604	17%
Grants	12,500	0	12,500	0%
Travel	20,805	1,219	19,586	6%
Equipment	186,500	147,556	38,944	79%
Overhead	14,900	205	14,695	1%
<b>Total</b>	<b>\$338,775</b>	<b>\$166,776</b>	<b>\$171,999</b>	<b>49%</b>

iii. **Special Programs Budget/ Actual Comparison**

a. **Federal Programs Budget / Actual Comparison**

**Table 11: Halawa Luluku Interpretive Development (HLID) Project - FY18**

Name	Approved	Actual	Difference	% Spent
	FY 18	FY 18		
HLID Project	\$965,319	\$167,431	\$797,888	17%

**Table 12: HLID Project - FY19**

Name	Approved	Actual	Difference	% Spent
	FY 19	FY 19		
HLID Project	\$292,783	\$228,578	\$64,205	78%

**Table 13: Native Hawaiian Revolving Loan Fund (NHRLF) Program - FY18**

Name	Approved	Actual	Difference	% Spent
	FY 18	FY 18		
NHRLF Program	\$1,215,507	\$766,239	\$449,268	63%

**Table 14: NHRLF Program - FY19**

Name	Approved	Actual	Difference	% Spent
	FY 19	FY 19		
NHRLF Program	\$835,292	\$631,807	\$203,485	76%

**C. Core Travel Budget, Prior Year / Actual Comparison****Table 15: Core Travel Budget, FY18**

Travel	Approved	Actual	Difference	% Spent
	FY 18	FY 18		
In-State Employee Travel	\$277,500	\$249,963	\$27,537	90%
Out-of-State Employee Travel	111,819	68,614	43,205	61%
Other and Non-Employee Travel	33,867	26,100	7,767	77%
<b>Total:</b>	423,186	344,677	78,509	81%

**Table 16: Core Travel Budget, FY19**

Travel	Approved	Projected	Difference	% Spent
	FY 19	FY 19		
In-State Employee Travel	\$277,500	\$239,609	\$37,891	86%
Out-of-State Employee Travel	112,370	70,640	41,730	63%
Other and Non-Employee Travel	20,288	20,288	0	100%
<b>Total:</b>	410,158	330,537	79,621	81%

# Fiscal Year 2020 and 2021 Preliminary Biennium Budget – Non-Core BOT Workshop



The Office of Hawaiian Affairs  
May 2019



# Non-Core Budget



Table 1. OHA's non-core operating budget is summarized as below:

Total Operating Budget	Actual	Projected	Biennium Budget Request	
	FY18	FY19	FY 20	FY 21
<b>1. Fiscal Reserve Authorizations</b>				
Fiscal Reserve Authorizations	\$0	\$0	\$0	\$0
Sub-total – FR Authorizations:	\$0	\$0	\$0	\$0
<b>2. Commercial Property</b>				
Kaka'ako Makai	\$1,100,599	\$1,528,590	\$2,553,946	\$2,600,704
Nā Lama Kukui	4,499,463	4,965,020	5,853,411	5,506,460
Sub-total – Commercial Property:	\$5,600,062	\$6,484,610	\$8,407,357	\$8,107,164
<b>3. Federal Programs Budget</b>				
Halawa Luluku Interpretive Development	\$167,431	\$228,578	\$4,099,249	\$428,199
Native Hawaiian Revolving Loan Fund	766,239	631,807	902,005	919,030
Sub-total – Federal Programs Budget:	\$933,670	\$860,385	\$5,001,254	\$1,347,229
<b>4. Special Programs Budget</b>				
Legacy Properties				
Palaua Culture Preserve	\$37,191	\$18,146	\$160,380	\$122,180
Wao Kele O Puna Management Fund	222,006	166,713	256,610	204,308
Sub-total – Special-Legacy Properties:	\$259,197	\$184,922	\$416,990	\$326,488
Special Programs Budget – Other				
Hi'ilei Aloha & Subsidiaries	\$150,000	\$200,000	\$0	\$0
Ho'okele Pono & Subsidiaries	50,000	50,000	0	0
Sub-total – Special – Other:	\$200,000	\$250,000	\$0	\$0
Sub-total – Special Programs Budget:	\$459,197	\$464,859	\$416,990	\$326,488
<b>Total Operating Budget:</b>	<b>\$6,992,929</b>	<b>\$7,779,918</b>	<b>\$13,825,601</b>	<b>\$9,780,881</b>

Budget data presented are preliminary and subject to change. 2

# Fiscal Reserve



## Fiscal reserve policy

- Budget stabilization
- Unpredicted one-time payments
- Capital acquisitions

## \$3M maximum designation per year

FY17 balance carried forward to FY18 as the moratorium\* restricts additions and withdrawals (see attachment #3, page 4 for calculation)

## Increases:

- Unexpended and unencumbered “approved” core operating budget in the current year.
- Unused funding from a prior year that is later “lapsed” (i.e. cancelled purchase orders)

## Decreases:

- BOT authorized withdrawals

**Table 2. Spending Limit**

Spending Limit	Actual		Biennium Budget Request	
	FY18	FY19	FY 20	FY 21
<b>1. Fiscal Reserve Authorizations</b>				
Fiscal Reserve Balance	\$4,243,980	\$4,243,980	\$4,243,980	\$4,243,980
Annual Designation Limit	0	0	0	0
<b>Sub-total – FR Authorizations:</b>	<b>\$4,243,980</b>	<b>\$4,243,980</b>	<b>\$4,243,980</b>	<b>\$4,234,980</b>

**Table 3. Budget**

Total Operating Budget	Actual		Biennium Budget Request	
	FY18	FY19	FY 20	FY 21
<b>2. Fiscal Reserve Authorizations</b>				
Fiscal Reserve Authorizations	\$0	\$0	\$0	\$0
<b>Sub-total – FR Authorizations:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Per Action Item #18-03, the Board approved a moratorium on fiscal reserve spending that is still in effect.

# Commercial Property - Kaka'ako Makai



## Spending limit

- Beginning balance
- Gross projected revenue
- 10% gross allocation to grants\*\*
- 30% net allocation to legacy land management\*\*

## Revenues

- Commercial leasing activities

## Expenses

- Property management & leasing fees
- RFP for developers for lots A, F & G
- Fire sprinkler system upgrade
- Utilities for AFFES building 60% vacancy rate

**Table 4. Commercial Property – Kaka'ako Makai Budget**

Kaka'ako Makai Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
<b>Beginning Balance*</b>	<b>\$3,314,636</b>	<b>\$6,146,013</b>	<b>\$8,416,493</b>	<b>\$8,396,575</b>
Gross Projected Revenue	3,992,774	4,054,522	4,308,255	4,419,016
Less: 10% Allocation to Grants:	-399,277	-405,452	-841,649	-839,657
Less: 30% KM Prior Year Net Revenue	0	0	-932,578	-744,670
Sub-total Available Funds:	\$6,908,133	\$9,795,083	\$10,950,521	\$11,231,263
<b>Less: Expenses</b>				
Personnel	\$217,864	\$231,826	\$278,161	\$283,724
Program	4,325	10,411	81,475	59,475
Contracts	565,861	467,498	610,000	665,000
Travel	431	2,793	0	0
Equipment	122,963	253,123	939,500	945,200
Overhead	189,155	562,939	644,810	647,305
Sub-total Expenditures:	\$1,100,599	\$1,528,590	\$2,553,946	\$2,600,704
<b>Adjustments:</b>				
True-up: Gross Revenue	\$338,480	\$150,000	\$0	\$0
True-up: 10% Allocation	0	(\$72,206)	0	0
<b>Estimated Net Available Funds:</b>	<b>\$6,146,013</b>	<b>\$8,416,493</b>	<b>\$8,396,575</b>	<b>\$8,630,559</b>

\* Accumulated cash available for spending.

\*\* policy provision sunsets on 6/30/19.

Budget data presented are preliminary and subject to change. 4

# Commercial Property - Nā Lama Kukui Budget



## Spending limit

- Beginning balance
- Gross revenue

## Revenues

- Leasing activities

## Expenses

- Increased security costs
- building maintenance
- Tenant improvement costs

**Table 5. Commercial Property - Nā Lama Kukui Budget**

Nā Lama Kukui Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
<b>Beginning Balance*</b>	<b>\$2,155,384</b>	<b>\$2,568,224</b>	<b>\$2,724,510</b>	<b>\$2,056,070</b>
Gross Revenue	4,827,941	5,017,307	5,184,971	5,301,025
Sub-total Available Funds:	\$6,983,325	\$7,585,531	\$7,909,481	\$7,357,095
<b>Less: Expenses</b>				
Program	\$295,063	\$303,485	\$368,276	\$380,057
Contracts	391,325	503,145	535,015	559,502
Equipment	657,823	846,848	1,311,958	1,053,578
Overhead	607,217	784,620	1,087,183	1,002,371
Sub-total Expenditures:	\$1,951,428	\$2,438,097	\$3,302,432	\$2,995,508
Less: Debt Service	\$2,548,035	\$2,517,924	\$2,550,979	\$2,510,952
<b>Adjustments:</b>				
True-up: Gross Revenue	\$84,361	\$95,000	\$0	\$0
<b>Estimated Net Available Funds:</b>	<b>\$2,568,224</b>	<b>\$2,724,510</b>	<b>\$2,056,070</b>	<b>\$1,850,635</b>

# Federal Programs



## Federal Programs

- Hālawā Lūluku Interpretive Development (HLID) - rehab/construction phase of the H-3 project
- Native Hawaiian Revolving Loan Fund (NHRLF)– federally funded appropriations requiring approval of the business plan and the biennium operating budget by the Administration for Native Americans (ANA)

**Table 6. Federal Programs Budget**

Federal Programs	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
<b>Federal</b>				
<b>HLID Project</b>				
Personnel	\$146,178	\$197,813	\$312,472	\$318,770
Program	521	1,367	8,200	8,200
Contracts	0	0	3,740,927	63,860
Equipment	0	358	1,250	1,250
Overhead	20,733	28,707	36,400	36,119
Travel	0	333	0	0-
Sub-total HLID:	\$167,431	\$228,578	\$4,099,249	\$428,199
<b>NHRLF Program</b>				
Personnel	\$465,718	\$374,464	\$451,776	\$460,812
Program	49,127	51,375	100,817	105,991
Contracts	196,615	165,684	273,288	276,099
Equipment	22,356	0	2,500	0
Overhead	28,641	36,320	36,579	39,083
Travel	3,782	3,964	37,045	37,045
Sub-total NHRLF:	\$766,239	\$631,807	\$902,005	\$919,030
<b>Total Federal Programs Budget:</b>	<b>\$933,670</b>	<b>\$860,385</b>	<b>\$5,001,254</b>	<b>\$1,347,229</b>

Budget data presented are preliminary and subject to change. 6

# Legacy Property – Palauea Culture Preserve



## Spending limit

- Beginning balance
- .05% of home sales in the Palauea subdivision on Maui

## Expenses

- Repairs and maintenance
- Stewardship

The Palauea Cultural Preserve is a 20-acre property acquired by OHA in 2013 to protect the complex of Hawaiian archaeological features. OHA is currently developing a Preservation Plan for the property that will guide its use and management into the future. Palauea Cultural Preserve revenues are derived from the sale of homes in an affluent area on Maui. The .05% of each sale has been deposited into an account for which the funds are to be used for the upkeep and long-term stewardship of this historical site.

**Table 7. Special Programs Budget – Legacy Property Palauea Culture Preserve**

Palauea Culture Preserve	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
<b>Beginning Balance*</b>	<b>\$336,042</b>	<b>\$299,541</b>	<b>\$353,769</b>	<b>\$258,959</b>
Revenue	0	\$72,375	\$65,570	\$65,570
<b>Less: Expenses</b>				
Program	\$0	\$333	\$3,000	\$3,000
Contracts	26,900	5,000	75,000	42,000
Grants	0	0	25,000	35,000
Travel	288	1,678	4,680	4,680
Equipment	6,106	7,135	43,500	28,500
Overhead	3,898	4,000	9,200	9,000
Sub-total Expenditures:	\$37,191	\$18,146	\$160,380	\$122,180
<b>Adjustments:</b>				
True-up: Revenue	\$690	\$0	\$0	\$0
<b>Estimated Net Available Funds:</b>	<b>\$299,541</b>	<b>\$353,769</b>	<b>\$258,959</b>	<b>\$202,349</b>

Budget data presented are preliminary and subject to change. 7

# Legacy Property – Wao Kele O Puna



## Spending limit

- Beginning balance

## Expenses

- Road & vegetation maintenance
- Invasive species control
- Fencing

In July, 2006, OHA acquired Wao Kele O Puna (WKOP) in the Puna district of the island of Hawai'i. WKOP is currently designated as a Forest Reserve and in Conservation Land with jurisdiction under the State of Hawai'i Department of Land and Natural Resources Division of Forestry & Wildlife.

On June 26, 2015, via Action Item BOT #15-02, Board approved to allow the establishment of the WKOP Management Fund which includes previously-authorized Board appropriations for current and future programmatic needs. The available balance of the Fund as well as needs through FY21 are estimated and summarized herein.

**Table 8. Special Programs Budget – Wao Kele O Puna**

WKOP Management Fund	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
<b>Beginning Balance*</b>	<b>\$846,734</b>	<b>\$624,728</b>	<b>\$460,918</b>	<b>\$204,308</b>
<b>Less: Expenses</b>				
Program	\$397	\$2,400	\$9,550	\$9,550
Contracts	88,505	15,396	70,000	80,000
Grants	0	0	10,000	10,000
Travel	5,358	1,219	8,160	8,160
Equipment	122,470	147,556	158,100	95,798
Overhead	5,276	205	800	800
Sub-total Expenditures:	\$222,006	\$166,776	\$256,610	\$204,308
<b>Adjustments:</b>				
True-up: Revenue	\$0	\$2,965	\$0	\$0
<b>Estimated Net Available Funds:</b>	<b>\$624,728</b>	<b>\$460,918</b>	<b>\$204,308</b>	<b>(\$0)</b>

# Special Programs Budget – Other



## Spending limit

- Beginning balance
- Ka Wai Ola advertising revenues
- OHA-DHHL homesteader loan repayments

## Expenses

- Funding of LLCs operations

Hawaiian Projects – includes funds collected from Ka Wai Ola advertisement sales, conference sponsorships, and other miscellaneous income.

Homesteader Loan Program – A defunct loan program started in 1993. OHA invested \$20M to create the loan program with DHHL to help beneficiaries with home ownership. OHA provided the funds and DHHL administered the program. Loan repayments are still being collected and are estimated to be \$150,000 in FY20 and \$120,000 in FY21.

**Table 9. Special Programs Budget - Other**

Special Programs Budget – Other	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
<b>Beginning Balance*</b>	<b>\$9,563</b>	<b>\$129,031</b>	<b>\$142,863</b>	<b>\$367,863</b>
Hawaiian Projects Revenues	84,538	76,205	75,000	75,000
Homesteader Loan Repayments	234,931	187,626	150,000	120,000
Sub-total Revenues:	\$329,031	\$392,863	\$367,863	\$562,863
<b>Less: Expenses</b>				
Hi'iilei Aloha & Subsidiaries	\$150,000	\$200,000	\$0	\$0
Ho'okele Pono & Subsidiaries	50,000	50,000	0	0
Sub-total Expenditures:	\$250,000	\$250,000	\$0	\$0
<b>Estimated Net Available Funds:</b>	<b>\$129,031</b>	<b>\$142,863</b>	<b>\$367,863</b>	<b>\$562,863</b>



**Mahalo!**

## ATTACHMENT 2

### FY 20/21 Biennium Budget Summary and Data Tables

**Core Operating Budget:** Reflects the basic operating budget consisting of payroll, operations, and program expenditures and includes the following four (4) funding sources:

- **Withdrawals from the Native Hawaiian Trust Fund (NHTF)** are limited by the Native Hawaiian Trust Fund Spending Policy. This policy limits the withdrawal to five (5) percent of the NHTF's twenty-quarter (20-quarter) rolling average market value, as defined, to ensure that resources held within the trust are available for future spending.

**Table 1: Calculation of 5% of the NHTF's Twenty (20) Quarter Rolling Market Value**

<b>FY: 2020</b>	<b>Market Value</b>	<b>FY: 2021</b>	<b>Market Value</b>
13-Jun	\$343,590,398	14-Jun	\$372,087,833
13-Sep	355,390,255	14-Sep	364,312,340
13-Dec	365,006,349	14-Dec	361,439,451
14-Mar	367,615,357	15-Mar	363,364,275
14-Jun	372,087,833	15-Jun	355,048,226
14-Sep	364,312,340	15-Sep	333,046,326
14-Dec	361,439,451	15-Dec	334,273,216
15-Mar	363,364,275	16-Mar	333,913,756
15-Jun	355,048,226	16-Jun	334,212,849
15-Sep	333,046,326	16-Sep	341,999,977
15-Dec	334,273,216	16-Dec	337,863,691
16-Mar	333,913,756	17-Mar	351,253,532
16-Jun	334,212,849	17-Jun	354,826,696
16-Sep	341,999,977	17-Sep	364,342,282
16-Dec	337,863,691	17-Dec	375,820,258
17-Mar	351,253,532	18-Mar	367,614,957
17-Jun	354,826,696	18-Jun	374,937,631
17-Sep	364,342,282	18-Sep	376,504,952
17-Dec	375,820,258	18-Dec	378,097,174
18-Mar	367,614,957	19-Mar	379,720,998
<b>Average:</b>	<b>\$353,851,101</b>	<b>Average:</b>	<b>\$357,734,021</b>
<b>5%:</b>	<b>\$17,692,555</b>	<b>5%:</b>	<b>\$17,886,701</b>

- **Public Land Trust (PLT) Revenues** are received from the State of Hawai'i and have been set at \$15,100,000 (Act 178, SLH 2006) per year, until further legislative action.
- **Kaka'ako Makai (KM) Revenues** are allocated to OHA's Core Operating Budget in two ways, as outlined in BOT approved May 25, 2017, Action Item RM #17-05, Approval of an

OHA Board of Trustees Policy Amendment relating to an allocation of revenue from OHA's Kaka'ako Makai properties:

- 1) for grant funding and is calculated at ten (10) percent of estimated lease and other revenues generated from OHA-owned Kaka'ako Makai parcels, and
- 2) for OHA's Legacy Property Management and is calculated at 30% of net revenue.

**Table 2: Funding from Kaka'ako Makai Revenues**

FUNDING SOURCES	BOT Approved		Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
10% of Kaka'ako Makai Gross Revenue	\$433,997	\$440,709	\$430,826	\$441,902
30% Kaka'ako Makai FY18 Net Revenue*	0	0	932,578	744,670
<b>Sub-total - Core Operating Budget:</b>	<b>\$433,997</b>	<b>\$440,709</b>	<b>\$1,363,404</b>	<b>\$1,186,572</b>

- *State of Hawai'i General Fund* appropriations are determined by the legislature during each Biennium. OHA budget request was \$3,980,578 for each fiscal year of FY20 and FY21. The state legislature revised the amount and the current draft of HB172 CD1 awaiting the Governor's signature, is \$3,037,879 for each fiscal year, and no change from the FY18 and FY19 award level.

**Table 3: SOH General Fund Request HB172 and HB172 CD1 (most recent)**

Program ID	Original HB172	Draft HB 172 CD1	Adjustments
<b>OHA150 - Office of Trustees</b>	<b>\$89,044</b>	<b>\$58,323</b>	<b>(\$30,721)</b>
Personnel	89,044	58,323	(30,721)
<b>OHA160 - Administration</b>	<b>1,559,749</b>	<b>1,124,042</b>	<b>(435,707)</b>
Personnel	1,262,875	827,168	(435,707)
Operating (Office Rent)	296,874	296,874	0
<b>OHA175 - Beneficiary Advocacy</b>	<b>2,331,785</b>	<b>1,855,514</b>	<b>(476,271)</b>
Personnel	277,385	181,684	(95,701)
Operating (Grants)	2,054,400	1,673,830	(380,570)
<b>Total per Year:</b>	<b>\$3,980,578</b>	<b>\$3,037,879</b>	<b>(\$942,699)</b>

## Funding Sources for Core Operating Budget (Slide 7)

**Table 4: Spending Limit for OHA's Core Operating Budget**

Funding Sources	BOT Approved		Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
5% of NHTF Portfolio	\$17,555,826	\$17,448,120	\$17,692,555	\$17,886,701
Public Land Trust Revenues	15,100,000	15,100,000	15,100,000	15,100,000
State of Hawai'i General Funds	3,037,879	3,037,879	3,037,879	3,037,879
Allocation of Kaka'ako Makai Revenues	433,997	440,709	1,435,610	1,186,572
<b>Sub-total - Core Operating Budget:</b>	<b>\$36,127,702</b>	<b>\$36,026,708</b>	<b>\$37,266,044</b>	<b>\$37,211,152</b>

## Core Operating Budget (Slide 14)

The Core Operating Budget (COB) reflects the basic operating budget consisting of payroll, operations, and program expenditures and is presented in **Table 4** below:

**Table 5: Core Operating Budget (by Category)**

Core Operating Budget (by category)	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Personnel (with 60% fringe)	\$13,974,942	\$14,245,529	\$16,905,440	\$17,136,197
Grants	7,150,262	8,792,199	9,581,000	9,596,000
Contracts	6,054,756	5,402,735	4,376,719	4,040,294
Overhead	2,415,620	2,722,882	2,964,382	3,134,555
Program	1,101,072	1,089,481	1,351,878	1,192,677
Equipment	1,806,895	725,288	995,570	1,027,036
Debt Service	630,952	566,937	580,048	572,163
Travel	344,677	315,548	511,087	512,309
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

## Core Personnel Budget (Slides 16 - 17)

Personnel costs includes all expenditures directly related to personnel and comprise of Salaries & Fringe, Student Intern Program, Vacation Payments (including transfer of vacation leave to other State agencies), Employee Continuing Education Program and Workers' Compensation Payments.

Core Operating Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
<b>Personnel</b>	<b>\$13,974,942</b>	<b>\$14,245,529</b>	<b>\$16,905,440</b>	<b>\$17,136,197</b>
Grants	7,150,262	8,792,199	9,581,000	9,596,000
Contracts	6,054,756	5,402,735	4,376,719	4,040,294
Overhead	2,415,620	2,722,882	2,964,382	3,134,555
Program	1,101,072	1,089,481	1,351,878	1,192,677
Equipment	1,806,895	725,288	995,570	1,027,036
Debt Service	630,952	566,937	580,048	572,163
Travel	344,677	315,548	511,087	512,309
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

**Table 6: Core Personnel Budget (Detail)**

Core Personnel Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Salaries	\$9,231,557	\$9,117,524	\$10,373,213	\$10,517,364
Fringe	4,481,630	4,836,023	6,232,227	6,318,833
Vacation Payout	182,815	188,191	150,000	150,000
Salaries - Student Internship Program	57,822	75,414	65,000	65,000
Fringe - Student Internship Program	2,559	3,306	39,050	39,050
Continuing Education Program	16,432	25,071	30,000	30,000
Overtime	2,128	10,000	10,000	10,000
Worker's Compensation Payments	0	0	5,950	5,950
<b>Total Core Personnel Budget:</b>	<b>\$13,974,942</b>	<b>\$14,255,529</b>	<b>\$16,905,440</b>	<b>\$17,136,197</b>

## Core Grants Budget (Slide 18)

Includes all grant opportunities in support of our Native Hawaiian communities to create systemic change.

Core Operating Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Personnel	\$13,974,942	\$14,245,529	\$16,905,440	\$17,136,197
<b>Grants</b>	<b>7,150,262</b>	<b>8,792,199</b>	<b>9,581,000</b>	<b>9,596,000</b>
Contracts	6,054,756	5,402,735	4,376,719	4,040,294
Overhead	2,415,620	2,722,882	2,964,382	3,134,555
Program	1,101,072	1,089,481	1,351,878	1,192,677
Equipment	1,806,895	725,288	995,570	1,027,036
Debt Service	630,952	566,937	580,048	572,163
Travel	344,677	315,548	511,087	512,309
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

**Table 7: Core Grants Budget**

Core Grants Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Community Grants Program	\$3,920,000	\$3,950,000	\$4,530,000	\$4,530,000
Level II Grants	2,912,222	4,500,000	4,750,000	4,750,000
Sponsorships	318,040	342,199	301,000	316,000
<b>Total Core Grants Budget:</b>	<b>\$7,150,262</b>	<b>\$8,792,199</b>	<b>\$9,581,000</b>	<b>\$9,596,000</b>

**Table 8: Community Grants Program**

Community Grants	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20*	FY 21*
20-01: Culture	\$503,811	\$500,000	\$500,000	\$500,000
20-02: Health	500,000	500,000	500,000	500,000
20-03: Education	500,000	500,000	500,000	500,000
20-04: Housing	500,800	500,000	500,000	500,000
20-05: Income	500,000	500,000	500,000	500,000
20-06: Land	503,689	500,000	500,000	500,000
20-07: Ahahui	191,700	200,000	200,000	200,000
Leverage Opportunities		215,000		
Higher Education Scholarships	500,000	500,000	500,000	500,000

Disaster Relief for Kaua'ula, Maui	220,000	35,000	na	na
Social Services			830,000	830,000
<b>Total Community Grants:</b>	<b>\$3,920,000</b>	<b>\$3,950,000</b>	<b>\$4,530,000</b>	<b>\$4,530,000</b>

\* Figures based on BAE/RM #19-04 (DRAFT) FY20 FY21 Community Grants

**Table 9: Level II Grants**

Level II Grants	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Department of Hawaiian Home Lands (DHHL)	\$1,132,222	\$2,500,000	\$3,000,000	\$3,000,000
Hawaiian-Focused Public Charter Schools	1,500,000	1,500,000	1,500,000	1,500,000
...Emergency Relief Disaster: Kauai and Big Island	280,000	0	na	na
Kulia	0	500,000	250,000	250,000
<b>Total Level II Grants:</b>	<b>\$2,912,222</b>	<b>\$4,500,000</b>	<b>\$4,750,000</b>	<b>\$4,750,000</b>

**Table 10: Sponsorships**

Sponsorships	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Trustees			\$135,000	\$135,000
...Prince Lot Festival	10,000	10,000		
...LLC (BOT Approved Action Item RM #19-04)		70,921		
Kaiaulu	106,840	0	71,000	71,000
Community Outreach	54,000	35,000	45,000	45,000
SPRI Initiative	68,200	50,142	0	0
Washington D.C. Office	36,500	52,909	0	0
Papahānaumokuākea	42,500	48,227	30,000	30,000
Legacy & Programmatic Lands	0	65,000	10,000	25,000
National Indigenous	10,000	10,000	10,000	10,000
<b>Total Sponsorships:</b>	<b>\$328,040</b>	<b>\$342,199</b>	<b>\$301,000</b>	<b>\$316,000</b>

### Core Contracts Budget (Slide 19 – 21)

Includes all expenditures directly related to implementing program activities and includes professional services for professional speakers, consultants, advisors, etc., or any service rendered for which there is an established fee.

Core Operating Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Personnel	\$13,974,942	\$14,245,529	\$16,905,440	\$17,136,197
Grants	7,150,262	8,792,199	9,581,000	9,596,000
<b>Contracts</b>	<b>6,054,756</b>	<b>5,402,735</b>	<b>4,376,719</b>	<b>4,040,294</b>
Overhead	2,415,620	2,722,882	2,964,382	3,134,555
Program	1,101,072	1,089,481	1,351,878	1,192,677
Equipment	1,806,895	725,288	995,570	1,027,036
Debt Service	630,952	566,937	580,048	572,163
Travel	344,677	315,548	511,087	512,309
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

**Table 11: Core Program Budget– FY 20 & FY 21**

Core Contracts Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Services on a Fee	\$4,697,756	\$4,272,735	\$3,561,719	\$3,205,294
Legal Services	1,357,000	1,130,000	815,000	835,000
<b>Total Core Contracts Budget:</b>	<b>\$6,054,746</b>	<b>\$5,402,735</b>	<b>\$4,376,719</b>	<b>\$4,040,294</b>

**Table 12: Core Contracts Budget–FY 20 & FY 21 (Detail)**

CONTRACTS	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
<b>Services on a Fee</b>				
State Proviso: Legal Representation	1,048,800	1,048,800	1,048,800	1,048,800
State Proviso: Multi-Services Program	830,000	830,000	(reported in Grants)	(reported in Grants)
Board of Trustees	580,000	110,000	212,500	210,000
Executive	793,505	525,147	345,700	318,380
Resource Management - Financial Assets	195,500	216,803	267,395	225,000
Community Engagement	26,754	86,500	100,000	50,000
Research	374,788	331,000	421,000	124,000
Advocacy	353,371	488,485	378,600	337,475

ATTACHMENT 2

Resource Management - Land Assets	219,243	588,500	787,724	891,639
SPRI	39,795	47,500	0	0
<b>Subtotal - Services on a Fee</b>	<b>\$4,697,756</b>	<b>\$4,272,735</b>	<b>\$3,561,719</b>	<b>\$3,205,294</b>
<b>Legal Services</b>				
Board Counsel	290,000	200,000	225,000	225,000
Litigation	150,000	225,000	200,000	200,000
Legal Consultants	375,000	200,400	75,000	100,000
Legal Due Diligence	75,000	30,000	40,000	40,000
Ceded Land Issues	200,000	100,000	25,000	25,000
UH Law Clinic - Ku Huli Ao Program	152,000	75,000	90,000	90,000
Mauna Kea	0	0	75,000	75,000
Water Initiative Consultants	50,000	91,600	35,000	30,000
Conflict Representation	65,000	208,000	50,000	50,000
<b>Subtotal - Legal Services</b>	<b>\$1,357,000</b>	<b>\$1,130,000</b>	<b>815,000</b>	<b>835,000</b>
<b>Total Core Contracts Budget:</b>	<b>\$6,054,756</b>	<b>\$5,402,735</b>	<b>\$4,376,719</b>	<b>\$4,040,294</b>

## Core Overhead Budget (Slide 22)

Includes all expenditures associated with office rents and utilities, communication costs, insurance, supplies, and postage.

Core Operating Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Personnel	\$13,974,942	\$14,245,529	\$16,905,440	\$17,136,197
Grants	7,150,262	8,792,199	9,581,000	9,596,000
Contracts	6,054,756	5,402,735	4,376,719	4,040,294
<b>Overhead</b>	<b>2,415,620</b>	<b>2,722,882</b>	<b>2,964,382</b>	<b>3,134,555</b>
Program	1,101,072	1,089,481	1,351,878	1,192,677
Equipment	1,806,895	725,288	995,570	1,027,036
Debt Service	630,952	566,937	580,048	572,163
Travel	344,677	315,548	511,087	512,309
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

**Table 13: Core Overhead Budget**

OVERHEAD	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Rental of Land & Building & Common Area Maintenance	\$1,407,342	\$1,637,799	\$1,757,150	\$1,904,948
Insurance	372,330	380,932	378,853	426,077
Utilities	265,969	266,499	314,559	335,556
Communications	132,036	128,346	233,556	255,632
Equipment Rental	64,809	86,352	84,614	88,642
Guest Parking	44,303	34,397	45,750	52,750
Other	65,133	92,515	109,900	27,100
...Business Settlement	3,000	25,000	30,000	0
...Leasehold Improvement	36,796	21,515	57,800	0
...Postage	25,337	46,000	22,100	27,100
Supplies	63,699	96,041	40,000	43,850
...Office Supplies	28,341	44,887	20,400	24,950
...Other Supplies	35,358	51,155	19,600	18,900
<b>Total Core Overhead Budget:</b>	<b>\$2,415,620</b>	<b>\$2,722,882</b>	<b>\$2,964,382</b>	<b>\$3,134,555</b>

### Core Program Budget (Slide 23)

Includes all expenditures directly related to implementing program activities and comprises of such expenditures as promotional items, printing, advertising, bulk mail, conference, and seminar fees.

Core Operating Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Personnel	\$13,974,942	\$14,245,529	\$16,905,440	\$17,136,197
Grants	7,150,262	8,792,199	9,581,000	9,596,000
Contracts	6,054,756	5,402,735	4,376,719	4,040,294
Overhead	2,415,620	2,722,882	2,964,382	3,134,555
<b>Program</b>	<b>1,101,072</b>	<b>1,089,481</b>	<b>1,351,878</b>	<b>1,192,677</b>
Equipment	1,806,895	725,288	995,570	1,027,036
Debt Service	630,952	566,937	580,048	572,163
Travel	344,677	315,548	511,087	512,309
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

Table 14: Core Program Budget

CORE PROGRAM BUDGET	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Ka Wai Ola Printing & Distribution	\$389,036	\$548,736	\$338,278	\$382,520
OHA's Conferences, Meetings, Events	107,894	100,343	337,550	252,550
Community Conferences, Meetings, Events	42,182	47,208	134,100	170,100
Advertising	138,253	135,441	199,788	45,750
Professional Dues & Subscriptions	124,215	104,234	93,267	97,337
Trustee Allowance	150,540	0	64,800	64,800
Staff Training	49,026	51,917	62,483	61,308
Honorarium & Protocol	35,514	43,310	49,100	63,350
Other Expenses	64,413	58,291	72,512	54,962
...Promotional Items	11,467	3,415	2,000	3,500
...Auto Allowance	7,224	4,464	3,912	3,912
...ADA Accommodations	726	1,963	2,500	2,500
...Other Rentals	20,333	13,379	34,100	24,430
...Volunteer Stipend	1,227	2,462	5,200	5,200
...Other Expenses	23,436	32,608	24,800	15,420
<b>Total Core Program Budget:</b>	<b>\$1,101,072</b>	<b>\$1,089,481</b>	<b>\$1,351,878</b>	<b>\$1,192,677</b>

## Core Equipment Budget (Slide 24)

Includes all expenditures associated with repair and maintenance, furniture and fixtures, and software and equipment. This category also includes funding from OHA's Core Operating Budget that has been allocated to support OHA's limited liability companies.

Core Operating Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Personnel	\$13,974,942	\$14,245,529	\$16,905,440	\$17,136,197
Grants	7,150,262	8,792,199	9,581,000	9,596,000
Contracts	6,054,756	5,402,735	4,376,719	4,040,294
Overhead	2,415,620	2,722,882	2,964,382	3,134,555
Program	1,101,072	1,089,481	1,351,878	1,192,677
<b>Equipment</b>	<b>1,806,895</b>	<b>725,288</b>	<b>995,570</b>	<b>1,027,036</b>
Debt Service	630,952	566,937	580,048	572,163
Travel	344,677	315,548	511,087	512,309
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

**Table 15: Core Equipment Budget**

EQUIPMENT	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Repair & Maintenance	\$611,612	\$403,025	\$845,020	\$888,386
Furniture & Fixtures	21,176	15,896	22,500	16,300
Software & Equipment	459,981	306,367	128,050	122,350
Investment (Capitalization)	714,126	0	0	0
<b>Total Core Equipment Budget:</b>	<b>\$1,806,895</b>	<b>\$725,288</b>	<b>\$995,570</b>	<b>\$1,027,036</b>

### Core Debt Service Budget (Slide 25)

Represents line of credit repayment related to previously Governance Planning budget of approximately \$3.5M.

Core Operating Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Personnel	\$13,974,942	\$14,245,529	\$16,905,440	\$17,136,197
Grants	7,150,262	8,792,199	9,581,000	9,596,000
Contracts	6,054,756	5,402,735	4,376,719	4,040,294
Program	1,101,072	1,089,481	1,351,878	1,192,677
Equipment	1,806,895	725,288	995,570	1,027,036
<b>Debt Service</b>	<b>630,952</b>	<b>566,937</b>	<b>580,048</b>	<b>572,163</b>
Travel	344,677	315,548	511,087	512,309
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

Table 16: Core Debt Service Budget

DEBT SERVICE	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Principal Expense	\$566,507	\$507,865	\$506,749	\$506,749
Interest Expense	64,446	59,072	73,298	65,414
<b>Total:</b>	<b>\$630,952</b>	<b>\$566,937</b>	<b>\$580,048</b>	<b>\$572,163</b>

## Core Travel Budget (Slide 26)

Includes all expenditures associated with in-state and out-of-state travel to include transportation, accommodation, car rental, parking, mileage, and subsistence and includes an increased demand for professional training and staff development not available within the State of Hawai‘i.

Core Operating Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Personnel	\$13,974,942	\$14,245,529	\$16,905,440	\$17,136,197
Grants	7,150,262	8,792,199	9,581,000	9,596,000
Contracts	6,054,756	5,402,735	4,376,719	4,040,294
Program	1,101,072	1,089,481	1,351,878	1,192,677
Equipment	1,806,895	725,288	995,570	1,027,036
Debt Service	630,952	566,937	580,048	572,163
Travel	344,677	315,548	511,087	512,309
<b>Travel</b>	<b>344,677</b>	<b>315,548</b>	<b>511,087</b>	<b>512,309</b>
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

**Table 17: Core Travel Budget**

TRAVEL	Actual	Projected	Biennium Budget Request	
	FY 2018	FY 2019	FY 2020	FY 2021
In-State Employee Travel	\$249,963	\$226,445	\$233,562	\$233,399
Out-of-State Employee Travel	68,614	57,400	233,515	266,075
Other and Non-Employee Travel	26,100	31,702	44,010	12,835
<b>Total Core Travel Budget:</b>	<b>\$344,677</b>	<b>\$315,548</b>	<b>\$511,087</b>	<b>\$512,309</b>

(End)

## Comparative Performance of Native Hawaiian Trust Fund, as of December 31, 2018

→ Since NHTF fund inception in 3/1/2003, the investment portfolio has earned an average investment return of 6.37%.

## Native Hawaiian Trust Fund

## Comparative Performance

As of December 31, 2018

	Allocation		Performance (%)										Expense Ratio
	Market Value (\$000)	%	1 Month	1 Quarter	Year To Date	Jul-2018 To Dec-2018	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date	
<b>Total OHA Plan</b>	<b>358,151</b>	<b>100.00</b>	<b>-3.01</b>	<b>-5.82</b>	<b>-2.95</b>	<b>-4.04</b>	<b>-2.95</b>	<b>6.02</b>	<b>4.25</b>	<b>6.53</b>	<b>6.37</b>	<b>03/01/2003</b>	
IPS Total OHA Benchmark			-3.56	-6.83	-3.88	-4.21	-3.88	6.51	4.41	6.55	7.01		
All Endowments-Total Fund Median			-4.05	-7.59	-4.85	-5.36	-4.85	5.60	4.05	6.72	7.44		
Total OHA Plan Rank			30	30	28	34	28	34	44	57	81		
Population			305	302	293	300	293	262	234	199	94		
<b>Total Global Equities</b>	<b>124,226</b>	<b>34.69</b>	<b>-7.39</b>	<b>-13.28</b>	<b>-9.99</b>	<b>-9.56</b>	<b>-9.99</b>	<b>6.50</b>	<b>4.20</b>	<b>8.70</b>	<b>7.66</b>	<b>03/01/2003</b>	
IPS Global Equities Benchmark			-7.04	-12.75	-9.42	-9.02	-9.42	6.74	4.31	8.55	8.24		
SS Money Market (SALXX)	1	0.00	0.15	0.47	1.36	0.87	1.36	N/A	N/A	N/A	0.92	12/01/2016	0.37
90 Day U.S. Treasury Bill			0.18	0.56	1.87	1.06	1.87	0.99	0.61	0.45	1.33		
IM U.S. Taxable Money Market (MF) Median			0.17	0.48	1.54	0.90	1.54	0.70	0.43	0.31	1.01		0.48
SS Money Market (SALXX) Rank			71	57	69	56	69	N/A	N/A	N/A	59		
Population			832	831	815	822	815	705	649	630	786		
Commonfund Open Cash	795	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N/A	0.00	07/01/2012	
90 Day U.S. Treasury Bill			0.18	0.56	1.87	1.06	1.87	0.99	0.61	0.45	0.48		
IM U.S. Cash Fixed Income (SA+CF) Median			0.21	0.56	2.00	1.15	2.00	1.48	1.12	1.20	1.10		
Commonfund Open Cash Rank			92	94	100	100	100	100	100	N/A	100		
Population			53	53	52	53	52	50	46	41	42		
State Street S&P 500 Index Strategy (SSSYX)	28,216	7.88	-9.09	-13.54	-4.43	-6.92	-4.43	N/A	N/A	N/A	10.95	11/01/2016	0.02
S&P 500			-9.03	-13.52	-4.38	-6.85	-4.38	9.26	8.49	12.70	10.11		
IM U.S. Large Cap Core Equity (MF) Median			-8.98	-13.78	-5.61	-7.57	-5.61	8.00	7.13	11.61	9.21		0.92
State Street S&P 500 Index Strategy (SSSYX) Rank			57	46	31	39	31	N/A	N/A	N/A	13		
Population			778	770	736	755	736	634	565	514	661		
JP Morgan US Large Cap Core Plus (JLPSX)	11,944	3.33	-9.24	-16.11	-7.15	-8.88	-7.15	7.39	N/A	N/A	7.45	05/01/2014	0.85
S&P 500			-9.03	-13.52	-4.38	-6.85	-4.38	9.26	8.49	12.70	8.54		
IM U.S. Large Cap Core Equity (MF) Median			-8.98	-13.78	-5.61	-7.57	-5.61	8.00	7.13	11.61	7.26		0.92
JP Morgan US Large Cap Core Plus (JLPSX) Rank			66	90	75	79	75	65	N/A	N/A	46		
Population			778	770	736	755	736	634	565	514	572		
JP Morgan Disciplined Equity R6 (JDEUX)	8,098	2.26	-9.15	-13.92	-5.48	-7.07	-5.48	8.09	7.44	N/A	11.02	05/01/2012	0.25
S&P 500			-9.03	-13.52	-4.38	-6.85	-4.38	9.26	8.49	12.70	11.48		
IM U.S. Large Cap Core Equity (MF) Median			-8.98	-13.78	-5.61	-7.57	-5.61	8.00	7.13	11.61	10.38		0.92
JP Morgan Disciplined Equity R6 (JDEUX) Rank			62	55	48	42	48	49	41	N/A	27		
Population			778	770	736	755	736	634	565	514	530		
JP Morgan Value Advantage Instl (JVAIX)	8,098	2.26	-10.04	-12.28	-8.98	-7.99	-8.98	6.76	5.82	N/A	9.79	05/01/2012	0.75
Russell 3000 Value Index			-9.78	-12.24	-8.58	-7.51	-8.58	7.01	5.77	10.91	9.91		
IM U.S. Multi-Cap Value Equity (MF) Median			-10.23	-14.26	-10.94	-9.99	-10.94	5.72	4.46	9.93	8.75		0.96
JP Morgan Value Advantage Instl (JVAIX) Rank			39	18	28	26	28	27	17	N/A	18		
Population			416	413	409	411	409	345	290	267	272		

## Core Travel Expenditures, FY 2016 - FY 2021

Table 1: Core Travel Budget Summary - FY16 to FY21

TRAVEL	Actual	Actual	Actual	Projected	Biennium Budget Request	
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
In-State Employee Travel	\$311,324	\$258,204	\$249,963	\$239,609	\$233,562	\$233,399
Out-of-State Employee Travel	155,794	96,916	68,614	70,640	233,515	266,075
Other and Non-Employee Travel	45,686	18,950	26,100	20,288	44,010	12,835
<b>Total:</b>	<b>\$512,804</b>	<b>\$374,070</b>	<b>\$344,677</b>	<b>\$330,537</b>	<b>\$511,087</b>	<b>\$512,309</b>

Table 2: Core Travel Budget - FY18 Budget/Actual Comparison

Travel	Approved	Actual	Difference	% Spent
	FY 18	FY 18		
In-State Employee Travel	\$277,500	\$249,963	\$27,537	90%
Out-of-State Employee Travel	111,819	68,614	43,205	61%
Other and Non-Employee Travel	33,867	26,100	7,767	77%
<b>Total:</b>	<b>\$423,186</b>	<b>\$344,677</b>	<b>\$78,509</b>	<b>81%</b>

Table 3: Core Travel Budget - FY19 Budget / Actual Comparison

Travel	Approved	Projected	Difference	% Spent
	FY 19	FY 19		
In-State Employee Travel	\$277,500	\$239,609	\$37,891	86%
Out-of-State Employee Travel	112,370	70,640	41,730	63%
Other and Non-Employee Travel	20,288	20,288	0	100%
<b>Total:</b>	<b>\$410,158</b>	<b>\$330,537</b>	<b>\$79,621</b>	<b>81%</b>

**Note>**

- Figures of actual travel expenditures from FY16 to FY19 and FY20 FY21 travel expenditures budget request in Table 1.
- Table 2 and Table 3 show that in FY18 and also in FY19 OHA spends 81% of the budgeted travel expenditures.

## Special Programs Budget Analysis

Special Programs - Other	Actual	Actual	Annualized	Projected	Projected
	FY17	FY18	FY19	FY20	FY21
<b>Beginning Balance</b>	\$19,210.33	\$9,562.93	\$129,031.20	\$142,862.95	\$367,862.95
<b>Hawaiian Projects</b>	78,650.00	84,537.50	76,205.45	75,000.00	75,000.00
<b>Homesteader Loan Program</b>	251,702.60	234,930.77	187,626.29	150,000.00	120,000.00
<b>Available Funds</b>	<b>\$349,562.93</b>	<b>\$329,031.20</b>	<b>\$392,862.95</b>	<b>\$367,862.95</b>	<b>\$562,862.95</b>
<b>Appropriations</b>	(340,000.00)	(200,000.00)	(250,000.00)		
<b>Proposed Appropriations</b>					
<b>Net Available</b>	<b>\$9,562.93</b>	<b>\$129,031.20</b>	<b>\$142,862.95</b>	<b>\$367,862.95</b>	<b>\$562,862.95</b>

**Note>**

→ Special Programs budget reflects special programs funded through other sources of income including:

1) Hawaiian Projects

...Ka Wai Ola advertisement sales;  
 ...Conference sponsorships; and  
 ...Other miscellaneous income.

2) Homesteader Loan Program

...Repayments received for the OHA-DHHL Homesteader Loan Program

→ These income are considered special program income and not part of the NHTF. Expenditure of these funds is authorized through BOT approval of the Special Programs budget.

→ Projected for FY19, Special Program's net available funds is \$142,862.95, and for FY20, FY21, \$367,862.95 and \$562,862.95, respectively.

Office of Hawaiian Affairs  
Fiscal Reserve Rollforward  
Actuals from FY11 to FY 18, Projected to FY 19

Moratorium in Effect (see note 2)

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected
<b>FISCAL RESERVE ROLLFORWARD</b>	<b>FY:11</b>	<b>FY:12</b>	<b>FY:13</b>	<b>FY:14</b>	<b>FY:15</b>	<b>FY:16</b>	<b>FY:17</b>	<b>FY:18</b>	<b>FY:19</b>
Fiscal Reserve Balance, beginning of year	15,131,590	13,565,235	11,256,763	8,257,459	5,909,701	4,845,506	2,090,142	4,243,980	5,745,956
Additions to reserve									
Current year lapse to fiscal reserve									
BOT approved budget (less G/F)	33,921,801	32,578,746	33,624,166	33,206,175	32,476,815	32,675,225	33,116,011	32,565,384	36,014,771
Expended / Encumbered (less G/F)	(33,837,132)	(32,576,115)	(33,623,470)	(33,196,854)	(31,109,261)	(32,646,209)	(32,019,207)	(31,075,626)	(33,860,598)
Current year lapse	84,669	2,630	697	9,321	1,367,554	29,016	1,096,804	1,489,758	2,154,173
Prior year PO cancellation	1,348,976	688,898		512,921	568,251	215,620	1,057,034	12,218	1,000,000
Less board designations made for use of fiscal reserve	(3,000,000)	(3,000,000)	(3,000,000)	(2,870,000)	(3,000,000)	(3,000,000)	-	-	
Add back lapse of fiscal reserve				-					
<b>Fiscal Reserve Balance, end of year</b>	<b>13,565,235</b>	<b>11,256,763</b>	<b>8,257,459</b>	<b>5,909,701</b>	<b>4,845,506</b>	<b>2,090,142</b>	<b>4,243,980</b>	<b>5,745,956</b>	<b>8,900,129</b>

**Note>**

1) Per section IV of OHA's Native Hawaiian Trust Fund Spending Policy section entitled, "Policy/Procedure", Fiscal Reserve is defined as "Any funds available but not spent in previous fiscal years." This includes, but not limited to current year lapse, prior year PO cancellation with remaining funds, and prior year designated fiscal reserve lapse. The maximum designations allowable to be made in any fiscal year are limited to no more than \$3,000,000 annually. Under special circumstances that will require the use of funds in excess of the categories noted above, the \$3,000,000 limit may be waived by the BOT with a vote of the super majority plus 2 (8 affirmative votes).

2) BOT Approved Action Item BOT# 18-01, February 27, 2018, Moratorium on use of Trustee Sponsorship and Allowance Fund (TFAAF) and CEO-initiated Sponsorships

BOT approved to impose a moratorium on the use of Trustee Sponsorship and Allowance Fund (TFAAF) and CEO-initiated Sponsorships and the immediate return of the unused balance of the TFAAF to OHA.

**PUBLIC LAND TRUST (CEDED LAND) REVENUES RECEIPTS**  
**FY 2010 - FY 2019**

FY 2010	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	Act 178	Total
1Q10	5,806.00	50,459.31	103,354.64	16,205.00	1,451,282.81	772,378.07	106,974.62	120.00	1,268,419.55	3,775,000.00
2Q10	5,790.00	56,632.92	95,975.59	25,120.00	1,388,662.14	741,485.65	105,589.41	0.00	1,355,744.29	3,775,000.00
3Q10	5,768.00	58,300.34	118,243.20	15,860.00	1,355,580.32	740,464.65	105,093.10	0.00	1,375,690.39	3,775,000.00
4Q10	5,778.00	76,727.86	117,494.30	18,433.00	1,841,060.26	1,109,775.11	103,099.14	0.00	502,632.33	3,775,000.00
<b>Tot FY10</b>	<b>23,142.00</b>	<b>242,120.43</b>	<b>435,067.73</b>	<b>75,618.00</b>	<b>6,036,585.53</b>	<b>3,364,103.48</b>	<b>420,756.27</b>	<b>120.00</b>	<b>4,502,486.56</b>	<b>15,100,000.00</b>

FY 2011	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	Act 178	Total
1Q11	5,625.00	22,899.12	93,534.24	18,673.00	1,468,008.55	638,784.03	115,446.44	0.00	1,412,029.62	3,775,000.00
2Q11	5,462.00	53,514.39	128,019.69	19,765.00	2,184,971.60	770,296.76	110,984.98	0.00	501,985.58	3,775,000.00
3Q11	5,527.00	37,846.71	105,793.71	20,494.00	2,039,474.76	1,104,722.75	101,444.05	85.00	359,612.02	3,775,000.00
4Q11	5,172.00	94,255.79	103,763.91	17,700.00	1,921,539.81	1,056,024.00	119,075.83	0.00	457,468.66	3,775,000.00
<b>Tot FY11</b>	<b>21,786.00</b>	<b>208,516.01</b>	<b>431,111.55</b>	<b>76,632.00</b>	<b>7,613,994.72</b>	<b>3,569,827.54</b>	<b>446,951.30</b>	<b>85.00</b>	<b>2,731,095.88</b>	<b>15,100,000.00</b>

FY 2012	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	Act 178	Total
1Q12	4,970.00	108,091.00	92,689.28	23,166.00	1,930,785.51	738,782.95	117,736.56	85.00	758,693.70	3,775,000.00
2Q12	5,243.00	79,055.58	280,438.74	24,825.00	2,427,990.45	628,133.73	112,649.41	0.00	216,664.09	3,775,000.00
3Q12	5,560.00	104,455.43	107,920.49	26,109.00	1,812,408.39	1,458,334.28	117,064.66	0.00	143,147.75	3,775,000.00
4Q12	0.00	39,953.16	167,452.12	26,100.00	2,858,003.41	1,125,375.57	104,699.93	360.00	0.00	4,321,944.19
<b>Tot FY12</b>	<b>15,773.00</b>	<b>331,555.17</b>	<b>648,500.63</b>	<b>100,200.00</b>	<b>9,029,187.76</b>	<b>3,950,626.53</b>	<b>452,150.56</b>	<b>445.00</b>	<b>1,118,505.54</b>	<b>15,646,944.19</b>

TRF BAL  
\$0.00  
\$0.00  
\$0.00  
\$546,944.19  
\$546,944.19 (a)

FY 2013	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	Act 178	Total
1Q13	5,068.00	37,949.71	89,628.65	24,674.00	2,570,104.95	1,007,085.31	107,506.88	236.00	0.00	3,842,253.50
2Q13	5,254.00	36,952.88	91,041.44	24,175.00	2,349,623.13	943,303.25	113,826.96	401.00	210,422.34	3,775,000.00
3Q13	5,166.00	36,850.74	88,469.36	28,256.00	2,322,361.32	1,159,776.21	118,667.61	313.00	15,139.76	3,775,000.00
4Q13	5,166.00	0.00	152,553.37	4,631.43	3,317,050.39	891,212.38	592,911.12	200.00	0.00	4,963,724.69
<b>Tot FY13</b>	<b>20,654.00</b>	<b>111,753.33</b>	<b>421,692.82</b>	<b>81,736.43</b>	<b>10,559,139.79</b>	<b>4,001,377.15</b>	<b>932,912.57</b>	<b>1,150.00</b>	<b>225,562.10</b>	<b>16,355,978.19</b>

TRF BAL  
\$67,253.50  
\$0.00  
\$0.00  
\$1,188,724.69  
\$1,255,978.19 (b)

FY 2014	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	Act 178	Total
1Q14	4,959.00	0.00	90,124.13	24,103.00	2,742,089.81	889,462.40	133,045.10	0.00	0.00	3,883,783.44
2Q14	577,061.57	0.00	106,166.81	32,020.00	2,897,843.11	990,699.77	166,822.51	170.00	0.00	4,770,783.77
3Q14	5,646.00	0.00	103,279.44	31,831.00	2,793,798.37	1,415,721.19	142,643.70	480.00	0.00	4,493,399.70
4Q14	5,352.00	0.00	114,659.93	28,271.00	3,075,585.56	1,357,075.64	150,265.49	1,166.00	0.00	4,732,375.62
<b>Tot FY14</b>	<b>593,018.57</b>	<b>0.00</b>	<b>414,230.31</b>	<b>116,225.00</b>	<b>11,509,316.85</b>	<b>4,652,959.00</b>	<b>592,776.80</b>	<b>1,816.00</b>	<b>0.00</b>	<b>17,880,342.53</b>

TRF BAL  
\$108,783.44  
\$995,783.77  
\$718,399.70  
\$957,375.62  
\$2,780,342.53 (c)

FY 2015	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	Act 178	Total
1Q15	5,205.00	49,638.98	95,219.42	30,208.00	3,240,772.23	1,083,930.19	166,834.26	305.00	0.00	4,672,113.08
2Q15	5,090.00	99,554.76	216,203.30	23,590.00	3,026,802.73	944,422.72	157,780.15	300.00	0.00	4,473,743.66
3Q15	5,402.00	107,904.51	156,389.57	30,547.00	3,082,851.93	1,100,462.98	169,726.32	314.40	0.00	4,653,598.71
4Q15	5,019.00	125,922.50	113,816.43	28,576.00	3,333,496.69	1,255,348.73	148,948.75	300.00	0.00	5,011,428.10
<b>Tot FY15</b>	<b>20,716.00</b>	<b>383,020.75</b>	<b>581,628.72</b>	<b>112,921.00</b>	<b>12,683,923.58</b>	<b>4,384,164.62</b>	<b>643,289.48</b>	<b>1,219.40</b>	<b>0.00</b>	<b>18,810,883.55</b>

TRF BAL  
\$897,113.08  
\$698,743.66  
\$878,598.71  
\$1,236,428.10  
\$3,710,883.55 (d)

FY 2016	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	B&F	Act 178	Total
1Q16	5,139.00	112,928.41	107,783.06	21,638.00	2,998,457.56	844,385.80	175,386.12	328.80	0.00	0.00	4,266,046.75
2Q16	5,063.00	135,407.07	91,870.43	27,354.00	2,480,626.30	874,467.06	152,914.42	300.00	101,488.84	0.00	3,869,491.12
3Q16	5,467.00	142,069.27	820,916.14	33,775.00	820,916.14	1,314,346.78	176,750.72	360.00	1,111,992.65	0.00	3,775,000.00
4Q16	5,079.00	98,765.62	129,410.45	30,825.00	5,700,921.49	1,339,119.72	145,429.70	320.00	0.00	0.00	7,449,870.98
<b>Tot FY16</b>	<b>20,748.00</b>	<b>489,170.37</b>	<b>498,386.38</b>	<b>113,592.00</b>	<b>12,000,921.49</b>	<b>4,372,319.36</b>	<b>650,480.96</b>	<b>1,308.80</b>	<b>1,213,481.49</b>	<b>0.00</b>	<b>19,360,408.85</b>

TRF BAL  
\$491,046.75  
\$94,491.12  
\$0.00  
\$3,674,870.98  
\$4,260,408.85 (e)

PUBLIC LAND TRUST (CEDED LAND) REVENUES RECEIPTS FY 2010  
- FY 2019 (continued)

FY 2017	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	DOT-HWY	Act 178	Total
1Q17	5,073.00	86,857.50	106,879.02	32,306.00	4,197,980.23	894,490.74	178,542.07	1,834.40	0.00	0.00	5,503,962.96
2Q17	5,013.00	53,849.37	166,079.21	33,569.00	3,646,166.94	872,908.06	152,055.93	0.00	170.18	0.00	4,929,811.69
3Q17	5,363.00	70,912.88	116,393.45	26,453.00	3,095,384.74	1,680,474.13	143,314.49	860.00	0.00	0.00	5,139,155.69
4Q17	5,325.00	62,921.80	191,523.20	28,919.00	2,599,640.79	1,578,547.92	146,389.69	275.00	0.00	0.00	4,613,542.40
<b>Tot FY17</b>	<b>20,774.00</b>	<b>274,541.55</b>	<b>580,874.88</b>	<b>121,247.00</b>	<b>13,539,172.70</b>	<b>5,026,420.85</b>	<b>620,302.18</b>	<b>2,969.40</b>	<b>170.18</b>	<b>0.00</b>	<b>20,186,472.74</b>

**TRF BAL**  
**\$1,728,962.96**  
**\$1,154,811.69**  
**\$1,364,155.69**  
**\$838,542.40**  
**\$5,086,472.74** (f)

FY 2018	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	DOT-HWY	Act 178	Total
1Q18	5,030.00	83,720.48	92,186.04	24,010.00	2,516,137.89	1,055,069.69	200,891.19	681.00	0.00	0.00	3,977,726.29
2Q18	5,052.00	99,979.23	175,488.08	28,513.00	2,500,483.50	1,145,059.84	206,722.84	921.90	40,693.20	0.00	4,202,913.59
3Q18	5,019.00	86,088.67	95,367.67	28,891.00	2,503,394.87	1,595,303.66	197,164.45	575.00	0.00	0.00	4,511,804.32
4Q18	4,608.00	61,571.24	110,080.52	32,056.00	2,479,983.74	1,819,602.26	190,893.62	718.80	0.00	0.00	4,699,514.18
<b>Tot FY18</b>	<b>19,709.00</b>	<b>331,359.62</b>	<b>473,122.31</b>	<b>113,470.00</b>	<b>10,000,000.00</b>	<b>5,615,035.45</b>	<b>795,672.10</b>	<b>2,896.70</b>	<b>40,693.20</b>	<b>0.00</b>	<b>17,391,958.38</b>

**TRF BAL**  
**\$202,726.29**  
**\$427,913.59**  
**\$736,804.32**  
**\$924,514.18**  
**\$2,291,958.38** (g)

FY 2019	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	DOT-HWY	Act 178	Total
1Q19	4,521.00	72,323.36	145,874.05	26,769.12	2,520,720.59	1,033,591.01	206,183.33	337.60	40,423.20	0.00	4,050,743.26
2Q19	10,642.00	122,651.04	105,528.15	26,062.00	2,509,150.26	1,031,047.16	220,574.14	474.80	0.00	0.00	4,026,129.55
3Q19	11,682.00	146,676.97	96,475.30	26,363.00	2,500,061.87	525,221.19	248,084.41	350.00	0.00	0.00	3,554,914.74
4Q19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Tot FY19</b>	<b>26,845.00</b>	<b>341,651.37</b>	<b>347,877.50</b>	<b>79,194.12</b>	<b>7,529,932.72</b>	<b>2,589,859.36</b>	<b>674,841.88</b>	<b>1,162.40</b>	<b>40,423.20</b>	<b>0.00</b>	<b>11,631,787.55</b>

**TRF BAL**  
**\$275,743.26**  
**\$251,129.55**  
**\$0.00**  
**\$526,872.81** (h)

**PLT Revenue** 15,100,000.00  
**Total paid to date to OHA in FY19** 11,104,914.74  
**Remaining payment to OHA** **3,995,085.26**

**Note>**

1) Each year OHA receives a set amount of \$15,100,000, such that not to exceed four quarterly payments of \$3,775,000, as the Public Land Trust (PLT) Revenues from the State of Hawaii.

2) This table shows the amount received by OHA from the other state agencies for fiscal years 2010 to 2019. In the event that OHA receives a sum exceeding \$3,775,000 per quarter or \$15,100,000 per year, the excess is subsequently returned to the State.

(a) In FY 2012,	\$15,646,944.19		\$546,944.19	
(b) In FY 2013,	16,355,978.19		1,255,978.19	
(c) In FY 2014,	17,880,342.53		2,780,342.53	
(d) In FY 2015,	OHA received 18,810,883.55	from the named agencies. The	3,710,883.55	was returned to
(e) In FY 2016,	a total of 19,360,408.85	excess of \$15,100,000, or	4,260,408.85	the State.
(f) In FY 2017,	20,186,472.74		5,086,472.74	
(g) In FY 2018,	17,391,958.38		2,291,958.38	

(h) In FY 2019, OHA has received a total of \$11,631,787.55, as of this writing. Of which \$526,872.81 has been returned to the State (excess of maximum \$3,775,000 per quarter). OHA expects to receive total receipts of \$3,995,085.26 by end of FY19.

## Native Hawaiian Trust Fund Withdrawals, FY 2005 to FY2019

Chart 1

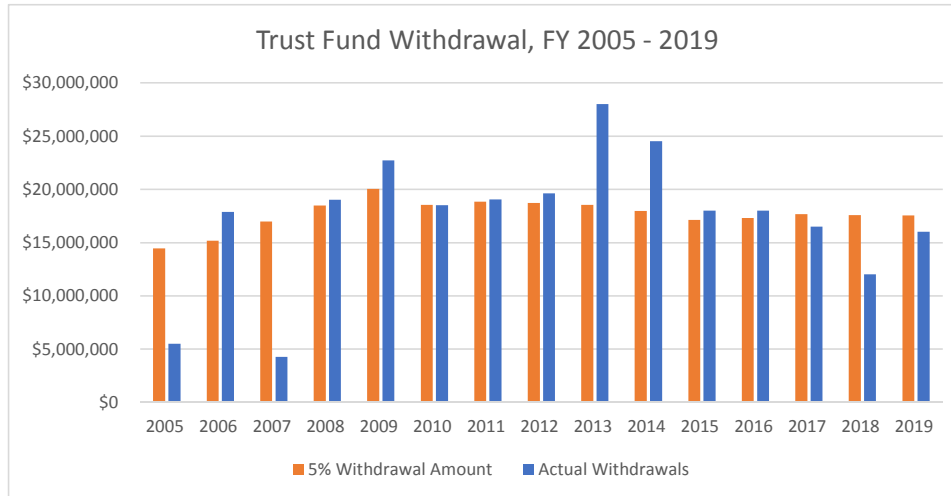


Table 1: Accompanying Data Table to the Native Hawaiian Trust Fund Withdrawals

FY	5% Withdrawal Amount	Actual Withdrawals	% Withdrawal	Available and Not Used	Running Total
2005	\$14,448,913	\$5,500,000	38%	\$8,948,913	\$8,948,913
2006	15,173,724	17,880,000	118%	(2,706,276)	6,242,637
2007	16,955,210	4,250,000	25%	12,705,210	18,947,847
2008	18,480,584	19,002,873	103%	(522,289)	18,425,558
2009	20,036,797	22,700,000	113%	(2,663,203)	15,762,355
2010	18,526,078	18,500,000	100%	26,078	15,788,433
2011	18,821,801	19,032,000	101%	(210,199)	15,578,234
2012	18,706,586	19,600,000	105%	(893,414)	14,684,820
2013	18,530,773	28,000,000	151%	(9,469,227)	5,215,593
2014	17,956,175	24,500,000	136%	(6,543,825)	(1,328,232)
2015	17,110,928	18,000,000	105%	(889,072)	(2,217,304)
2016	17,299,064	18,000,000	104%	(700,936)	(2,918,240)
2017	17,658,436	16,500,000	93%	1,158,436	(1,759,804)
2018	17,558,598	12,000,000	68%	5,558,598	3,798,794
2019	17,533,378	16,000,000	91%	1,533,378	5,332,171
<b>Total</b>	<b>\$264,797,044</b>	<b>\$259,464,873</b>	<b>98%</b>	<b>\$5,332,171</b>	

## Note&gt;

Table shows that from FY 2005 to FY 2019, NHTF fund withdrawals total \$259,464,873, as compared to cumulative maximum withdrawal of \$264,707,044, leaving a remaining \$5,332,171 available for withdrawal projected at end of FY 2019.

## Reconciliation of Cash Disbursed to Year in which the Expenses were Budgeted

A. Table 1: Actual FY 2018 Expenses

Category	FY 2007	...	FY 2011	...	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Grand Total
CONTRACTS	1,194		1,801		16,595	49,724	162,939	477,594	955,154	2,371,680	4,036,681
DEBT SERVICE									200,000	630,952	830,952
EQUIPMENT							17,000	15,600	153,044	1,038,313	1,223,957
GRANTS							104,454	345,133	5,487,412	3,459,073	9,396,072
OVERHEAD							4,353		534,672	2,142,302	2,681,328
PERSONNEL & FRINGE COSTS										14,562,694	14,562,694
PROGRAM									194,635	1,166,195	1,360,830
TRAVEL									141	343,088	343,229
<b>Grand Total</b>	<b>\$1,194</b>		<b>\$1,801</b>		<b>\$16,595</b>	<b>\$49,724</b>	<b>\$288,746</b>	<b>\$838,327</b>	<b>\$7,525,057</b>	<b>\$25,714,299</b>	<b>\$34,435,744</b>

Table 2: Projected FY 2019 Expenses

Category	FY 2007	...	FY 2011	...	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Grand Total
CONTRACTS	2,662		3,047		68,404	9,779	183,888	60,729	453,189	1,575,756	2,408,411	4,765,865
DEBT SERVICE											566,937	566,937
EQUIPMENT										336,268	637,377	973,645
GRANTS							10,662	72,712	619,062	3,128,534	5,217,804	9,048,774
OVERHEAD									384	222,174	2,426,897	2,649,456
PERSONNEL & FRINGE COSTS											14,245,529	14,245,529
PROGRAM									6,561	160,679	1,056,404	1,223,645
TRAVEL											314,964	314,964
<b>Grand Total</b>	<b>\$2,662</b>		<b>\$3,047</b>		<b>\$68,404</b>	<b>\$9,779</b>	<b>\$194,550</b>	<b>\$133,441</b>	<b>\$1,079,196</b>	<b>\$5,423,411</b>	<b>\$26,874,323</b>	<b>\$33,788,814</b>

## Note&gt;

A. Table 1 shows a total of \$34,435,744 was paid out between July 1, 2017, and June 30, 2018, and for the expenses budgeted in the fiscal year listed

Fiscal Year	Amount
FY 2007	\$1,194
FY 2011	1,801
FY 2013	16,595
FY 2014	the amount paid in FY18 was 49,724
FY 2015	288,746
FY 2016	838,327
FY 2017	7,525,057
FY 2018	25,714,299
<b>Actual Total Cash Disbursed in FY18 Period</b>	<b>\$34,435,744</b>

B. Table 2 shows that a projected total of \$33,788,814 to be paid out between July 1, 2018, and June 30, 2019, and for the expenses budgeted in the fiscal year listed below:

Fiscal Year	Amount
FY 2007	\$2,662
FY 2011	3,047
FY 2013	68,404
FY 2014	9,779
FY 2015	the amount paid in FY19 194,550
FY 2016	was 133,441
FY 2017	1,079,196
FY 2018	5,423,411
FY 2019	26,874,323
<b>Projected Total Cash Disbursed in in FY19 Period</b>	<b>\$33,788,814</b>

## Office of Hawaiian Affairs - Long Term Liabilities

**NOTE L - LONG-TERM LIABILITIES**

On August 14, 2012, OHA entered into a \$21,370,000 long term note payable with a bank, to finance the purchase of Na Lama Kukui. The interest rate is fixed at 3.35%. The note is due in full on September 1, 2022 and is collateralized by a mortgage lien on the property, assignment of OHA's right, title and interest as landlord in and to any rents under tenant leases and rental agreements on Na Lama Kukui and security interest in all furniture, fixtures, and equipment. On July 26, 2013 the agreement was modified to increase the interest rate to 3.6% and include certain financial covenants. At June 30, 2018, OHA was in compliance with those covenants.

The long term note payable future principal and interest payments are as follows:

Fiscal Year ending June 30,	Principal	Interest	Total
2019	\$ 596,444	\$ 701,149	\$ 1,297,593
2020	618,274	679,319	1,297,593
2021	640,903	656,691	1,297,594
2022	664,360	633,234	1,297,594
2023	17,214,386	154,543	17,368,929
	<u>\$ 19,734,367</u>	<u>\$ 2,824,936</u>	<u>\$ 22,559,303</u>

**NOTE L - LONG-TERM LIABILITIES (Continued)**

On June 28, 2013 OHA entered into a \$6,758,000 line of credit to finance the renovation of Na Lama Kukui, which is due in full on June 28, 2023. On January 28, 2015, OHA entered into a \$5,000,000 line of credit to finance OHA's governance planning initiative and other projects, which is due in full on February 3, 2024. OHA had drawn a total of \$8,325,705 between the lines of credit as of June 30, 2018. The interest rates are contingent upon certain elections by OHA. The lines of credit are collateralized by all investment property and financial assets held in certain investment accounts. There were no principal payments made for the year ended June 30, 2018. The lines of credit are also subject to certain financial covenants. At June 30, 2018, OHA was in compliance with those covenants. Future principal and interest payments are as follows:

Fiscal Year ending June 30,	Principal	Interest	Total
2019	\$ 1,614,666	\$ 210,051	\$ 1,824,717
2020	1,614,666	221,100	1,835,766
2021	1,614,666	172,443	1,787,109
2022	1,614,666	123,771	1,738,437
2023	1,614,666	55,227	1,669,893
2024	252,375	4,151	256,526
	<u>\$ 8,325,705</u>	<u>\$ 786,743</u>	<u>\$ 9,112,448</u>

In the past, long-term liabilities have generally been paid by the Public Land Trust Fund.

Changes in long-term liabilities for the year ended June 30, 2018 were as follows:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Amount due within one year	Amount due after one year
Compensated absences	\$ 1,660,765	\$ 792,290	\$ (862,692)	\$ 1,590,363	\$ 1,095,736	\$ 494,627
Capital lease obligation	212,971	14,238	(46,694)	180,515	48,898	131,617
Notes payable	20,300,386	—	(566,019)	19,734,367	596,444	19,137,923
Lines of credit	10,195,500	—	(1,869,795)	8,325,705	1,614,666	6,711,039
Total	<u>\$ 32,369,622</u>	<u>\$ 806,528</u>	<u>\$ (1,345,200)</u>	<u>\$ 29,830,950</u>	<u>\$ 3,355,744</u>	<u>\$ 26,475,206</u>

Source: Office of Hawaiian Affairs, Financial Statements with Independent Auditor's Report, Year Ended June 30, 2018, p. 50-51.

Sovereign Councils  
of the

March 31, 2018

Board of Trustees  
Office of Hawaiian Affairs  
560 N. Nimitz Highway, Suite 200  
Honolulu, Hawaii 96817

Re: *Beneficiary input on the OHA Biennium Budget proposed by the OHA Administration to the OHA Board of Trustees*

Aloha Chair and Members of the OHA Board of Trustees:

My name is Robin Puanani Danner, the elected chairman of the Sovereign Councils of the Hawaiian Homeland Assembly (SCHHA), the oldest and largest organization unifying Hawaiian Home Lands (HHL) community leaders and self-governing homestead associations throughout the state of Hawaii. The SCHHA protects and advances the interests of native Hawaiians eligible under the federal Hawaiian Homes Commission Act (HHCA) of 1921, whether on the land, or awaiting a land award.

On behalf of our SCHHA Vice Chair, Kammy Purdy from Molokai and our SCHHA Chair Emeritus, Kamaki Kanahale from Oahu, and our entire SCHHA Executive Council, we appreciate the opportunity to review, contemplate and submit recommendations on the OHA FY2018/FY2019 Biennium Budget. Our SCHHA Executive Council established a budget review team, consisting of all of our SCHHA executives, all of our SCHHA policy directors, as well as individual homestead leader members. We dedicated ourselves to thoroughly understanding the budget numbers and budget structure, as well as to improve our understanding of the administration structure, staffing levels and kuleana.

We congratulate OHA for the incredible fiscal team you have in place, that distributed excellent and comprehensive budget data to all OHA beneficiaries last week.

We also want to express that members of the OHA Executive team have been extraordinarily responsive to our budget review team in answering clarifying questions to ensure a complete understanding of budget line items by our team. Thank you sincerely, it made an already burdened workload much easier to be able to give our manao on our OHA budget.

The enclosed budget review document includes five (5) overall budget findings and fourteen (14) recommendations as follows:

- |   |                   |
|---|-------------------|
| 1. OHA Staffing/Duplication/Beneficiary Land Trust Fund | 3 recommendations |
| 2. OHA Management Top Heavy                             | 1 recommendations |
| 3. OHA Centric versus Beneficiary Centric Spending      | 3 recommendations |
| 4. Grants Program Adjustments                           | 5 recommendations |
| 5. Limited Liability Corporations                       | 2 recommendations |

You will find thoughtful manao from HHCA Beneficiaries that care about both our trust agencies, DHHL and OHA, and all our Native Hawaiian people, regardless of blood quantum. One of the recommendations, is to establish a Land Trust Fund to begin the acquisition of lands, and establishment of a land trust like Hawaiian Home Lands for all Native Hawaiians to achieve affordable housing opportunities, especially rentals.

We recommend that this fund begin with a modest reduction of 10% in staffing resources totaling \$1.5M under each year of your biennium budget, and for net revenues from the commercial property on Nimitz

to further build this Land Trust Fund to enable OHA to acquire relevant lands and/or multi-family residential properties that may become available across Hawaii in the years ahead. One of the greatest accomplishments OHA can achieve, is to acquire residential trust assets that enable our people to access affordable housing rentals, regardless of blood quantum. Hawaii is our homeland, let's begin with the FY2018/FY2019 Biennium Budget to build a future where our children are never threatened to be forced to leave.

We mahalo the invitation by OHA to all Beneficiaries to review the OHA budget and for creating an environment of welcomed input versus being treated as adversaries. For the 10 days that our budget review team worked together and with various members of the OHA Executive team, at no time did we feel unwelcomed to ask tough questions or to share our most frank manao.

Mahalo for your consideration of the work of HHCA beneficiaries to advance the interests of all Beneficiaries.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robin Puanani Danner', written in a cursive style.

Robin Puanani Danner  
SCHHA Chairman

CC: SCHHA Vice Chairman, Kammy Purdy  
SCHHA Chairman Emeritus, Kamaki Kanahele  
SCHHA Executive Council and Homestead Members



**SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

# **Comparison of OHA & SCHHA Proposal to the OHA Board of Trustees For 2-Year Funding FY2018 & FY2019**

**This Kit Prepared by SCHHA based on OHA Budget Data on: March 28, 2017**

**The SCHHA formed an OHA Budget Review Team to provide input on the OHA Proposal.**

**Following are the comparable numbers from the OHA proposal and the SCHHA proposal:**

## Summary of OHA versus SCHHA Budget Proposal:

Spending Purpose	OHA Proposal FY 2018	SCHHA Prop FY 2018	SCHHA Difference
<b><u>OHA Personnel (158 FTE vs 142 FTE)</u></b>	<b>\$15,379,000</b>	<b>\$13,827,566</b>	<b>-\$1,551,434</b>
<b><u>Beneficiary Serving Grants</u></b>	<b>\$9,772,000</b>	<b>\$13,433,256</b>	<b>\$3,661,256</b>
To Nonprofits	6,742,680	11,534,376	\$4,791,696
To DHHL	3,029,320	-0-	-\$3,029,320
To Beneficiary Legal/Social Services		1,898,880	\$1,898,880
<b><u>OHA Contracts</u></b>	<b>\$5,934,000</b>	<b>\$2,774,145</b>	<b>-\$3,159,855</b>
OHA Services	4,035,120	2,774,145	-\$1,260,975
To Beneficiary Legal/Social Services	1,898,880	-0-	-\$1,898,880
<b><u>OHA Programs (conf, allowances, print, etc)</u></b>	<b>\$1,602,000</b>	<b>\$1,204,704</b>	<b>-\$397,296</b>
<b><u>OHA Travel</u></b>	<b>\$443,000</b>	<b>\$338,895</b>	<b>-\$104,105</b>
<b><u>OHA Equipment</u></b>	<b>\$900,000</b>	<b>\$900,000</b>	<b>-0-</b>
<b><u>OHA Overhead</u></b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>-0-</b>
<b><u>OHA Debt Service</u></b>	<b>\$579,000</b>	<b>\$579,000</b>	<b>-0-</b>
<b>Subtotal Core Operating Costs</b>	<b>\$37,609,000</b>	<b>\$36,057,566</b>	<b>-\$1,551,434</b>
<b>Land Acquisition Fund for a Housing Land Trust like HHL for all Native Hwns</b>	<b>-0-</b>	<b>\$1,551,434</b>	<b>\$1,551,434</b>
<b>Total Core Operating Costs</b>	<b>\$37,609,000</b>	<b>\$37,609,000</b>	<b>-0-</b>
<hr/>			
Spending Purpose	OHA Proposal FY 2019	SCHHA Prop FY 2019	SCHHA Difference
<b><u>OHA Personnel (167 FTE vs 142 FTE)</u></b>	<b>\$15,528,000</b>	<b>\$13,961,535</b>	<b>-\$1,566,465</b>
<b><u>Beneficiary Serving Grants</u></b>	<b>\$9,782,000</b>	<b>\$13,338,934</b>	<b>\$3,556,934</b>
To Nonprofits	6,749,580	11,527,094	\$4,777,514
To DHHL	3,032,420	-0-	-\$3,032,420
To Beneficiary Legal/Social Services		1,811,840	\$1,811,840
<b><u>OHA Contracts</u></b>	<b>\$5,662,000</b>	<b>\$2,646,985</b>	<b>-\$3,015,015</b>
OHA Services	3,850,160	2,646,985	-\$1,203,175
To Beneficiary Legal/Social Services	1,811,840	-0-	-\$1,811,840
<b><u>OHA Programs (conf, allowances, print, etc)</u></b>	<b>\$1,718,000</b>	<b>\$1,291,936</b>	<b>-\$426,064</b>
<b><u>OHA Travel</u></b>	<b>\$493,000</b>	<b>\$377,145</b>	<b>-\$115,855</b>
<b><u>OHA Equipment</u></b>	<b>\$725,000</b>	<b>\$725,000</b>	<b>-0-</b>
<b><u>OHA Overhead</u></b>	<b>\$3,036,000</b>	<b>\$3,036,000</b>	<b>-0-</b>
<b><u>OHA Debt Service</u></b>	<b>\$567,000</b>	<b>\$567,000</b>	<b>-0-</b>
<b>Sub Total Core Operating Costs</b>	<b>\$37,511,000</b>	<b>\$35,944,535</b>	<b>-\$1,566,465</b>
<b>Land Acquisition Fund for a Housing Land Trust like HHL for all Native Hwns</b>	<b>-0-</b>	<b>\$1,566,465</b>	<b>\$1,566,465</b>
<b>Total Core Operating Costs</b>	<b>\$37,511,000</b>	<b>\$37,511,000</b>	<b>-0-</b>

## **BENEFICIARIES FIRST – An alternative budget to the OHA Board of Trustees**

### **Budget Review Project Background**

The SCHHA Executive Council consists of elected and appointed beneficiaries of the Hawaiian Homes Commission Act, that either live on homestead lands, or are on the waitlist for a homestead land award. Moku represented are Kauai, Oahu, Maui, Molokai and Hawaii Island and includes 7 Policy Directors with policy expertise in the areas of Native Rights, Farming & Ranching, Affordable Housing, Telecommunications, Economic Development, DHHL Compliance to the HHCA and Political Action Committee functions. The current SCHHA Chairman is **Robin Puanani Danner** from Kauai, its Vice Chairman is **Kammy Purdy** from Molokai and its Chairman Emeritus, **Kamaki Kanahele** from Oahu.

For the first time in the SCHHA's 30-year history, its Executive Council established an OHA Budget Review team consisting of SCHHA members to work together to become competent in OHA's budget and organizational structure in meeting its mission of serving Native Hawaiian beneficiaries, including HHCA beneficiaries to provide comprehensive feed-back to the OHA Board of Trustees.

### **SCHHA Budget Review Team Findings**

The budget review team finds that OHA has three (3) core functional responsibilities as follows:

- 1. Core Organizational Governance – 29 FTE**
  - a. Board of Trustees – 9 FTE
  - b. Staff Support to Board of Trustees – 20 FTE
  - c. Trustee Allowances for Relevant Expenditures and Funding Special Requests
- 2. Core Organizational Administration Systems – 61 FTE**
  - a. Executive Team – 7 FTE
  - b. Staff Support to Executive Team – 11 FTE
  - c. Organizational Financial Systems & Asset Management – 31 FTE
  - d. Land & Real-estate Asset Management – 12 FTE
- 3. Core Organizational Programs & Services to, for or on behalf of Beneficiaries – 77 FTE**
  - a. Community Engagement Program – 31 FTE
    - i. OHA Statewide Office System for Beneficiary Access
    - ii. Community Outreach to Beneficiaries
    - iii. Newspaper, Website & Other Informational Systems for Beneficiary Access
    - iv. Grant Resources & Legal/Social Services for Beneficiary Access
  - b. Advocacy – 28 FTE
    - i. State & Federal Policy Advocacy on behalf of Beneficiaries
    - ii. Compliance & Enforcement of Existing Laws impacting Beneficiaries
    - iii. Self-Governance & Registry Management on behalf of Beneficiaries
    - iv. Management of Papahanumokuakea on behalf of Beneficiaries
  - c. Research – 18 FTE
    - i. Research, tracking & publication of Data Statistics about Beneficiaries

The above staffing allocations total 167 FTE; however, it should be noted that OHA has a freeze on 9 of these positions, and the funding levels in the OHA funding proposal does not include dollars for these 9 positions.

### **SCHHA Budget Review Team Recommendations**

The budget review team finds the following based on a review of how trust funds are currently budgeted and proposed by the OHA Administration:

- 1. OHA has an enormous staff FTE.** The sheer size of OHA is incredible for the basic functions it performs, many of which are duplicative to other long standing and effective Beneficiary organizations.

Essentially, out of the **\$37M** in annual operations, OHA spends only **\$8.5M** in nonprofit grants (\$6.7M for education, housing/health/income, culture/land/water, event and other program sponsorships and \$1.8M in legal/social service contracts) that directly touch Beneficiaries. The \$3M in OHA funds that flow to DHHL are not included in the \$8.5M because those funds subsidize DHHL, another state agency for its debt service and operations. None of the \$3M flows directly to HHCA beneficiaries.

Overall, including staffing costs, contract costs, program costs – OHA spends more Beneficiary trust funds on itself than on Beneficiaries.

In addition, fringe benefit rates are rising for every state agency, to support the State to meet its obligations to State employees from a 38% rate to 60%. This means that achieving goals with internal staff is becoming more and more expensive, and certainly can be achieved by improving collaboration with and avoiding duplication with Beneficiary nonprofits, where fringe rates are not at 60%.

### **SCHHA recommends the following:**

- A. Conduct an Inventory of Statewide Serving Beneficiary Organizations** that have full time staff, to assess level of capacity, prior accomplishments and current menu of services being delivered to ascertain the duplicative functions at OHA.
- B. Reduce Staffing Levels** by 10% or 16 FTE Positions for the next 2 years. Set a goal of further reduction by additional FTE positions in the follow-on biennium based on the Inventory of Statewide Beneficiary Organizations.

Call on all Division Managers to improve OHA Collaboration with Beneficiary Organizations to improve productivity and maximize OHA resources in achieving the tenets of its strategic plan, particularly in the program areas of research, policy advocacy and community organizing and capacity building. Staffing costs and the 60% fringe rate can be reduced through improved collaboration.

- C. Create a Beneficiary Land Acquisition Fund**, wherein 100% of the cost savings from the 16 staff reductions totaling a modest \$1.5M annually be deposited into this new fund every single year, including follow-on biennium.

When opportunities arise, OHA should purchase farm lands, subdivisions or housing projects, to establish a land trust program like Hawaiian Home Lands for all Native

Hawaiians. In 1920, the Congress established a land trust and set the blood quantum at 50%. As the SCHHA, we call on OHA to help all our people, regardless of blood quantum, and begin the process of directing funds annually from staff reduction savings, to help all our Hawaiian people to access affordable housing in our homeland (ownership and rental).

2. **OHA is extremely top heavy.** Currently OHA has 1 manager for every 6 employees (21 managers over 130-line staff). If trustees, and executives are included, OHA has 1 manager for every 3.5 employees (21 managers + 9 trustees + 7 directors/CEO/COO over 130-line staff). Our kids have a 1 to 20 ratio of teacher to students in any typical classroom. Given the size of OHA, there should be far greater efficiencies in management to line staff ratios.

**SCHHA recommends the following:**

- A. **Minimize middle managers** within Divisions, by requiring highly compensated Directors to manage line staff within Divisions, especially when line staff number less than 10 in a program area, and improve collaboration with existing Beneficiary Organizations to achieve workload.

3. **OHA Centric versus Beneficiary Centric.** The incredible levels of funding in line items for OHA Programs, for OHA Travel, for OHA Service Contracts versus for direct Beneficiary impact are misdirected. Line after line, literally, OHA spends more Beneficiary trust funds on itself, than on Beneficiaries or Beneficiary Organizations delivering service on the ground, at nearly a 4:1 ratio (again \$37M total, with only \$8M in direct funding to Beneficiary service organizations).

**SCHHA recommends the following:**

- A. **Redirect a portion of travel costs** for OHA staff in specific divisions, to increase Program Sponsorships and other grant programs to fund Beneficiary Organizations to maintain capacity and expertise in subject matter areas that these organizations provide direct services in. Currently, the OHA travel line item totals **\$443K** for FY2018. We recommend **\$104K** be transferred to the Grants Program.
- B. **Redirect a portion of program costs** designated for OHA and non-OHA conferences and conference fees, to the Grants Program to fund proficient Beneficiary Organizations that have conducted statewide and national conferences for literally decades on every topic including business, Native rights, nonprofit capacity building, resource development, policy priorities, land trust uses, education and health among others.

OHA should not be coordinating conferences, but rather facilitating the work of Beneficiary Organizations that do. Nor should OHA staff be attending conferences to build their own capacity, but rather should be attending Beneficiary conferences to remain connected to the capacity and priorities of Beneficiaries. We recommend that **\$396K** of the line items on conferences totaling **\$416K** in the FY 2018 budget for example, be transferred to the grants budget for use by Beneficiary Organizations.

- C. **Redirect a portion of the OHA contracts budget** to the grants section to fund grants or grant contracts to Beneficiary Organizations to deliver services to OHA and/or directly to Beneficiaries on the ground. We recommend for example in FY 2018, that of the **\$4M** dedicated to contracts by OHA staff, that **\$1.2M** be transferred to the Program sponsorship procure grants with Beneficiary Organizations that have incredible expertise.

4. **OHA Grant Program Adjustments.** The grants program is the primary vehicle for Beneficiaries to be directly impacted by their own Beneficiary trust funds. As such, the grant program should be managed in such a way that represents the vital needs of our people and continues to invest in the capacity of the many mature Beneficiary Controlled Nonprofits.

**SCHHA recommends the following:**

- A. **Move the Social Service/Legal Service contract into Grants program**, to better reflect funds that have a direct impact on Beneficiaries, like other grant funding programs.

In terms of the scope of service of this annual contract, Beneficiaries have voiced that Handi-Van, Summer Youth Employment programs, and Kupuna Employment programs should be included.

- B. **Adopt a Beneficiary Serving and Controlled Organization Criteria for Grant Scoring.**

The knowledge of Beneficiary life ways and best practices are best found in Beneficiary controlled and serving organizations. As such, a policy should be adopted that requires grant criteria that honors and values Beneficiary Organizations on all awards under the grants budget, including scoring criteria that rewards organizations that dedicate 100% of their mission, resources, and expertise to Beneficiary communities. This will have an excellent side benefit, in that it will encourage non-Beneficiary focused organizations to seek out and partner with Beneficiary organizations.

- C. **Redirect funds in the grants budget designated to DHHL**, to direct project development by Homestead Associations and Beneficiary Organizations on Hawaiian Home Lands in community facilities, rental housing, access to water resources, farming and ranching infrastructure and capacity that serves all Beneficiaries. Today, Homestead Associations are highly capable, having built multi-family rental projects, community centers, marketplaces, certified kitchens and other economic development facilities and projects.

The designation of **\$3M** between state agencies currently in the budget, was never the subject of consultation with HHCA beneficiaries, nor based on the needs of HHCA beneficiaries, nor the capacity of DHHL to perform adequately. To date, DHHL has failed to fulfill the commitment made to OHA to fund 20 regional grants with these funds, and has failed to report to anyone, how this \$3M annual cost is benefitting HHCA beneficiaries.

- D. **Improved Transparency.** We recommend the transfer of the Executive Sponsorship funds in the budget to the Program Sponsorship line item to further strengthen

transparency and dissuade any special treatment of funds awarded outside the guidelines of grant making. For example, the CEO awarded \$25,000 to a mainland Asian American organization, that has a record of failing to serve Native Hawaiians or to collaborate with Native Hawaiians.

Moreover, we recommend that OHA publish quarterly reports for any grants awarded during the quarter for event sponsorships, program sponsorships or leveraged projects.

- E. Establish a firm policy that any allocation of Kakaako funds,** must be directed to the Grants program and not for other operating costs of the agency. This simple commitment, signals quite clearly, that the Kakaako investment has a direct impact to Beneficiary lives. We do not want OHA to follow the misguided management of HHCA trust funds, where DHHL keeps our people on the waitlist, under the guise of leasing our lands for revenue generation, wherein all the revenue funds DHHL staff and operations instead of directly impacting HHCA Beneficiary lives.

- 5. LLCs Properly & Improperly Used by OHA.** LLCs have been established by OHA to hold certain trust assets, and in at least one case, to simply operate a program outside the parameters of OHA as an agency. There are many good reasons that entities utilize an LLC vehicle in general corporate affairs, namely to create a corporate veil against potential liability. However, The OHA LLCs have been established in an undisciplined way, with some maximizing this powerful mitigation of liability approach, and some for no apparent mitigation purpose.

**SCHHA recommends the following:**

- A. Complete a review** to assess all LLCs and maintain any LLC that hold real property assets that may pose liability from accidents or unforeseen circumstances. Eliminate any LLCs that are solely program, consulting or service based and move these functions into the agency.
- B. Establish an LLC to hold the commercial property owned by our trust,** to mitigate the same or similar liability issues as other land based LLCs. We recommend that 100% of annual net income from this LLC be deposited to the Trust Corpus and to the recommended Beneficiary Land Trust discussed in item 1.C above to provide housing to all Native Hawaiians.

**Summary**

The SCHHA has convened our leaders and members to spend dedicated volunteer hours to review, contemplate and identify our best manao on how Beneficiary funds should be spent in FY2018 and FY2019. We have matched the level of funding proposed by the OHA administration at **\$37.5M**, by making only one major reduction totaling **\$1.5M** annually in staffing levels and redirecting that cost savings to a land acquisition fund to establish a Beneficiary Land Trust for all Native Hawaiians regardless of Blood Quantum.

All other line item reductions that are highly “OHA Centric” totaling **\$1.7M** in travel, program costs, and contract costs, we have redirected to “Beneficiary Centric” spending under the Grants Program. We have redirected the **\$1.8M** in legal and social service contracts currently located within the contracts section of the budget to the Grants Program budget section to be better reflective of direct Beneficiary

impact services. And finally, we have repurposed **\$3M** in trust funds currently being issued to DHHL in the Grants Program to direct development by homestead associations that serve all Native Hawaiians in rental housing, agricultural parks, and economic development projects on our trust lands.

In summary, this budget review identifies **5 overall budget findings** and **14 specific recommended actions** as follows:

- |  |                   |
|--|-------------------|
| 1. OHA Staffing/Duplication Services/Beneficiary Land Trust Fund | 3 recommendations |
| 2. OHA Management Top Heavy                                      | 1 recommendations |
| 3. OHA Centric versus Beneficiary Centric Spending –             | 3 recommendations |
| 4. Grants Program Adjustments –                                  | 5 recommendations |
| 5. Limited Liability Corporations –                              | 2 recommendations |

The result of this budget review project, if considered by the OHA Board of Trustees, will give greater balance to how Beneficiary trust funds are spent, moving from the OHA proposal of **\$37M to issue \$8M** in direct impact funding grants, to the SCHHA proposal of **\$35M to issue \$13M** in direct impact funding grants to Beneficiaries, and **\$1.5M** dedicated to a Beneficiary Land Trust to begin building a land based trust to serve the residential needs of all of our Native Hawaiian people.

Said another way, the OHA proposal directs **\$15M** in OHA staffing costs to issue **\$8M** in direct impact funding grants to Beneficiaries versus the SCHHA proposal of **\$13M** in staffing costs to issue **\$13M** in direct impact funding grants to Beneficiaries – a far more balanced approach that puts Beneficiaries First.

Mahalo for the opportunity to engage, and give meaningful input.



**SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

# **OHA Administration Proposal to the OHA Board of Trustees For 2-Year Funding FY2018 & FY2019**

**This Kit Prepared by SCHHA based on OHA Budget Data on: March 28, 2017**

**The SCHHA formed an OHA Budget Review Team to contemplate the OHA Proposal to spend \$37M annually in Beneficiary Trust Funds on OHA's Operating Budget.**

**Following are the numbers made public by OHA for Beneficiary Review and Comment.**

## Summary of OHA Administration Budget Proposal

<u>Spending Purpose</u>	<u>FY2018</u>	<u>FY2019</u>
OHA Personnel (167 FTE)	\$15,379,000	\$15,528,000
Beneficiary Serving Grants	\$9,772,000	\$9,782,000
To Nonprofits	\$6,742,680	\$6,749,580
To DHHL	\$3,029,320	\$3,032,420
OHA Contracts	\$5,934,000	\$5,662,000
OHA Programs (Conferences, Allowances, Dues)	\$1,602,000	\$1,718,000
OHA Travel	\$443,000	\$493,000
OHA Equipment	\$900,000	\$725,000
OHA Overhead	\$3,000,000	\$3,036,000
OHA Debt Service	\$579,000	\$567,000
<b>TOTAL CORE OPERATING COSTS PROPOSED</b>	<b>\$37,609,000</b>	<b>\$37,511,000</b>

**OHA Draft Budget Proposal to the Board of Trustees - March 2017**

This data has been confirmed against OHA provided spreadsheet

	<b>FY 2018</b>	<b>FY 2019</b>	<b>2 Years</b>
<b>CORE BUDGET</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>
<b>NON-CORE BUDGET (funded by Grant/Reserve Sources)</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
<b>COMBINED CORE + NON-CORE BUDGET</b>	<b>52,609,000</b>	<b>52,511,000</b>	<b>105,120,000</b>
<b>Description of SOURCE OF FUNDS</b>			
5% Annual Withdrawal from NHTF Corpus	17,609,000	17,411,000	35,020,000
Set Amount by Legislature from Public Land Revenues	15,100,000	15,100,000	30,200,000
State General Funds for NHLC/Helping Hands/Fringe	4,500,000	4,500,000	9,000,000
Allocation by BOT of 10% of Kakaako Revenues	400,000	500,000	900,000
<b>Total SOURCE OF FUNDS</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>
<b>Description of Proposed USE OF FUNDS</b>			
<b>Personnel Costs/OHA PPT</b>	<b>15,379,000</b>	<b>15,528,000</b>	<b>30,907,000</b>
Salaries (167 FTE - 138 Ops & Execs/29 Trustees & Staff) - 66%	10,150,140	10,248,480	20,398,620
Benefits/Fringe - 32%	4,921,280	4,968,960	9,890,240
<b>SubTotal FTE Positions</b>	<b>15,071,420</b>	<b>15,217,440</b>	<b>30,288,860</b>
Student Help-1%	153,790	155,280	309,070
Reserves (incentives, vacation, OT)-1%	153,790	155,280	309,070
<b>Total Personnel Costs</b>	<b>15,379,000</b>	<b>15,528,000</b>	<b>30,907,000</b>
167 FTE: 31-Comm Engage; 28-Advocacy; 18-Research; 12-Land; 31-Fin Assets; 18 Exec Team; 29-BOT Team			
130 are Line Staff; 21 are Managers; 7 are Executives; 9 are Trustees			
That's 1 mgr/exec/trustee for every 3.5 line staff on average			
That's 1 mgr for every 6.2 line staffers on average			
Fringe rate is increasing from 37% to 60% to help state fund backlog amounts due to state employees			
<b>NOTE: Budget Amount Represents Funding for 157 FTE (9 positions frozen by OHA)</b>			
<b>Grant Costs/OHA PPT</b>	<b>9,772,000</b>	<b>9,782,000</b>	<b>19,554,000</b>
Executive Sponsorships - 1%	97,720	97,820	195,540
Program Sponsorships - 2%	195,440	195,640	391,080
Event Sponsorships - 2%	195,440	195,640	391,080
Leveraged Grants - 6%	586,320	586,920	1,173,240
Culture/Land/Water - 10%	977,200	978,200	1,955,400
Health/Housing/Income - 20%	1,954,400	1,956,400	3,910,800
Education - 28%	2,736,160	2,738,960	5,475,120
DHHL - 31%	3,029,320	3,032,420	6,061,740
<b>Total Grant Award Costs</b>	<b>9,772,000</b>	<b>9,782,000</b>	<b>19,554,000</b>
<b>Contract Costs/OHA PPT</b>	<b>5,934,000</b>	<b>5,662,000</b>	<b>11,596,000</b>
BOT/Executive-5%	296,700	283,100	579,800
Fee Svcs on Resource Mgmnt (water, land, financial, etc)-19%	1,127,460	1,075,780	2,203,240
Legal/Consulting Fee Services to OHA-22%	1,305,480	1,245,640	2,551,120
*Other Program Contracts (spent by 5 Divisions)-22%	1,305,480	1,245,640	2,551,120
Fee Svcs to Ben for legal/social (NHLC/Helping Hands)-32%	1,898,880	1,811,840	3,710,720
<b>Total Contract Costs</b>	<b>5,934,000</b>	<b>5,662,000</b>	<b>11,596,000</b>
<b>Program Costs/OHA PPT</b>	<b>1,602,000</b>	<b>1,718,000</b>	<b>3,320,000</b>
Mailing/Shipping - 18%	288,360	309,240	597,600
OHA Organized Conferences - 15%	240,300	257,700	498,000
Other - 12%	192,240	206,160	398,400

Trustee Allowances - 12%	192,240	206,160	398,400
Printing - 11%	176,220	188,980	365,200
Advertising - 8%	128,160	137,440	265,600
Conference Fees - 6%	96,120	103,080	199,200
Non OHA Conferences - 5%	80,100	85,900	166,000
Dues - 5%	80,100	85,900	166,000
Subscriptions - 4%	64,080	68,720	132,800
Honorariums - 4%	64,080	68,720	132,800
<b>Total Program Costs</b>	<b>1,602,000</b>	<b>1,718,000</b>	<b>3,320,000</b>
<b>Travel Costs/OHA PPT</b>	<b>443,000</b>	<b>493,000</b>	<b>936,000</b>
Trustee Travel - 45%	199,350	221,850	421,200
Advocacy Team Travel - 18%	79,740	88,740	168,480
Executive Team Travel - 13%	57,590	64,090	121,680
Community Engagement Team Travel - 9%	39,870	44,370	84,240
Financial Assets Team Travel - 7%	31,010	34,510	65,520
Research Team Travel - 4%	17,720	19,720	37,440
Land Asset Team Travel - 3%	13,290	14,790	28,080
SPRI Travel - 1%	4,430	4,930	9,360
<b>Total Travel Costs</b>	<b>443,000</b>	<b>493,000</b>	<b>936,000</b>
<b>Equipment Costs/OHA PPT</b>	<b>900,000</b>	<b>725,000</b>	<b>1,625,000</b>
Repair & Maintenance - 65%	585,000	471,250	1,056,250
Software & Equipment - 30%	270,000	217,500	487,500
Furniture & Fixtures-5%	45,000	36,250	81,250
<b>Total Equipment Costs</b>	<b>900,000</b>	<b>725,000</b>	<b>1,625,000</b>
<b>Overhead Costs/OHA PPT</b>	<b>3,000,000</b>	<b>3,036,000</b>	<b>6,036,000</b>
Office Leases, CAM, Utilities - 59%	1,770,000	1,791,240	3,561,240
Insurance - 15%	450,000	455,400	905,400
Utilities - 11%	330,000	333,960	663,960
Supplies - 6%	180,000	182,160	362,160
Other - 6%	180,000	182,160	362,160
Communications - 3%	90,000	91,080	181,080
<b>Total Overhead Costs</b>	<b>3,000,000</b>	<b>3,036,000</b>	<b>6,036,000</b>
<b>Debt Service/OHA PPT</b>	<b>579,000</b>	<b>567,000</b>	<b>1,146,000</b>
Principal & Interest on LOC balance - 100%	579,000	567,000	1,146,000
<b>Total Debt Service</b>	<b>579,000</b>	<b>567,000</b>	<b>1,146,000</b>
<b>GRAND TOTAL CORE BUDGET by OHA</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>
For context - FY 2016, OHA Spent	35,892,729		
Difference between FY2016 and FY 2018	1,716,271		
<b>NON-CORE BUDGET</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
Fiscal Reserve Authorization	TBD	TBD	
Governance Planning	TBD	TBD	
Commercial Property - Kakaako & Na Lama Kukui	TBD	TBD	
Legacy Property - Palaua Culture Preserve & Wao Kele O Puna	TBD	TBD	
Special Programs HLIC/NHRLF/EPA	TBD	TBD	
Special Programs Other - Hiilei & Hookele Pono	TBD	TBD	
<b>GRAND TOTAL NON-CORE BUDGET</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
<b>GRAND TOTAL OF CORE + NON-CORE BUDGET PROPOSAL</b>	<b>90,218,000</b>	<b>52,511,000</b>	<b>105,120,000</b>



**SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

# **SCHHA Proposal to the OHA Board of Trustees For 2-Year Funding FY2018 & FY2019**

**This Kit Prepared by SCHHA based on OHA Budget Data on: March 28, 2017**

**The SCHHA formed an OHA Budget Review Team to provide input on the OHA Proposal.**

**Following are the numbers as developed by the SCHHA for OHA Board of Trustee Consideration:**

## Summary of SCHHA Recommendations for the OHA Administration Budget Proposal

<u>Spending Purpose</u>	<u>FY2018</u>	<u>FY2019</u>
OHA Personnel (142 FTE)	\$13,827,566	\$13,961,535
Beneficiary Serving Grants**	\$13,433,256	\$13,338,934
To Nonprofits	\$13,433,256	\$13,338,934
To DHHL	\$-0-	\$-0-
OHA Contracts	\$2,774,145	\$2,646,985
OHA Programs (Conferences, Allowances, Dues)	\$1,204,704	\$1,291,936
OHA Travel	\$338,895	\$377,145
OHA Equipment	\$900,000	\$725,000
OHA Overhead	\$3,000,000	\$3,036,000
OHA Debt Service	\$579,000	\$567,000
<b>TOTAL CORE OPERATING COSTS PROPOSED</b>	<b>\$36,057,566</b>	<b>\$35,944,535</b>
<b>Compared to TOTAL OHA PROPOSAL</b>	<b>\$37,609,000</b>	<b>\$37,511,000</b>
<b>*Difference (100% consisting of Staff Reduction)</b>	<b>\$(1,551,434)</b>	<b>\$(1,566,465)</b>

\*Cost Savings Directed to a Land Acquisition Fund

\*\*Increases Beneficiary Funds by \$3,661,256 & \$3,556,934 by Decreasing OHA/DHHL Funds by Same

**SCHHA Proposal of OHA Draft Budget to Board of Trustees**This spreadsheet is SCHHA's recommended revisions - **Updated March 30, 2017**

	<b>FY 2018</b>	<b>FY 2019</b>	<b>2 Years</b>
<b>CORE BUDGET</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>
<b>NON-CORE BUDGET (funded by Grant/Reserve Sources)</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
<b>COMBINED CORE + NON-CORE BUDGET</b>	<b>52,609,000</b>	<b>52,511,000</b>	<b>105,120,000</b>
<b>Description of SOURCE OF FUNDS</b>			
5% Annual Withdrawal from NHTF Corpus	17,609,000	17,411,000	35,020,000
Set Amount by Legislature from Public Land Revenues	15,100,000	15,100,000	30,200,000
State GF for fringe/legal/social/hsg/education/income	4,500,000	4,500,000	9,000,000
Allocation by BOT of 10% of Kakaako Revenues - to Grants	400,000	500,000	900,000
<b>Total SOURCE OF FUNDS</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>
<b>Description of Proposed USE OF FUNDS</b>			
<b>Personnel Costs/OHA PPT</b>			
Salaries (142 FTE - Reduce by 10%)	9,135,126	9,223,632	18,358,758
Benefits/Fringe (Reduce accordingly)	4,384,860	4,427,343	8,812,204
<b>SubTotal FTE Positions</b>	<b>13,519,986</b>	<b>13,650,975</b>	<b>27,170,961</b>
Student Help (Add Kupuna & placement at NHOs	153,790	155,280	309,070
Need Data: Reserves (incentives, vacation, OT)	153,790	155,280	309,070
<b>Total Personnel Costs (Decrease by 10%)</b>	<b>13,827,566</b>	<b>13,961,535</b>	<b>27,789,101</b>
142 FTE: 16 FTE reductions from Division Teams			
Require Division Executives to Manage Pgm Staff of 10 or less- reduce high # of managers			
Reducing FTE is the only way to reduce rising fringe rates (at 60% rate)			
Use contracting/grant functions with NHOs to deliver direct services to OHA & Community			
Difference to OHA Budget	(1,551,434)	(1,566,465)	(3,117,899)
<b>100% of this reduction to go to a Land Acquisition Fund &amp; Reinvestment to the Corpus</b>			
<b>Grant Costs/OHA PPT - Limit to NHO Orgs ONLY/Others Partner</b>			
Executive Sponsorships - To Program Sponsors	0	-	-
Prgm Sponsors - From Exec, Contracts, Travel	1,735,136	1,694,954	3,430,090
Event Sponsorships - From OHA/Non-OHA Conf Costs	515,840	539,240	1,055,080
Leverage Grants	586,320	586,920	1,173,240
Culture/Land/Water	977,200	978,200	1,955,400
Health/Housing/Income/Social/Legal	3,853,280	3,768,240	7,621,520
Education	2,736,160	2,738,960	5,475,120
Redirect from DHHL to HHA Facilities/Rentals/Ag	3,029,320	3,032,420	6,061,740
<b>Total Grant Award Costs - Increase by 37%</b>	<b>13,433,256</b>	<b>13,338,934</b>	<b>26,772,190</b>
Difference to OHA Budget	3,661,256	3,556,934	7,218,190
<b>100% of increase to Beneficiary Grants/Services comes from OHA contract, OHA program &amp; OHA Travel</b>			
<b>Contract Costs/OHA PPT</b>			
BOT/Executive	296,700	283,100	579,800
Fee Svcs on Res Mgmt (water, land, fin, etc) - 25% to Pgm Grants	845,595	806,835	1,652,430
Legal Fee Services to OHA - 25% to Grants	979,110	934,230	1,913,340
*Other Program Contracts (spent by 5 Divisions)-50% to Pgm Grants	652,740	622,820	1,275,560
Fee Svcs (legal/social svcs)- to Grants	0	-	-
<b>Total Contract Costs - Redirect to Grants</b>	<b>2,774,145</b>	<b>2,646,985</b>	<b>5,421,130</b>
Difference to OHA Budget	(3,159,855)	(3,015,015)	(6,174,870)
<b>100% of decreases flow to increases to Beneficiary Grants/Services</b>			

<b>Program Costs/OHA PPT</b>				
Mailing/Shipping	288,360	309,240	597,600	
OHA Organized Conferences - 100% to Event Grants	0	-	-	
Other - Need Info	192,240	206,160	398,400	
Trustee Allowances	192,240	206,160	398,400	
Printing	176,220	188,980	365,200	
Advertising	128,160	137,440	265,600	
Conference Fees - 80% to Pgm Grants	19,224	20,616	39,840	
Non OHA Conferences - 100% to Event Grants	0	-	-	
Dues	80,100	85,900	166,000	
Subscriptions	64,080	68,720	132,800	
Honorariums	64,080	68,720	132,800	
<b>Total Program Costs - Redirect to Grants</b>	<b>1,204,704</b>	<b>1,291,936</b>	<b>2,496,640</b>	
Difference to OHA Budget	(397,296)	(426,064)	(823,360)	
<b>100% of decreases flow to increases to Beneficiary Grants/Services</b>				
<b>Travel Costs/OHA PPT</b>				
Trustee Travel	199,350	221,850	421,200	
Advocacy Team Travel - 50% to Capacity	39,870	44,370	84,240	
Executive Team Travel - 50% to Capacity	28,795	32,045	60,840	
Community Engagement Team Travel - 50% to Capacity	19,935	22,185	42,120	
Financial Assets Team Travel - 50% to Capacity	15,505	17,255	32,760	
Research Team Travel	17,720	19,720	37,440	
Land Asset Team Travel	13,290	14,790	28,080	
SPRI Travel	4,430	4,930	9,360	
<b>Total Travel Costs - Redirect to Capacity</b>	<b>338,895</b>	<b>377,145</b>	<b>716,040</b>	
Difference to OHA Budget	(104,105)	(115,855)	(219,960)	
<b>100% of decreases flow to increases to Beneficiary Grants/Services</b>				
<b>Equipment Costs/OHA PPT</b>				
Repair & Maintenance	585,000	471,250	1,056,250	
Software & Equipment	270,000	217,500	487,500	
Furniture & Fixtures	45,000	36,250	81,250	
<b>Total Equipment Costs</b>	<b>900,000</b>	<b>725,000</b>	<b>1,625,000</b>	
<b>Zero Change</b>				
<b>Overhead Costs/OHA PPT</b>				
Office Leases, CAM, Utilities - 59%	1,770,000	1,791,240	3,561,240	
Insurance - 15%	450,000	455,400	905,400	
Utilities - 11%	330,000	333,960	663,960	
Supplies - 6%	180,000	182,160	362,160	
Need Info - Other	180,000	182,160	362,160	
Communications - 3%	90,000	91,080	181,080	
<b>Total Overhead Costs</b>	<b>3,000,000</b>	<b>3,036,000</b>	<b>6,036,000</b>	
<b>Zero Change</b>				
<b>Debt Service/OHA PPT</b>				
Principal & Interest on LOC balance	579,000	567,000	1,146,000	
<b>Total Debt Service</b>	<b>579,000</b>	<b>567,000</b>	<b>1,146,000</b>	
<b>Zero Change</b>				
<b>GRAND TOTAL SCHHA Proposal for OHA Core Budget</b>	<b>36,057,566</b>	<b>35,944,535</b>	<b>72,002,101</b>	
<b>GRAND TOTAL OHA Proposal for OHA Core Budget</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>	

<b>SCHHA Proposal for Core Budget Difference</b>	<b>(1,551,434)</b>	<b>(1,566,465)</b>	<b>(3,117,899)</b>
SCHHA Proposes Staff Savings to Beneficiary Land Trust	1,551,434	1,566,465	3,117,899
SCHHA Proposed Amount Increase to Beneficiary Grants/Svcs	3,661,256	3,556,934	7,218,190
SCHHA Proposed Amt Redirected from DHHL to Homestead Develop	3,029,320	3,032,420	6,061,740
<b>NON-CORE BUDGET</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
Fiscal Reserve Authorization	TBD	TBD	
Governance Planning	TBD	TBD	
Commercial Property - Kakaako & Na Lama Kukui	TBD	TBD	
Legacy Property - Palaua Culture Preserve & Wao Kele O Puna	TBD	TBD	
Special Programs HLIC/NHRLF/EPA	TBD	TBD	
Special Programs Other - Hiilei & Hookele Pono	TBD	TBD	
<b>GRAND TOTAL NON-CORE BUDGET</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
<b>GRAND TOTAL OF CORE + NON-CORE BUDGET PROPOSAL</b>	<b>52,609,000</b>	<b>52,511,000</b>	<b>105,120,000</b>

**Brown - SCHHA has made a revision to the line item**

**Green - SCHHA increased the line item in dollars**

**Red - SCHHA decreased the line item in dollars**



**SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Board of Trustees - 29 FTE**

This staffing sheet represents the Board of Trustees and staff.

**Board of Trustees – 9 FTE**

**Board of Trustee Staff – 20 FTE**

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review**  
**OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Executive Office Sheet - 19 FTE**

**CEO Office - 4 FTE**

Chief Executive Officer  
 Senior Executive Assistant  
 Executive Assistant  
 Executive Manager

**COO Office – 10 FTE**

Chief Operating Officer  
 Executive Assistant  
 Public Relations Officer  
 Cultural Specialist  
 Knowledge Based Strategies Specialist – frozen  
 Performance Based Strategies Specialist  
 Human Resources Manager  
 Human Resource Assistant  
 Human Resource Specialist  
 Human Resource Specialist

**Corporate Counsel – 5 FTE**

Senior Legal Counsel  
 Legal Assistant  
 Assistant Senior Legal Counsel/Risk Manager Officer  
 General Counsel for Government Regulatory Law & Compliance  
 Counsel for Environmental Law, Native Rights & Legal Services

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review**  
**OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Resource Management Financial Assets Division Sheet – 34 FTE + 5 Federally Funded**

The purpose of the Resource Management Financial Assets Line of Business is to provide resource management and organizational infrastructure services to the OHA Board of Trustees and Administration executives so that they can protect, preserve, and grow intrusted financial, non-financial and real assets over the long term for the Native Hawaiian people.

**Division Executive Team – 3 FTE**

Chief Financial Officer/Resource Management Director  
 Executive Assistant  
 Administrative Assistant

**Administrative Services Program** provides financial, and procurement support to the Administration and managers so they can efficiently allocate and manage resources in the best long term interests of beneficiaries.

**Administrative Services Program – 16 FTE**

Controller  
 Administrative Assistant  
 Budget Analyst  
 Accounting Manager  
 Accountant  
 Accounting Assistant  
 Accounting Assistant  
 Accounting Assistant  
 Accounting Assistant  
 Accounting Assistant  
 Procurement Manager  
 Purchasing/Procurement Specialist  
 Purchasing/Procurement Specialist  
 Purchasing Technician  
 Travel Services/Procurement Specialist  
 Travel Services/Procurement Specialist

**Information Systems and Records Management Program** provides business technology tools and applications, records management, and network services to OHA leaders and staff so they can conduct business and achieve results in a reliable and efficient computing environment.

**Information Systems and Records Management Program – 6 FTE**

Information Systems/Records Manager  
 Information Systems Specialist  
 Information Systems Specialist  
 IT Specialist  
 Information Specialist  
 Records Management Specialist

**Investment Transactions Program** provides financial and land investment strategy, acquisition, and asset management services to OHA so they can steward and grow the value of portfolio investments for the eventual legal transfer to the new Native Hawaiian governing entity.

**Investment Transaction Programs – 2 FTE**

Investment Transactions Manager

Senior Investment Analyst

**Transitional Assistance Program** provides information and referral, financial assistance and short term health care, education, and income assistance services to Native Hawaiians individuals and families so they can maintain or improve their issue while they access additional services and opportunities to stabilize their life situation and move toward self – sufficiency.

**Transitional Assistance Program – 7 FTE**

Transitional Assistance Manager

Administrative Assistant

Grants Specialist

Grants Specialist

Grants Specialist

Grants Specialist

Funding Source Specialist - frozen

**Native Hawaiian Revolving Loan Fund** staff are not part of the CORE BUDGET because they are funded by federal program dollars. NHRLF is designed to provide Native Hawaiians better access to credit, capital, and financial services and skills as a part of a larger effort to create jobs, wealth, and economic and social well-being. NHRLF offers business, consumer education and consumer home improvement capital.

**NHRLF Program – 5 FTE NOT INCLUDED IN DIVISION FTE TOTAL**

Manager

Research Analyst

Research Analyst

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review**  
**OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Resource Management Land Assets Division Sheet – 10 FTE + 3 Federally Funded**

The kuleana of the Resource Management Land Assets Line of business is to restore and enhance the reciprocal relationship between Kanaka and Aina through exemplary traditional and innovative stewardship of OHA's lands; promoting efforts to ensure that resources and opportunities remain sustainably available for the current needs and future prosperity of our beneficiaries.

**Division Executive Team – 2 FTE**

Land & Property Director  
 Executive Assistant

**Commercial Property Management Program** is responsible for the oversight of management, leasing and development at Kaaako Makai and Na Lama Kukui, as well as all OHA facility related issues.

**Commercial Property Management Program – 4 FTE (2 FTE funded by Kakaako Maikai, not Core Budget)**

Land & Property Manager  
 Land Management Specialist  
 Natural Resource Management Specialist  
 Land Specialist

**Land & Property Management Program** cares for all OHA's legacy and programmatic lands totaling approximately 26,000 acres of conservation, agricultural and commercial property.

**Land & Property Management Program – 4 FTE**

Land & Property Manager  
 Land Management Specialist  
 Natural Resource Management Specialist  
 Land Specialist

**Halawa-Lulukū Interpretive Development Project** mitigates adverse impacts to select cultural sites caused by the construction of Interstate H-3. In 1987 an MOA was made with the Hawaii State Historic Preservation Office, the Advisory Council on Historic Preservation and the Federal Highways Administration to ensure Section 106 compliance of National Historic Preservation Act for H-3. In 2000, a cooperative agreement was made between OHA and HDOT, tasking OHA with developing an Interpretive Development Plan implementing select projects from the IDP and creating a Stewardship Management Plan.

**Halawa-Lulukū IDP – 3 FTE not FUNDED BY CORE BUDGET – Federally Funded**

HLID Project Coordinator  
 HLID Project Planner  
 Administrative Assistant

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review**  
**OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Research Division Sheet – 18 FTE**

The Research Line of Business compiles, gathers, analyzes and reports data in order to identify gaps and important issues related to Native Hawaiians; inform our advocacy efforts; and ensure that OHA's actions and initiatives are based on the best information available.

**Division Executive Team – 2 FTE**

Research Director  
 Executive Assistant

**Land, Culture, and History Program** provides comparative research services to the organization so that informed decisions using credible historical analysis can be made to protect Native Hawaiian physical and intellectual rights. LCH developed and maintains repositories of Hawaiian knowledge that are accessible to the public via the Papakilo and the KIPUKA online databases. Cultural and historical research information sheets are also available on the OHA website.

**Land Culture History Program – 6 FTE**

LCH Manager - frozen  
 GIS Specialist  
 Research Analyst  
 Research Analyst  
 Research Analyst  
 Research Analyst

**Special Projects Program** provides applied research services to the organization that identify issues and trends to inform advocacy, policy, and operational initiatives. The special projects team supports specialized research needs across the organization as it produces Indicator Sheets and Fact Sheets on education and economic self-sufficiency.

**Special Projects Program – 4 FTE**

Manager  
 Research Analyst  
 Research Analyst  
 Research Analyst

**Program Improvement Program** provides administrative and programmatic findings and recommendations to OHA decision makers in order to ensure that contracts, programs, and projects are properly executed and implemented in accordance with the terms and conditions stated in the contract and to identify outputs, outcomes and impact on beneficiaries. Formative and summative evaluations use a systematic method for collecting, analyzing and reporting information.

**Program Improvement Program – 3 FTE**

Manager  
 Program Improvement Specialist  
 Program Improvement Specialist – frozen

**Demography Program** provides population and social demographic information to the organization as well as the public via its Native Hawaiian Data Book. Additionally, the section produces Indicate Sheets and Fact Sheets on Health.

**Demography Program – 3 FTE**

Manager

Research Analyst

Research Analyst

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review**  
**OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Community Engagement Division Sheet – 30 FTE**

The overall kuleana of the Community Engagement Line of Business is to create two-way communication channels that support OHA’s strategic priorities, its mission and vision. The CE Division focuses on sharing information and connecting OHA in meaningful ways with Hawaiian communities and the general public.

**Division Executive Team – 3 FTE**

Community Engagement Director  
 Publications Lead  
 Executive Assistant II

**Community Outreach** is responsible for helping OHA establish and maintain mutually beneficial relationships with beneficiaries and other valued stakeholders. Duties include sharing with beneficiaries how to access OHA’s programs and services, raising public awareness of OHA’s efforts and building collaborative relationships with a wide array of partners to achieve OHA’s strategic goals.

**Community Outreach Program – 20 FTE**

Community Outreach Manager  
 Community Outreach Assistant Manager  
 Administrative Assistant  
 Community Outreach Coordinator – Oahu  
 Community Outreach Coordinator – Oahu  
 Community Outreach Coordinator – Oahu  
 Community Outreach Coordinator – Oahu  
 Community Outreach Coordinator – Hilo  
 Community Outreach Coordinator - Hilo  
 Community Outreach Coordinator – Kona  
 Community Outreach Coordinator - Kona  
 Community Outreach Coordinator – Lanai  
 Community Outreach Coordinator – Maui  
 Community Outreach Coordinator - Maui  
 Community Outreach Coordinator – Molokai  
 Community Outreach Coordinator - Molokai  
 Community Outreach Coordinator – Kauai  
 Community Outreach Coordinator – Kauai  
 Intake and Referral Specialist  
 Intake and Referral Specialist

**The DPM program** connects OHA and the community via digital and print media platforms, applies communications industry best practices to materials it develops and distributes, and aims to inform, education and inspire audiences with its media products. The DPM program manages OHA's digital and print media platforms that include oha.org, kamakakoi.com, mooaupuni.com, social media accounts, a direct e-mail program, short and long format video productions and the monthly Ka Wai Ola newspaper.

**Digital and Print Media – 7 FTE**

Digital and Print Media Manager

Digital Media Specialist

Digital Media Specialist

Communications Specialist

Communications Specialist

Communications Specialist

Public Relations & Media Specialist - frozen

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review**  
**OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Advocacy Division Sheet - 29 FTE**

The Advocacy Division is one of several Divisions in the OHA Administration. Overall, Advocacy exists to fulfill OHA's statutory kuleana to advocate on behalf of our beneficiaries, and to assess policies and practices as they impact our beneficiaries. Each of our programs is tied to one element of that mission.

**Division Executive Team – 3 FTE**

Executive  
 Advocacy Counsel  
 Assistant

**Public Policy** focuses on shaping laws, regulations, rules, guidelines, and in some cases court decisions, as they are still being considered. They're best known for their work during the state legislative session, but they also do a fair amount of analysis and commentary on executive actions. To a limited extent, they work on certain federal policy when there's a strong state-level implementation or nexus. (Think HHCA or ESSA.)

**Public Policy Program – 8 FTE**

Public Policy Manager  
 Administrative Assistant  
 Senior Public Policy Advocate  
 Public Policy Advocate IV  
 Public Policy Advocate III  
 Public Policy Advocate III  
 Public Policy Advocate III  
 Public Policy Advocate III

**Compliance Enforcement** focuses primarily on the implementation of existing state and federal law as it affects Native Hawaiians. Since OHA is named in NAGPRA and NHPA and we are regularly consulted on other matters concerning cultural resources and natural resources, CE's expertise is primarily in those areas. They handle virtually all of OHA's consultation requests, including Section 106, Chapter 343, etc.

**Compliance Enforcement – 6 FTE**

Compliance Enforcement Manager  
 Administrative Assistant  
 Compliance Enforcement Archeologist  
 Compliance Enforcement Specialist III  
 Compliance Enforcement Specialist III  
 Compliance Enforcement Specialist III

**Governance** exists to coordinate OHA's work as it relates to Native Hawaiian self-determination. For the past several years, this meant serving as the liaison to Na'i Aupuni and spearheading OHA's advocacy in support of the rulemaking to reestablish the government-to-government relationship with the United States. More recently, it has shifted to public education on self-determination issues and indigenous rights and expanding OHA's analysis in the international arena. Governance also oversees OHA's Hawaiian Registry Program, which is also a statutorily mandated program.

**Governance – 4 FTE**

Governance Manager  
Governance Specialist  
Hawaiian Registry Specialist  
Genealogy Resource Specialist

**Washington DC Bureau** is our eyes and ears at the federal capitol. They monitor pending federal legislation and executive actions, do a lot of coordinating with stateside parts of OHA on various state/federal issues, and lead our efforts to maintain a pipeline for Native Hawaiians to experience DC and consider federal public service.

**Washington DC Bureau – 3 FTE**

Washington DC Bureau Chief  
Administrative Assistant  
Federal Public Policy Advocate

**Papahānaumokuākea Marine National Monument Management** was established several years ago to handle OHA's responsibilities as a member of the PMNM Monument Management Board, and to advocate for our rightful places as Co-Trustee of the monument. Now that OHA has been elevated to Co-Trustee as of January 10, 2017, this program's role is to continue to conduct analysis and advocacy on behalf of our beneficiaries as it pertains to the monument, but this time with a greater degree of authority.

**Papahānaumokuākea Marine National Monument Management – 2 FTE**

PMNM Manager (Keola)  
PMNM Specialist (Brad)

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**

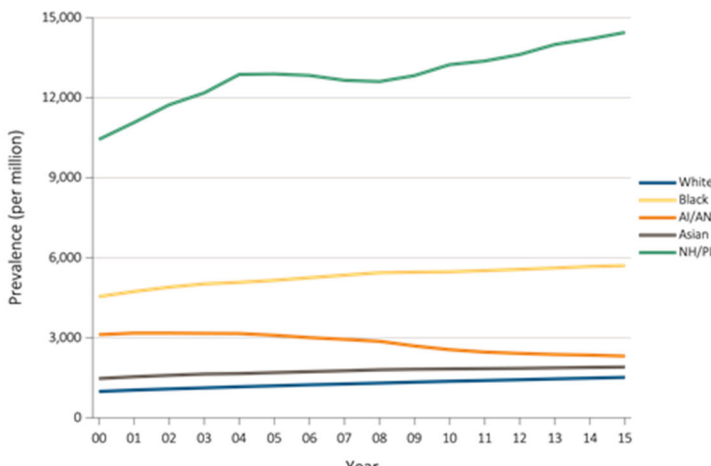
Contributor	Comments
1. Anna Peters 5/28/2019 (e-mail)	Unfortunately I won't be able to make this meeting being I will be out of state. I hope that you could include my mana`o on this process. I believe there should be more services around assisting the elderly. Whether it's helping them with legal, financial issues or medical advice on pros & cons on long term care or just providing information on whether to continue to live or let go. Along with that investing in elderly care homes or in early childhood would be even better. Whether through building a community center as a one stop shop for our island or all our islands where people can come and get care, information, workshops, meeting space etc. etc.
2. R N Mansfield 5/24/2019 (e-mail)	<p>Aloha mai,</p> <p>Thank you for distributing this presentation to us, the lahui. My ohana are Pohina of Milolii, Kona, Hema, moku o Keawe, Kama'i of Ale'amai, Hilo, moku o Keawe, Takayama, Akimseu, Iokepa. We are of Obed Uweoulani Nawahine of Olowalu, Maui, of Na'ehu, of Abraham and Margaret Maika'i Dudoit, Lucy Kumaikalani Mansfield, Helen Kalanikauleleiwi Nawahine Wahineokai. Further, I do not claim to speak on their behalf.</p> <p>The presentation is comprehensive and while I am certain that I do not understand all of the details and implications, I trust your effort.</p> <p>The kuleana of education is important and should not be left solely to Kamehameha Schools to carry.</p> <p>In the future please consider TMKs belonging to lahui which have been abandoned and subject to public auction. Is it feasible for OHA to create a lahui land trust to which lahui could transfer title?</p> <p>Also, please be certain legislative proposals are carefully crafted to withstand the test of time.</p> <p>I humbly thank you all for your efforts. Surely your aloha aina motivates your efforts and it has no price tag. Our kupuna gifted that to us. Mahalo ke Akua.</p>
3. Sylvia Krewson-Reck	5-24-2019

Contributor	Comments
5/24/2019 (e-mail)	<p>Aloha OHA,</p> <p>For many years I have been deeply concerned that the 1906 Inculcation Program for Patriotism given to all first graders - and on and in for about seven generations...that the true original kanaka values and principles have been diminished.</p> <p>Most importantly, is the awareness of the NA'AU...a vital part of our anatomy which guided - by conscience - our behavior. I am old enough to recall among some of my kupuna such an awareness. Unfortunately,</p> <p>I fear that this vital guide is less known by several younger generations and I feel it must be restored.</p> <p>This all came to my attention when at 21 I ventured to California, stayed for a while, married and had three kids so I did stay for a long while. Before that I had only known Hawaiian - and local culture...I knew no ha'ole. After much cogitation about the vast differences between ha'ole culture and that of my Hawaii one, the Na'au stood out...Ha'ole ike na'au ole..Noone was aware of this precious part of our conscience.</p> <p>More and more throughout the years I have been concerned. WE DO ALL NEED OUR CONSCIENCE, don't we?</p> <p>Could OHA set up a kanaka kahiko hie hie kanawai specifically for the purpose of restoring those beautiful pure values once adhered to...for the younger people.</p>

Contributor	Comments
	<p>Na'auao - knowledge is the balance between the ombination of mind and feelings...Please correct me if not so.</p> <p>Mahalo a nui loa, sylvia</p>
<p>4. Aileen Camello 5/23/2019 (e-mail)</p>	<p>The first Carpenter Training program just completed in Kapolei and my relative is so excited about using the training to help her find a better paying job. I understand there were more than 400 application and only 30-40 were selected. OHA should fund career programs like this to help Hawaiians have an opportunity to get better paying jobs. These programs should be given in the homestead or convenient locations not in downtown . Educational Programs will help Hawaiians get motivated to better themselves.</p> <p>There should be Education funding for all Hawaiian children. Kamehameha can only do so much funding; I think OHA could help close the gap.</p>
<p>5. Julie Kanealii 6. 5/23/2019 (e-mail)</p>	<p>Aloha,</p> <p>Awesome, since you asked....there are too many rules and regulations. Approaching things the same way year after year and expecting a different result is the definition of insanity. It's time to think outside the box, shift the paradigm, please.</p> <p>My husband will never qualify on paper to get a personal or business loan from you folks, why should he have to? You're application process is intimidating to say the least, the people that need it the most are being overlooked and underserved. We were recently houseless for 6 weeks and he knew there was no way he would get any help from OHA, so didn't even bother. He was turned down in 1995/96, another time we really needed help. I've never heard him say - "we're in trouble, I know I can count on OHA to help me." If a Kanaka asks for money, <b>GIVE</b> it to them. Do you know how hard it is to ask for help? It's <b>HARD</b> to ask for help and then to get denied is crushing! We know very few Kanaka that have directly benefitted from OHA money, your outreach needs to reach more people.</p> <p>The city of Stockton, California has a pilot program - Economic Security Project - where a number of residents will be given \$500 a month for 18 months. Here's the link  - <a href="https://money.cnn.com/2018/07/09/technology/stockton-california-basic-income-experiment/index.html">https://money.cnn.com/2018/07/09/technology/stockton-california-basic-income-experiment/index.html</a>. Find a number, any number that will make a</p>

Contributor	Comments
	<p>significant impact, and start there. Put rules in place of course - a Kanaka Maoli (no blood quantum only genealogy) must be 18 years old and earn less than \$60,000 a year for example (this number depends on family size and <b>MUST</b> fully realize the cost of living here), and <b>MUST</b> live in Hawai'i (this keeps the money in Hawai'i). What a huge impact you could have, that extra money could mean stable housing, eating healthy (less reliance on medical services), cover education costs, eliminate credit card debt, the ability to pursue passion employment - not a dead end job - the list goes on. No matter what OHA does as an organization you will never be successful until you pull the ones that need the most help up from the depths; we are experiencing a major crises here in Hawai'i.</p> <p>I'd also say either beef up your grant programs or direct the money elsewhere. I've applied for grants for our civic club through OHA. There are too many applicants for too small a pool of money to make a difference. As a neighbor island nonprofit it seems to us that O'ahu projects are given preference. One year we were told OHA receives very few applications from Kaua'i, please apply, and then we were turned down. Shocking.</p> <p>Another option that I've just discovered is called Living Benefits, a life insurance program that gives you access to benefits while you're living. It offers protection if you die too soon, become ill, or live too long. You can also borrow against it for emergencies. This is a way to level the playing field, and empower people to live well, and with peace of mind (never touch the principal, live off the interest). The highest contributing factor to bankruptcy in the nation is caused by a medical emergency. There's too much to share here, I'd love to get you more information for your employees, as well as beneficiaries.</p> <p>Here's a question - If the Kanaka Maoli are called beneficiaries of OHA, but not all benefit how does that work?</p> <p>I would also like to ask another question - Why does the newspaper Ka Wai Ola use the English version of months, example - April - apelila instead of ka'elo used on the Hawaiian calendar? My sister-in-law Rogelyn Kaneali'i sent in an ad for Ka Wai Ola and asked this question but never got an answer.</p> <p>Mahalo,</p>

Contributor	Comments
<p>7. Earl Carinio  5/23/2019 (e-mail)</p>	<p>Aloha OHA, my name is Earl Kekaulaiwi Carinio and I reside at XXXXXXXX, Kailua-Kona, a DHHL leesee in the Village of Lai O’Pua. I moved here from California after a long and grateful career at the Naval Surface Warfare Center, in Port Hueneme, CA. I am part of the “brain drain” that left the Islands in search of a meaning filled career in Engineering in California. I am blessed to come home and live back in Hawaii. During my hiatus from the Islands I served in the United States Air Force in Europe ( USAFE) 1960-64, and California National Guard while pursuing my Engineering Degree at California State University San Jose 1969-1971. I also completed my Master of Science in Systems and Safety Management at The University of Southern California (1978) .</p> <p>During my time in Europe, I took up the sport of Fencing and after 3 years Fencing with my German and Air Force teammates, I competed and won the German Sports District Championship for all military competitors in Germany.</p> <p>Long story short, I came back to the Sport when I come across the Silver Sword Fencers training in the Kona Gymnasium, introduced my self to the Fencing Master Joe Zapatoloiva, who made me his Assistant Coach. Circumstances beyond our control, impacts our stability to establish a stable venue to practice our sport in West Hawaii. We practice at the Kealakehe High School Cafeteria on Tue 3:45pm-6:00Pm and at Halehale Wai Recreation Center 3:45-6:00PM. Hopefully we can find a permanent facility at the West Hawaii Community Center Lai ‘O’Pua 2020 with the approval Bo Kahui.</p> <p>Our lessons are free with the only cost is for the students to pay for the safety equipment which costs \$150. The equipment includes a Mask, padded jacket, chest protector and a practice foil. This costs prohibits many students from participating in this sport. Our students range from 8 yr old and up. I am requesting funds to provide the baseline equipment for 15 students which amounts to \$2,250. This startup fund can ease the financial burden of many of our students in the West Hawaii Community. For further information on our Academy contact Joe Zapatoloiva at <a href="mailto:joezn0329@gmail.com">joezn0329@gmail.com</a> or myself at <a href="mailto:ecarinio@https://urldefense.proofpoint.com/v2/url?u=http-3A_Yahoo.com&amp;d=DwIFaQ&amp;c=euGZstcaTDIlvimEN8b7jXrwqOf-v5A_CdpnVfiiMM&amp;r=rG_5R46Awj9EA-mpEcM3Ghb1xKW97hIo7-">ecarinio@ https://urldefense.proofpoint.com/v2/url?u=http-3A_Yahoo.com&amp;d=DwIFaQ&amp;c=euGZstcaTDIlvimEN8b7jXrwqOf-v5A_CdpnVfiiMM&amp;r=rG_5R46Awj9EA-mpEcM3Ghb1xKW97hIo7-</a></p>

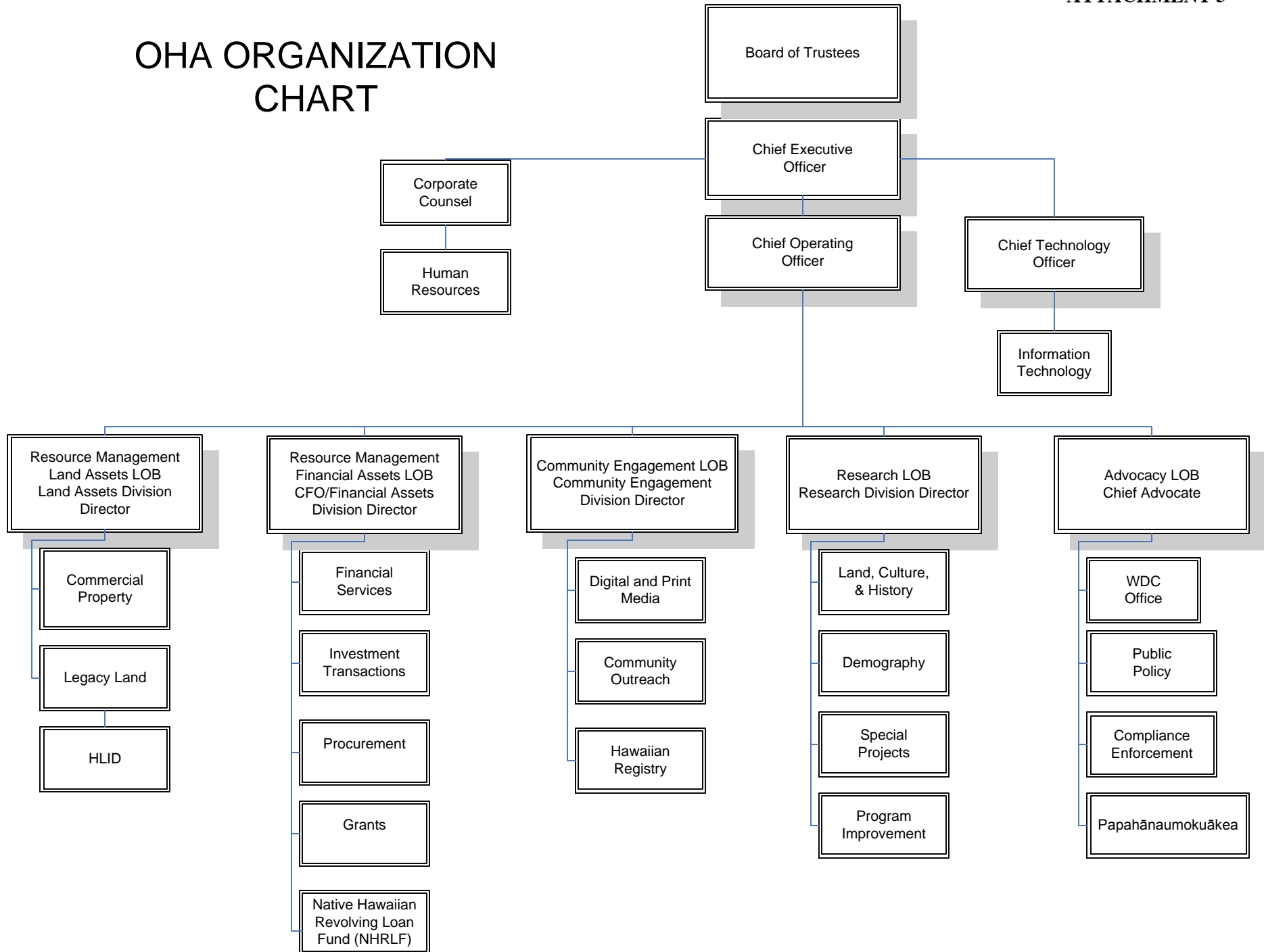
Contributor	Comments
	<a href="https://www.ohha.org/tyyanhfm&amp;m=sWJpyeJ2QxNT4NBcJDLVifuIs9NEcT5XbH702oiQs3s&amp;s=SMqTz-Pw-xPKh_042nCQoxanpHAYXZPhYN4v55tkZy0&amp;e=">TYYANHFM&amp;m=sWJpyeJ2QxNT4NBcJDLVifuIs9NEcT5XbH702oiQs3s&amp;s=SMqTz-Pw-xPKh_042nCQoxanpHAYXZPhYN4v55tkZy0&amp;e=.</a>
<p>8. Ramona Wong 5/23/2019 (e-mail)</p>	<p>Just my thoughts, given the highest rate within ethnicity in Hawai'i and apparently the nation (see slide below), I would love to explore what OHA can do to expand awareness of Native Hawaiians and support health education like Aloha Kidney (<a href="http://www.alohakidney.com">www.alohakidney.com</a>) shown to make a difference in people's ability to make choices that nudge them away from or at least slow the progression of chronic disease.</p> <p><b>vol 2 Figure 1.11 Trends in adjusted prevalence of ESRD, by race, in the U.S. population, 2000-2015</b></p>  <p><small>Data Source: Reference Table B.2(2) and special analyses, USRDS ESRD Database. Point prevalence on December 31 of each year. Standardized for age and sex. The standard population was the U.S. population in 2011. Abbreviations NH/PI: Native Hawaiian/Pacific Islander; AI/AN: Americans Indian/Alaska Natives; ESRD, end-stage renal disease.</small></p> <p><b>USRDS</b> 2017 Annual Data Report  Volume 2, Chapter 1 18</p> <p>Mahalo for the opportunity to respond,</p>
<p>9. Ken Hill 5/23/2019 (e-mail)</p>	<p>Sorry I'm not Hawaiian. I'm Republican just like President Lincoln. I believe in freedom!</p> <p>Please consider getting your sovereignty from the US government. True you will never get all your land back because this is the most strategic military base in the entire world.</p>

Office of Hawaiian Affairs  
FY 20-21 Biennium Budget  
Public Comments Received as of May 28, 2019

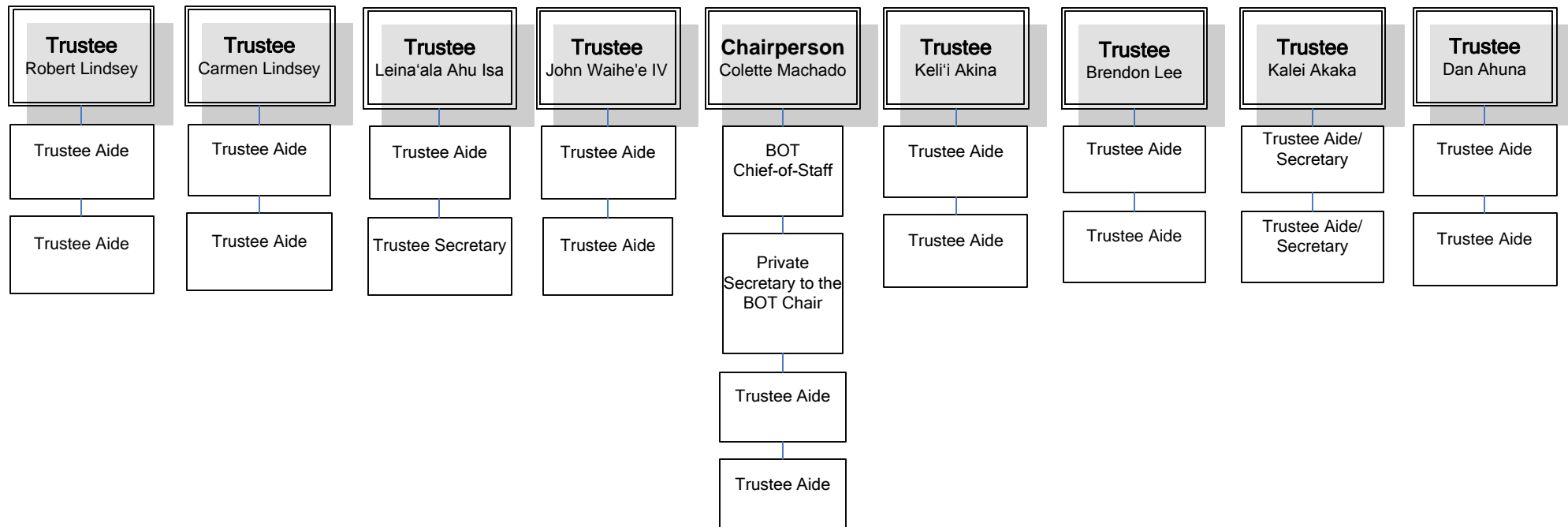
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Contributor	Comments
	<p>For God sakes take what you can get, just like the rest of the American tribes on the mainland.</p> <p>Aloha</p>
<p>10. luciana dupio 5/23/2019 (e-mail)</p>	<p>I feel OHA needs to pay great attention to our kupunas..they need assistance with housing this is not one solution fits all..medical bills overwhelmingly affects our kupuna in every way ..if these two issues are not pono then we are not respecting their life that they spent loving and caring for all of us..</p> <p>To much money and attention is given to small business altho it is important equal attention need to be given to our precious Kupunas. I will soon be there and so will you and I hope when I need help I will not be turned down like my mom was so often did that she stop cslling on OHA. How sad is thst day.</p>
<p>11. Robin Puanani Danner, SCHHA Chairman</p>	<p>Just for everyone's convenience, attached is the last biennium budget analysis we submitted to OHA back in 2017.</p>

# OHA ORGANIZATION CHART



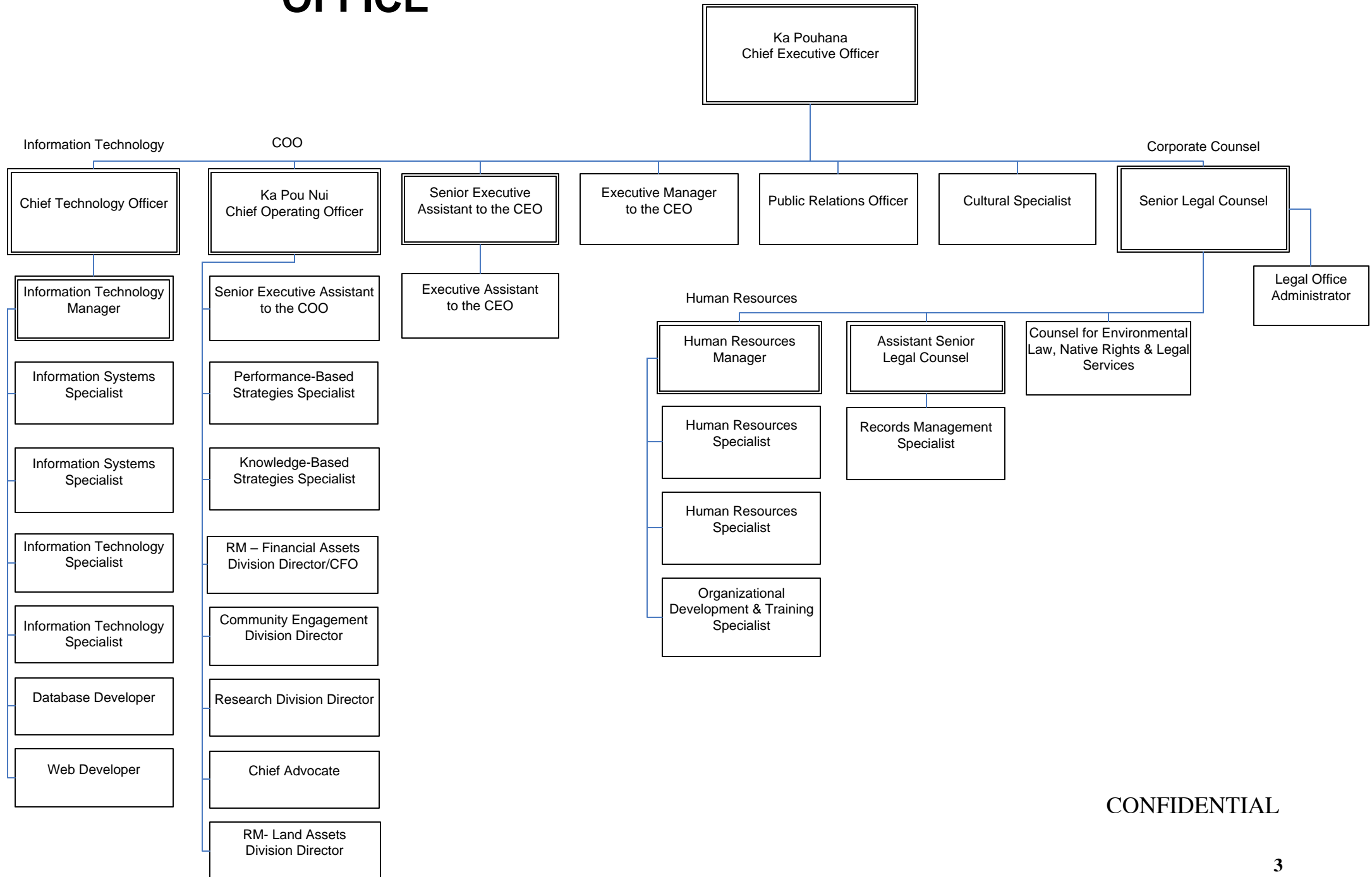
# BOARD OF TRUSTEES



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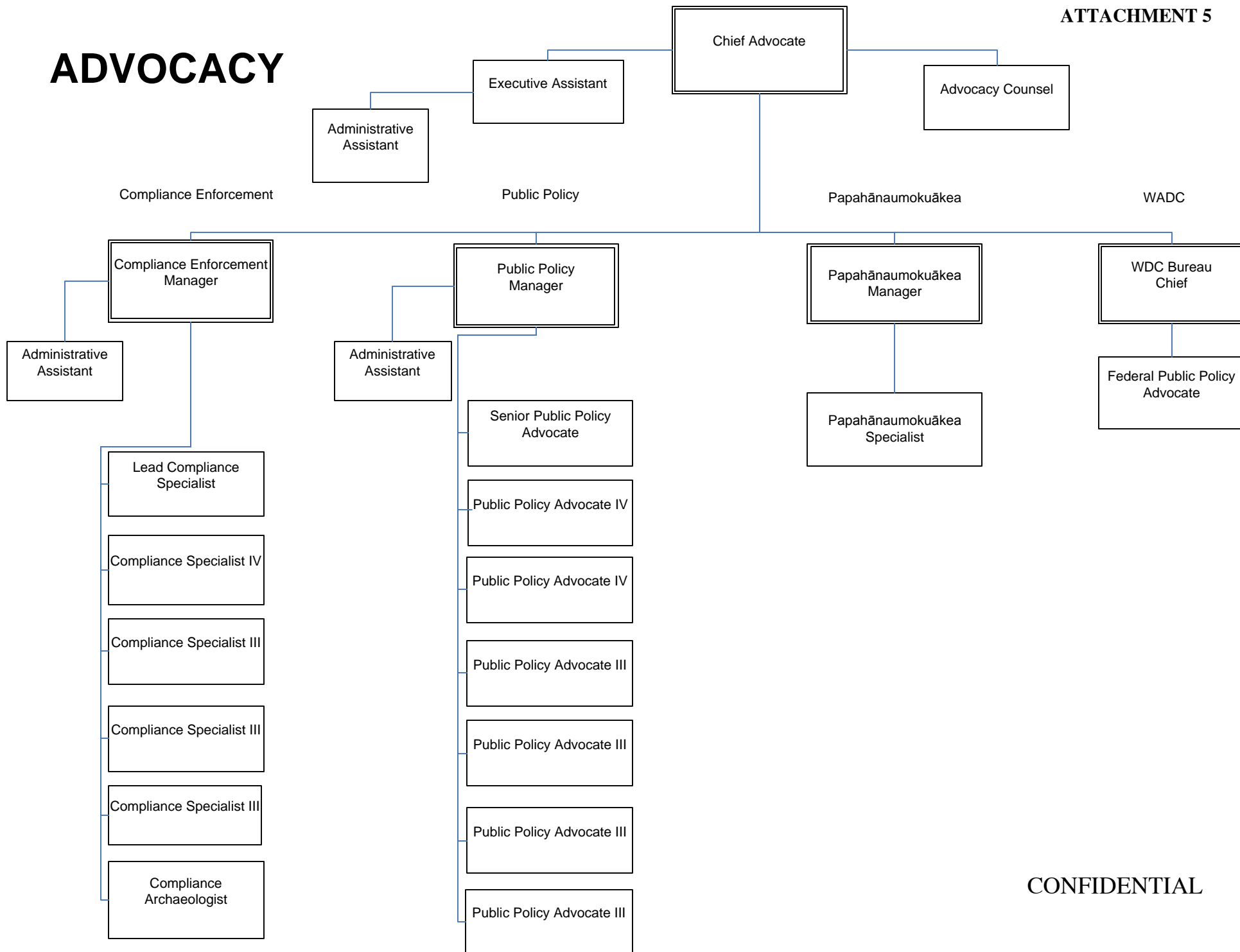
# EXECUTIVE OFFICE

ATTACHMENT 5



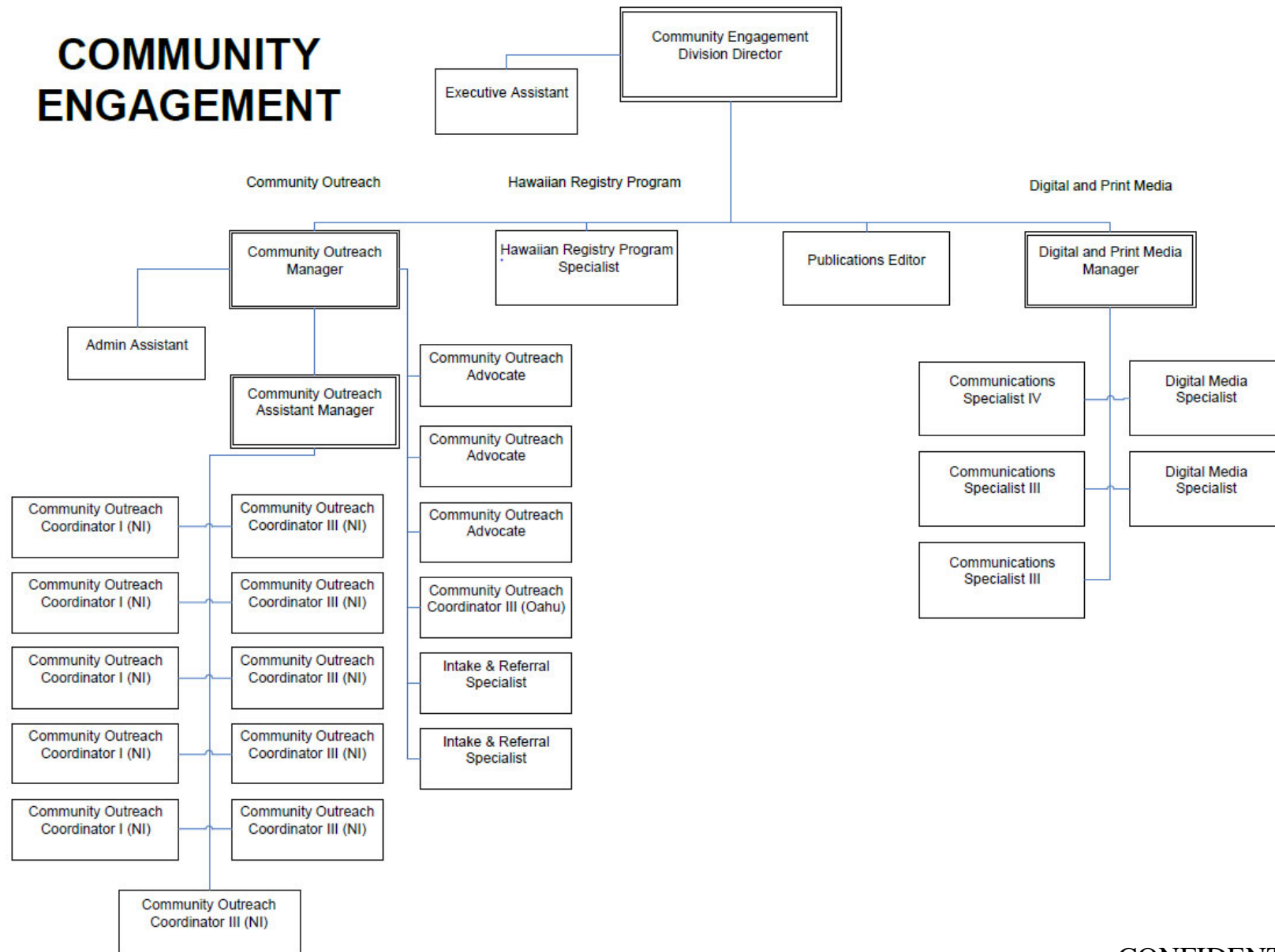
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# ADVOCACY



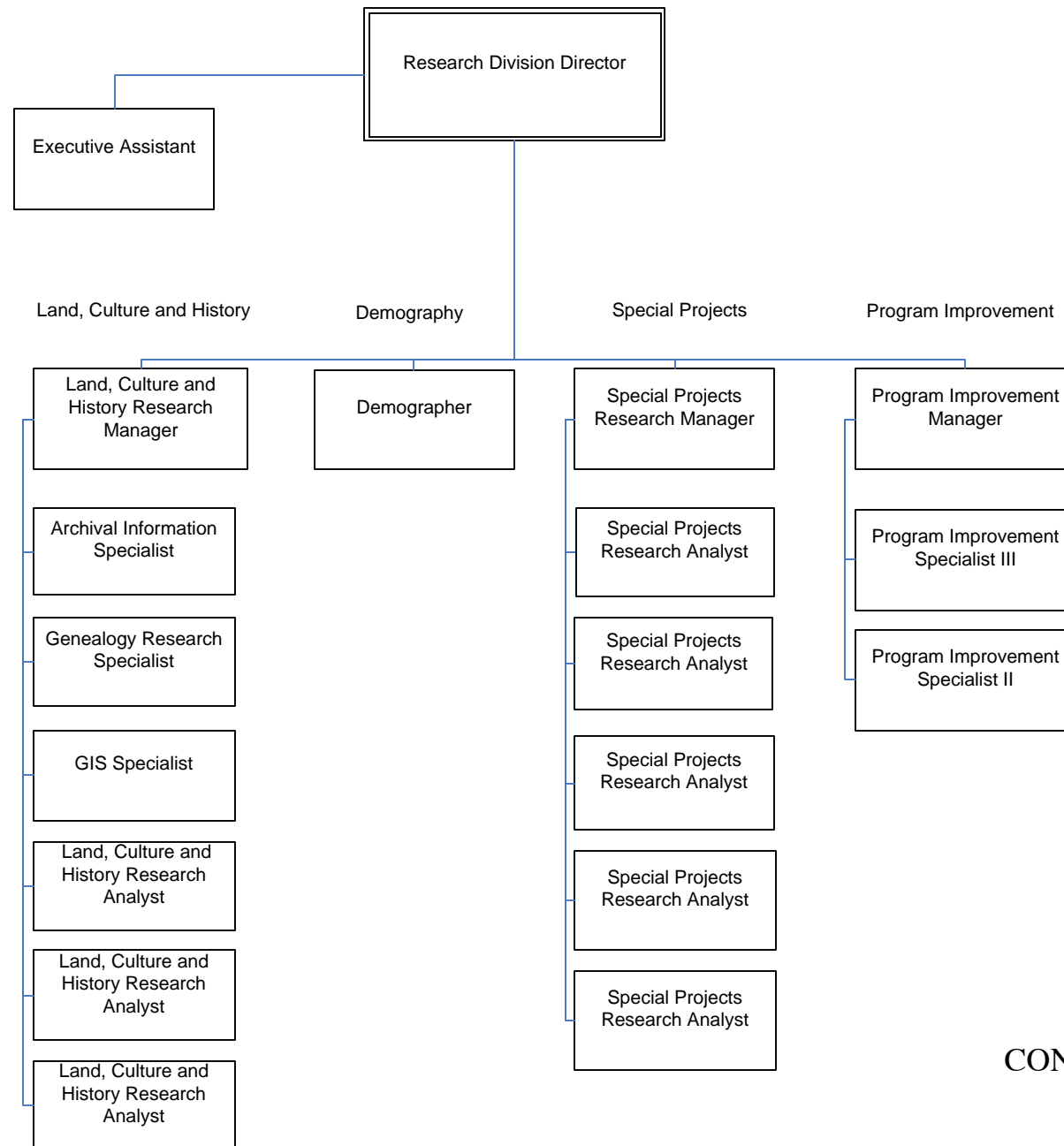
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## COMMUNITY ENGAGEMENT



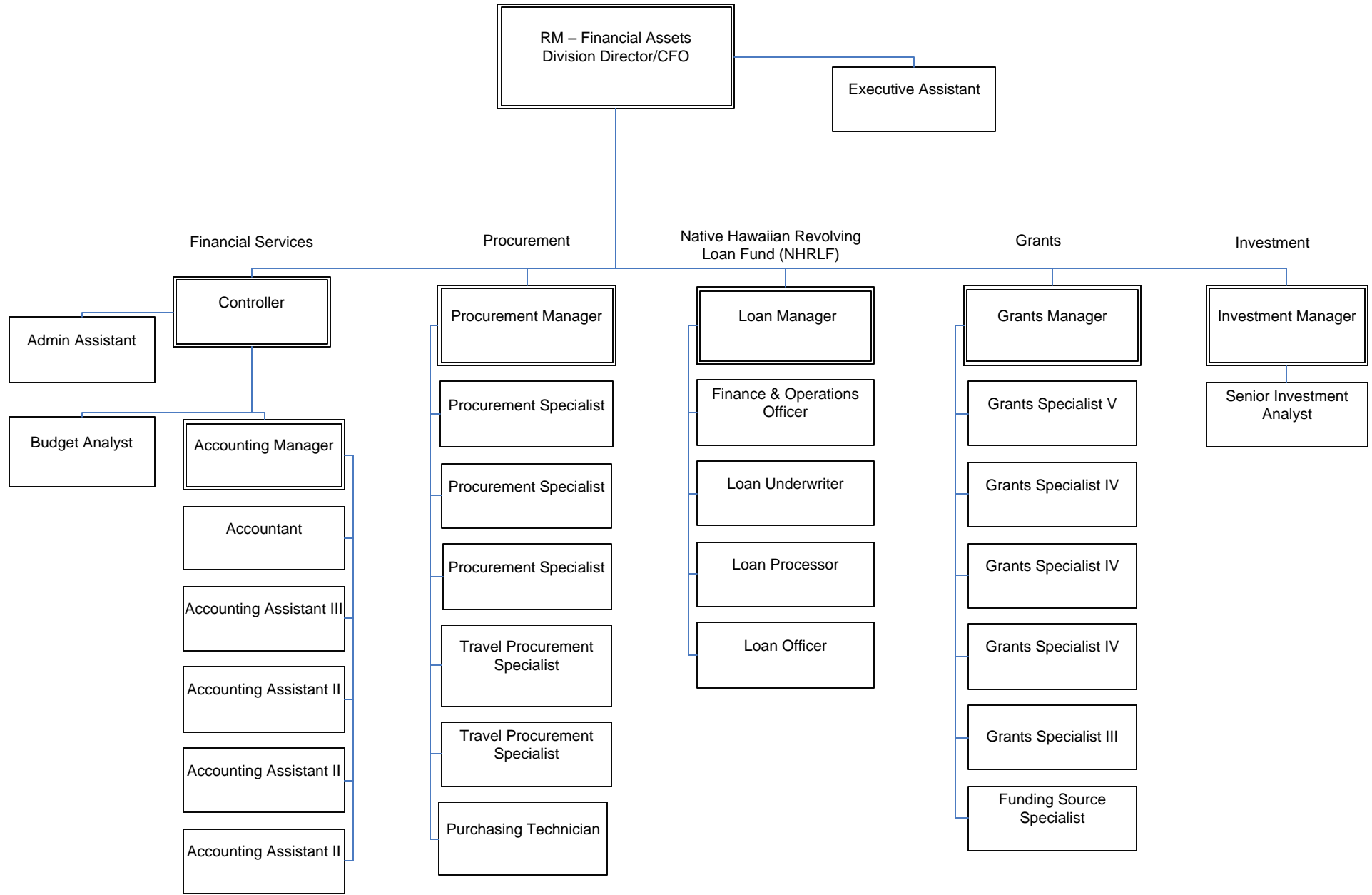
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# RESEARCH



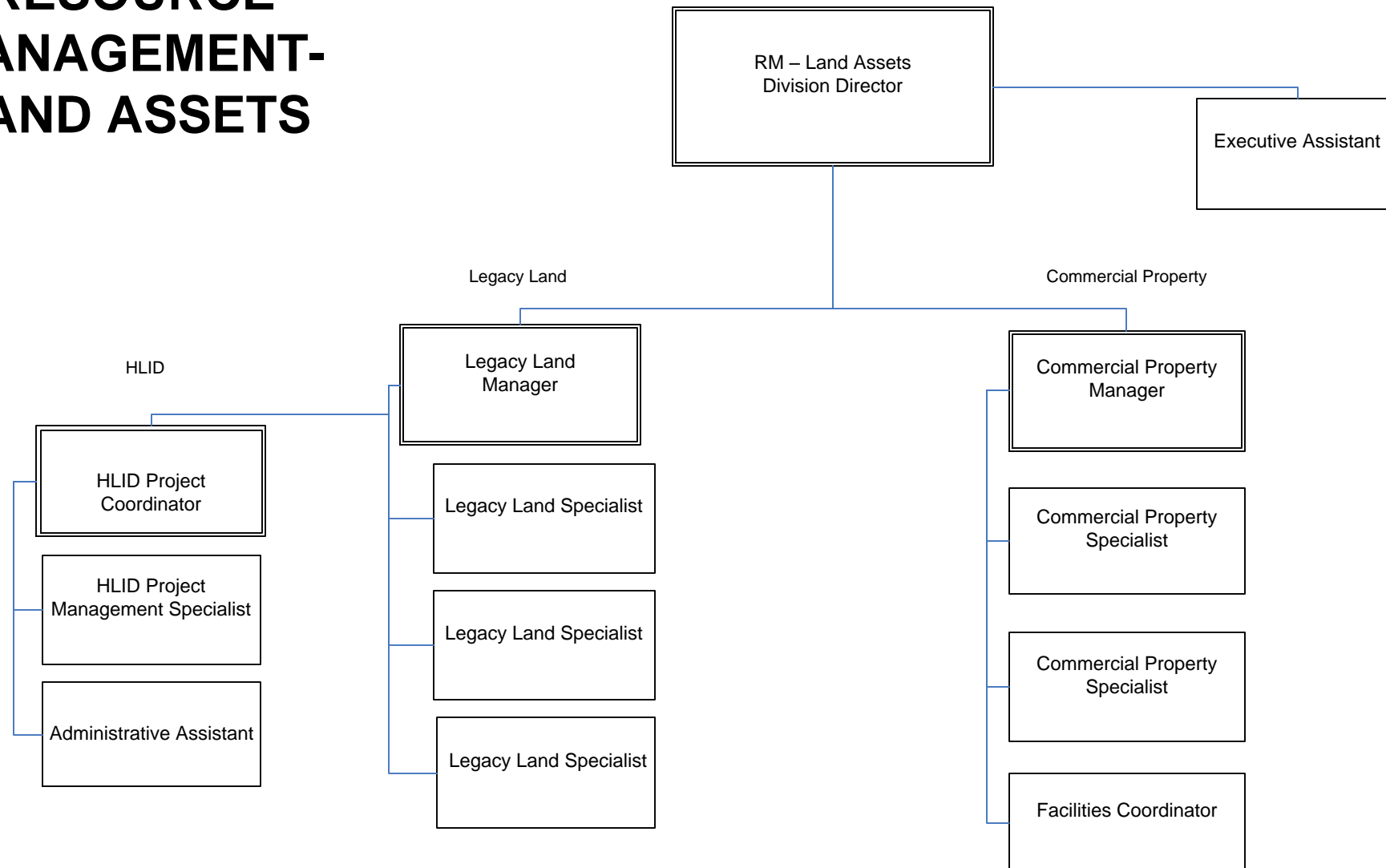
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# RESOURCE MANAGEMENT- FINANCIAL ASSETS



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# RESOURCE MANAGEMENT- LAND ASSETS



CONFIDENTIAL



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OFFICE OF HAWAIIAN AFFAIRS  
Interoffice Memorandum

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Date: May 30, 2019

To: Ke Kauhuhu Colette Y. Machado  
Ke Kua Leina‘ala Ahu Isa  
Ke Kua Dan Ahuna  
Ke Kua Kaleihikina Akaka  
Ke Kua Keli‘i Akina  
Ke Kua Brendon Kalei‘Ōlana Lee  
Ke Kua Carmen Hulu Lindsey  
Ke Kua Robert K. Lindsey, Jr.  
Ke Kua John Waihe‘e IV

From: Kamana‘opono M. Crabbe, Ph.D., Ka Pouhana, Chief Executive Officer

CC: Sylvia M. Hussey, Ed.D., Ka Pou Nui, Chief Operating Officer  
Lisa Watkins-Victorino, Pou Kihi Kōne, Research Director  
Miles Nishijima, Pou Kihi Kanaloa ‘Ōlana, Resource Management Land Assets Director  
Mehanaokalā Hind, Pou Kihi Lono, Community Engagement Director  
Raina Gushiken, Ka Paepae, Corporation Counsel, Interim Senior Legal Counsel  
Sterling Wong, Ke Kahua Paikala, Public Relations Officer  
Lisa Victor, Ka Pou Kihi ‘Enehana, Chief Technology Officer  
Gloria Li, Kanaloa Waiwai, Controller  
Grace Chen, Kanaloa Waiwai, Budget Analyst

Subject: FY20-21 Biennium Budget Book

Attachments:

1. Memorandum re: OHA Biennium Budget Workshop/Presentation dated May 28, 2019
  2. Total Operating Budget Biennium Fiscal Periods 2019-2020 (FY 2020) 2020-2021 (FY 2021)
-

## **I. OVERVIEW**

As indicated in the attached memorandum, Administration outlined the following workshop/presentation plan:

### **A. FY 20-21 Biennium Budget Workshop – Part I – WE, May 29, 2019**

1. **CONTEXT AND GOAL:** To propose a balanced biennium budget (FY2020-2021) for the RM Committee's approval considering multiple factors influencing the challenges facing/before OHA (KP-CEO)
2. **REAR VIEW MIRROR PERSPECTIVE:** Looking back while facing forward (KPN-COO)
3. **FINANCIAL-INVESTMENT PROJECTIONS:** Looking forward (SPIRE-Rodney Lee and Lucas Sayin)

In presenting the above three items, two power point presentations were presented at the May 29, 2019 Resource Management Committee budget workshop (see below):

THE OFFICE OF HAWAIIAN AFFAIRS  
*Empowering Hawaiians, Strengthening Hawai'i*



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**B. FY 20-21 Biennium Budget Workshop – Part II – WE, June 5, 2019**

4. **PRESENTATION ON THE BIENNIUM BUDGET** (KP, KPN and Controller Gloria Li)
5. **SUMMARY AND RECOMMENDATIONS**

In preparing for the above workshop, this FY 20-21 biennium budget book (FY20-21 BBB) is herein distributed.

**II. BALANCED CORE BUDGET DEFINITION**

Administration presents for the Board’s consideration and recommends approval of a “balanced” core budget. A “balanced” core budget means that expenses for FY 20 and FY 21, do not exceed the Spending Limit.

SOURCES OF FUNDING	Biennium Budget Request	
	FY 20	FY 21
5% of Investment Portfolio	\$17,692,555	\$17,886,701
Public Land Trust Revenues	15,100,000	15,100,000
State of Hawai`i General Funds	3,037,879	3,037,879
Allocation of Kaka`ako Makai Revenues	1,435,610	1,186,572
<b>Total:</b>	<b>\$37,266,044</b>	<b>\$37,211,152</b>

OPERATING BUDGET	Biennium Budget Request	
	FY 20	FY 21
<b>1. Core Operating Budget</b>		
Personnel (including 60% fringe)	\$16,905,440	\$17,136,197
Non-Personnel	20,360,683	20,075,035
<b>Total:</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

**III. OTHER ITEMS OF NOTE**

The following items are not currently in the FY20/21 biennium budget book and schedules; and will be addressed in the final action item based on the Board’s directives: (1) HB172 HD1 SD2 CD1 – OHA Budget Bill - \$500K of Trust Funds for a financial and management audit by December 2019; and (2) Hi`ilei Aloha LLC and Ho`okele Pono LLC activities and actions.

#### **IV. FY 20-21 BIENNIUM BUDGET BOOK CONTENTS**

The contents of the FY20-21 BBB is tabbed, organized and sequenced as follows:

1. **Fiscal Year 2020 and 2021 Preliminary Biennium Budget - Core<sup>1</sup>**
2. **Attachment 1 – Prior Year Actual Expenditures Data Tables<sup>2</sup>**
3. **Fiscal Year 2020 and 2021 Preliminary Budget – Non-Core** – includes Commercial Property (i.e., Kaka`ako Makai, Na Lama Kukui), Federal Programs (i.e., Halawa-Luluku Interpretive Development, Native Hawaiian Revolving Loan Fund), Special Programs (e.g., legacy properties, Palaua Culture Preserve, Wao Kele O Puna Management Fund, LLCs, Fiscal Reserve)<sup>3</sup>.
4. **Supporting Attachment 2 – FY 20/21 Biennium Budget Summary and Data Tables** – this attachment provides core budget summary by line item and related data tables<sup>4</sup>; and calculation of 5% of the Native Hawaiian Trust Fund Twenty (20) Quarter Rolling Market Value computation.
5. **Supporting Attachment 3** – This attachment contains a number of schedules including: (A) Comparative Performance of Native Hawaiian Trust Fund (NHTF), as of December 2018, noting since NHTF fund inception (3/1/2003), the investment portfolio has earned an average investment return of 6.37%; (B) Core Travel Expenditures, FY 2016 – FY 2021, historical actual expenditure compared to budgeted requested amount for FY 20/21; (C) Special Programs; (D) Fiscal Reserve Rollforward computation(s), noting that because of the moratorium on fiscal reserves, approved by the Board in February 2018, the actual FY 2018 increment of approximately \$1.5MM and the projected FY 2019 increment of \$1.0MM is suspended; (E) Ceded Land Revenues/Public Land Trust tracking since FY 2012 indicating the amount that was transferred to OHA from various departments and the amount in excess of \$15.1MM OHA transfers to Budget & Finance Department; (F) NHTF Withdrawals, FY 2005 to FY 2019<sup>5</sup>; and (G) Notes to Financial Statements as of June 30, 2018, Note L – Long Term Liabilities for information on long term debt of the agency.
6. **Public Comment Feedback Documents** – A copy of submitted documents from the Sovereign Councils of the Hawaiian Homelands Assembly, along with public comments submitted via the [ohabudget@oha.org](mailto:ohabudget@oha.org) website is included in this section.
7. **Organization Charts** – Organization charts by position are provided for the following seven organization units: Board of Trustees, Executive Office, Community Engagement, Research, Land Assets, Financial Assets and Advocacy.

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<sup>1</sup> Note: This presentation was circulated to the Trustees (in draft form) on Friday, May 17, 2019 ahead of the public posting on Monday, May 20, 2019. Comments were solicited on-line and collected via [ohabudget@oha.org](mailto:ohabudget@oha.org) along with a Friday, May 24, 2019 “drop in” session at Na Lama Kukui from 1:00 p.m. to 4:00 p.m. A neighbor island call in session is scheduled for Wednesday, June 5, 2019 from 5:00 p.m. to 7:00 p.m.

<sup>2</sup> Tables were included in the Wednesday, May 29, 2019 RM Committee Budget Workshop presentation slides.

<sup>3</sup> Via RM #18-03, the Board approved a moratorium on fiscal reserve spending that is still in place.

<sup>4</sup> This attachment will be the primary attachment in Action Item RM #19-09 re: re: OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)

<sup>5</sup> Note, while OHA does not have a NHTF withdrawal policy, the computation (5%) and comparison (of actual) to illustrate the draws over the course of time and the overall running withdrawal percentage (currently at 4.9%).

**V. ACTION ITEM RM #19-09 - OHA Biennium Budget for the Fiscal Biennium  
Periods 2019-2020 (FY 20) and 2020-2021 (FY 21)**

Attachment 2 of this memo contains summary information of the entire budget which will be included in the Action Item for Trustees' review, consideration and action. The above action item will be drafted to recommend approval of the CORE and NON-CORE budgets for FY 2020-2021 (as summarized in this memorandum Attachment 2), subject to Administration providing information to the Trustees for Trustees' action(s), with the projected time frame in parentheses (month, year):

1. **Policies.** Economic Development, Debt Management, Spending, Investment and Financial Stability policies (July 2019);
2. **Strategies.** Strategic Plan 2020+ strategies (August 2019);
3. **HB172 HD1, SD2, CD1 OHA Budget.** Clarify regarding Section 8, including related FY 2020-2021 budget realignment implications;
4. **Sponsorships.** Recommendation(s) from the Trustees' Ad Hoc Committee on Sponsorships, noting that the Native Hawaiian Congressional Fellowship program may continue as planned (August 2019);
5. **Governance.** Board Governance Framework Permitted Interaction Groups—Board By-Laws and T-Level Policies (September 2019);
6. **Work Plan and related Budget Realignment.** Work plan (e.g., program objectives, activities) and budget realignment for FY 2020-2021 based on Board Governance Framework, including policies; Strategic Plan 2020+ strategies; governance, tactical and operational plans (e.g., technology, projects, key personnel position hires) (September 2019);
7. **Financial Statements and Reporting.** Quarterly financial statements and strategic reporting and operations (i.e., Statement of Net Position, Statement of Activities, Consolidated Variance Report, notes) (October 2019);
8. **Measurement, Monitoring and Reporting Tools.** Creation of electronic repository for measurement, monitoring, reporting and analysis for short term (e.g., dashboards) and long term (e.g., projections, strategic plan) reporting and monitoring (December 2019);
9. **Communications and Branding Plan, Including Transparency Portal.** Creation and implementation of Communications and Branding Plan, including creation, population and maintenance of Transparency Portal (January 2020); and
10. **Projections.** Mid-Year update of projections (January 2020); Mid-Biennium update of projections (August 2020).

**VI. RESOURCE MANAGEMENT BUDGET REVIEW ASSISTANCE**

In preparation for the Resource Management Committee meeting on Wednesday, June 5, 2019 and related action on the FY 20/21 Biennium Budget, Interim Chief Financial Officer Sylvia Hussey ([sylviah@oha.org](mailto:sylviah@oha.org)), Controller Gloria Li ([glorial@oha.org](mailto:glorial@oha.org)) and/or Budget Analyst Grace Chen ([gracec@oha.org](mailto:gracec@oha.org)) are available to walk through the FY20-21 BBB with you and/or your staff in groups of no more than two Trustees (or Trustees' staff) at a time.

KC:sh




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**OFFICE OF HAWAIIAN AFFAIRS**  
Interoffice Memorandum

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**DATE:** May 28, 2019

**TO:** Resource Management Chair Dan Ahuna  
Resource Management Vice Chair Robert Lindsey  
Beneficiary, Advocacy, and Empowerment Chair John Waihe'e, III  
Beneficiary, Advocacy, and Empowerment Vice Chair Kalei Akaka

**Cc:** OHA Board Chair Colette Machado  
OHA Board Vice Chair Brendon Lee  
Sylvia M. Hussey, Ka Pou Nui-Chief Operating Officer

**FROM:** Kamana'opono M. Crabbe, Ka Pouhana-Chief Executive Officer *KC*

**SUBJECT:** OHA Biennium Budget Workshop/Presentation

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This morning Ka Pou Nui, Sylvia Hussey, and I met with SPIRE consultants Rodney Lee and Lucas Sayin to prepare for our Biennium Budget workshop for tomorrow's Resource Management (RM) Committee meeting.

As a preface, Administration and SPIRE have been actively meeting and coordinating OHA priorities for the past 5 months regarding the Fiscal Policies, realigning the 2016 FSP Implementation Plan, restructuring OHA's Chart of Accounts, and preparing more for the Biennium Budget. A month ago, we had planned to do a Biennium Budget Workshop that included the following:

1. **CONTEXT and GOAL:** To propose a balanced biennium budget (FY2020-2021) for the RM Committee's approval considering multiple factors influencing the challenges facing before OHA. (KP-CEO Kamana'o)
2. **REAR VIEW MIRROR PERSPECTIVE:** Looking back while facing forward (KPN-COO Sylvia)
3. **FINANCIAL-INVESTMENT PROJECTIONS:** Looking forward (SPIRE-Rodney Lee and Lucas Sayin)
4. **PRESENTATION ON THE BIENNIUM BUDGET** (KP, KPN, and Controller Gloria Li)
5. **SUMMARY & RECOMMENDATIONS**

During our initial discussions and planning up until last week, we anticipated a 4 hour workshop which could be adapted to 3 hours. However, upon review of the agendas for tomorrow's Joint BAE and RM Committee meeting at 10:00am and the RM Committee meeting at 11:00am given the subject matter and time constraints, I am recommending that Administration and SPIRE present on 1-3 above only and defer items 4-5 for next week Wednesday, June 5, 2019.

With items 1-3 we estimate a 1-1.5 hour presentation that would cover in detail analyses and assessments of a range of national to global, State of Hawai'i to OHA "big picture", to OHA internal "small picture" subject matter. Thus, the exclusion of 4 and 5 above, which would be an approximately a 1.5 hour presentation, would be more appropriately presented and discussed before the RM committee on June 5, 2019 given the time constraints of tomorrow's agendas.

On behalf of Administration and SPIRE I regret informing you at such short notice however, we convened this morning to evaluate the situation and circumstances to accommodate both the Joint BAE and RM Committee and the RM Committee priorities while also cognizant of your time and obligations.

We understand the "pressure" and urgency to complete the biennium budget by end of June. However, we have anticipated the various challenges and shall provide the board reasonable options as solutions to remedy the challenges.

:kc

OFFICE OF HAWAIIAN AFFAIRS

ATTACHMENT 2

TOTAL OPERATING BUDGET

BIENNIUM FISCAL PERIODS 2019-2020 (FY 2020) 2020-2021 (FY 2021)

FY 2020 FTE	Core	Fiscal Reserve	Commercial Property Budget		Legacy Property Budget		Special Programs Budget		FY 2020 Total Operating Budget
			Kaka'ako Makai	Nā Lama Kukui	Palauea Culture Preserve	WKOP Mgmt Fund	Federal Funded	OHA Funded	
Personnel & Fringe	179.0	\$ 16,905,440	\$ -	\$ 278,161	\$ -	\$ -	\$ 764,248	\$ -	\$ 17,947,849
Program		1,351,878	-	81,475	3,000	9,550	109,017	-	1,923,196
Contracts		4,376,719	-	610,000	75,000	70,000	4,014,215	-	9,680,949
Grants		9,581,000	-	-	25,000	10,000	-	-	9,616,000
Travel		511,087	-	-	4,680	8,160	37,045	-	560,972
Equipment		995,570	-	939,500	43,500	158,100	3,750	-	3,452,378
Overhead		2,964,382	-	644,810	9,200	800	72,979	-	4,779,354
Debt Service		580,048	-	-	-	-	-	-	3,131,027
<b>Totals:</b>		<b>\$ 37,266,124</b>	<b>\$ -</b>	<b>\$ 2,553,946</b>	<b>\$ 160,380</b>	<b>\$ 256,610</b>	<b>\$ 5,001,254</b>	<b>\$ -</b>	<b>\$ 51,091,725</b>

FY 2021 FTE	Core	Fiscal Reserve	Commercial Property Budget		Legacy Property Budget		Special Programs Budget		FY 2021 Total Operating Budget
			Kaka'ako Makai	Nā Lama Kukui	Palauea Culture Preserve	WKOP Mgmt Fund	Federal Funded	OHA Funded	
Personnel & Fringe	179.0	\$ 17,136,197	\$ -	\$ 283,724	\$ -	\$ -	\$ 779,582	\$ -	\$ 18,199,503
Program		1,192,677	-	59,475	3,000	9,550	114,191	-	1,758,950
Contracts		4,040,294	-	665,000	42,000	80,000	339,959	-	5,726,755
Grants		9,596,000	-	-	35,000	10,000	-	-	9,641,000
Travel		512,309	-	-	4,680	8,160	37,045	-	562,194
Equipment		1,027,036	-	945,200	28,500	95,798	1,250	-	3,151,362
Overhead		3,134,555	-	647,305	9,000	800	75,202	-	4,869,233
Deb Service		572,163	-	-	-	-	-	-	3,083,115
<b>Totals:</b>		<b>\$ 37,211,231</b>	<b>\$ -</b>	<b>\$ 2,600,704</b>	<b>\$ 122,180</b>	<b>\$ 204,308</b>	<b>\$ 1,347,229</b>	<b>\$ -</b>	<b>\$ 46,992,112</b>

# Fiscal Year 2020 and 2021 Preliminary Biennium Budget - Core BOT Workshop



The Office of Hawaiian Affairs  
May 2019



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# Budget Construction Process



In October 2018, OHA programs were tasked with the development of their FY 2020 and FY2021 Strategic Work Plans. The Executive Team then identified large commitments and priority projects. The next step is the community sharing period. This step will help to inform Administration's submission of the final Biennium budget to the Board of Trustees for approval in May 2019.

The following graph explains OHA's budget process.



# Budget Construction Timetable (Original Plan)



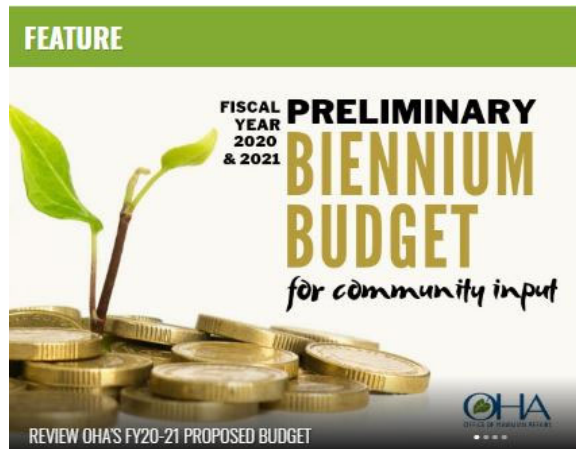
BIENNIIUM BUDGET TIMETABLE						
Activity	DEC 18	JAN 19	FEB 19	MAR 19	APR 19	MAY 19
<b>Work Plans</b>						
1st Draft Due to COO	3					
Feedback on 1st Draft Due to Programs Completed	4-10					
2nd Draft Due to COO	11-14					
Final Approval of Work Plans by COO	17-21					
<b>Biennium Budget Development</b>						
Budget Workbooks Developed with Work Plans		2-11				
Budget Workbooks due to CFO (from approved Work Plans)		17				
Consolidated Requests presented to Executive Team			1			
<b>Biennium Budget Reviews</b>						
Round 1 - Executive Team Discussions			1			
Round 2 - Executive Team Discussions			8			
Round 3 - Executive Team Discussions (if needed)			15			
Round 4 - Executive Team Discussions (if needed)			22			
Executive Team Final Approval			22			
<b>Community Input</b>						
Preparation for Community Input Sessions Completed				6		
Community Input Period				11-22		
Processing of Community Input Completed				29		
<b>Final Biennium Budget Approvals</b>						
Ka Pouhana Final Approval					5	
FY 2020/FY2021 Biennium Budget Workshops					17, 24	
Ka Pouhana After Workshops Final Approval						3
Distribution of Action Item and Binders to RM						17
Action Item to the RM Committee						22
Action Item to the BOT						23

Budget data presented are preliminary and subject to change. 4

# Community Sharing

## Reach summary

- OHA's email list blast sent to 17,000+ subscribers
- OHA's news release
  - Big Island Now
  - The Garden Isle Newspaper
  - Maui News



- Facebook post reached over 855 people
- Facebook post shared 4 times
- Instagram post
- 396+ visits to the [www.oha.org/budget](http://www.oha.org/budget) webpage



# Funding – Spending Limit for OHA



OHA's total operating budget consists of core and non-core budget items. The core operating budget is the focus of this document, as the non-core operating budget items are those that have their own designated funding sources including income from lending activities, commercial leasing and federal grants.

**Table 1: Spending Limit for OHA's Total Operating Budget – FY 20/21**

Spending Limit	FY18	FY19	FY 20	FY 21
<b>1. Core Operating Budget</b>				
5% of Investment Portfolio	\$17,555,826	\$17,448,120	\$17,692,555	\$17,886,701
Public Land Trust Revenues	15,100,000	15,100,000	15,100,000	15,100,000
State of Hawai'i General Funds *	3,037,897	3,037,879	3,037,879	3,037,879
Allocation of Kaka'ako Makai Revenues	433,997	440,709	1,435,610	1,186,572
<b>Sub-total – Core Operating Budget:</b>	<b>\$36,127,720</b>	<b>\$36,026,708</b>	<b>\$37,266,044</b>	<b>\$37,211,152</b>
<b>2. Fiscal Reserve Authorizations</b>				
Designation Limit	\$0	\$0	\$4,243,980	\$4,243,980
<b>Sub-total – FR Authorizations:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,243,980</b>	<b>\$4,243,980</b>
<b>3. Commercial Property</b>				
Kaka'ako Makai	\$6,908,133	\$9,677,390	\$10,895,270	\$11,116,552
Nā Lama Kukui	6,983,325	7,210,399	7,462,857	6,910,471
<b>Sub-total – Commercial Property:</b>	<b>\$13,891,458</b>	<b>\$16,887,789</b>	<b>\$18,358,127</b>	<b>\$18,027,023</b>
<b>4. Federal Programs Budget</b>				
Halawa Luluku Interpretive Development	\$1,258,264	\$1,270,947	\$4,099,249	\$428,199
Native Hawaiian Revolving Loan Fund	1,215,507	825,292	902,005	919,030
<b>Sub-total – Federal Programs Budget:</b>	<b>\$2,473,771</b>	<b>\$2,096,239</b>	<b>\$5,001,254</b>	<b>\$1,347,229</b>
<b>5. Special Programs Budget</b>				
Special Programs Budget - Legacy Properties	\$686,807	\$638,202	\$717,727	\$554,842
Special Programs Budget – Other	319,468	263,832	225,000	195,000
<b>Sub-total – Special Programs Budget:</b>	<b>\$1,006,275</b>	<b>\$902,034</b>	<b>\$942,727</b>	<b>\$749,842</b>
<b>Total Operating Budget:</b>	<b>\$53,499,224</b>	<b>\$55,912,770</b>	<b>\$65,812,132</b>	<b>\$61,579,226</b>

\*SOH General Fund – final version of the bill has not been issued, and was transmitted to the Governor on May 1, 2019.

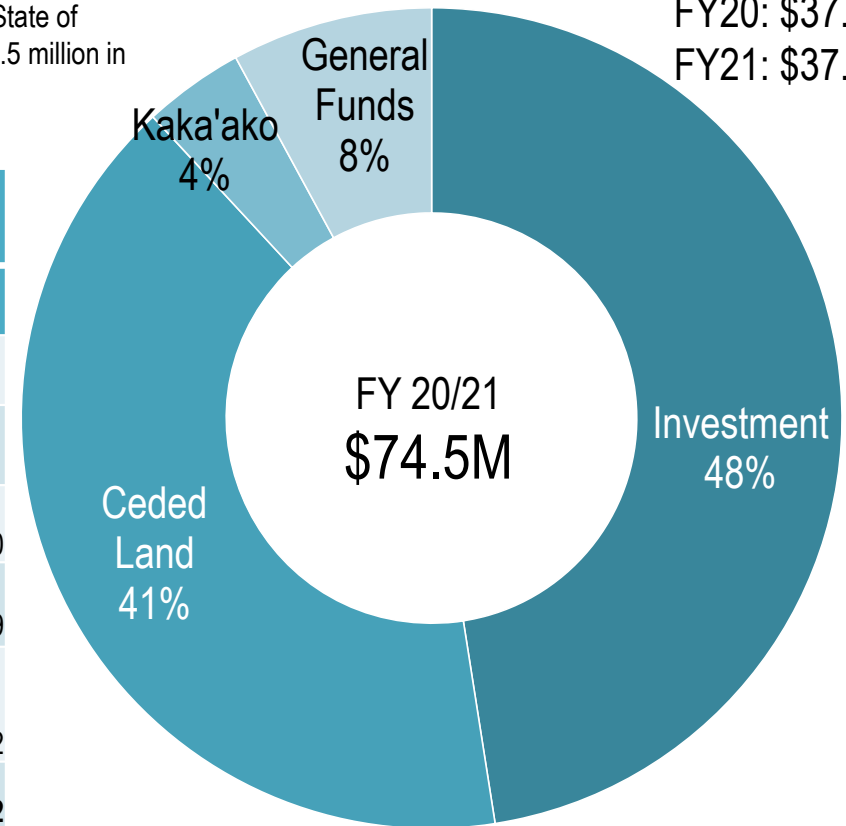
Budget data presented are preliminary and subject to change. 6

# Funding – Core Operating Budget

OHA's core operating budget is dependent upon four major sources of funding. The sources are: a percentage of investment portfolio; public land trust allotments; Kaka'ako Makai revenues; and State of Hawai'i general fund appropriations. These sources are projected to generate approximately \$74.5 million in FY 20/21.

**Table 2: Spending Limit for OHA's Core Operating Budget – FY 20/21**

FUNDING SOURCES	BOT Approved		Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Core Operating Budget				
5% of NHTF Portfolio	\$17,555,826	\$17,448,120	\$17,692,555	\$17,886,701
Public Land Trust Revenues	15,100,000	15,100,000	15,100,000	15,100,000
State of Hawai'i General Funds *	3,037,879	3,037,879	3,037,879	3,037,879
Allocation of Kaka'ako Makai Revenues	433,997	440,709	1,435,610	1,186,572
<b>Spending Limit:</b>	<b>\$36,127,702</b>	<b>\$36,026,708</b>	<b>\$37,266,044</b>	<b>\$37,211,152</b>



Budget data presented are preliminary and subject to change. 7

# Funding

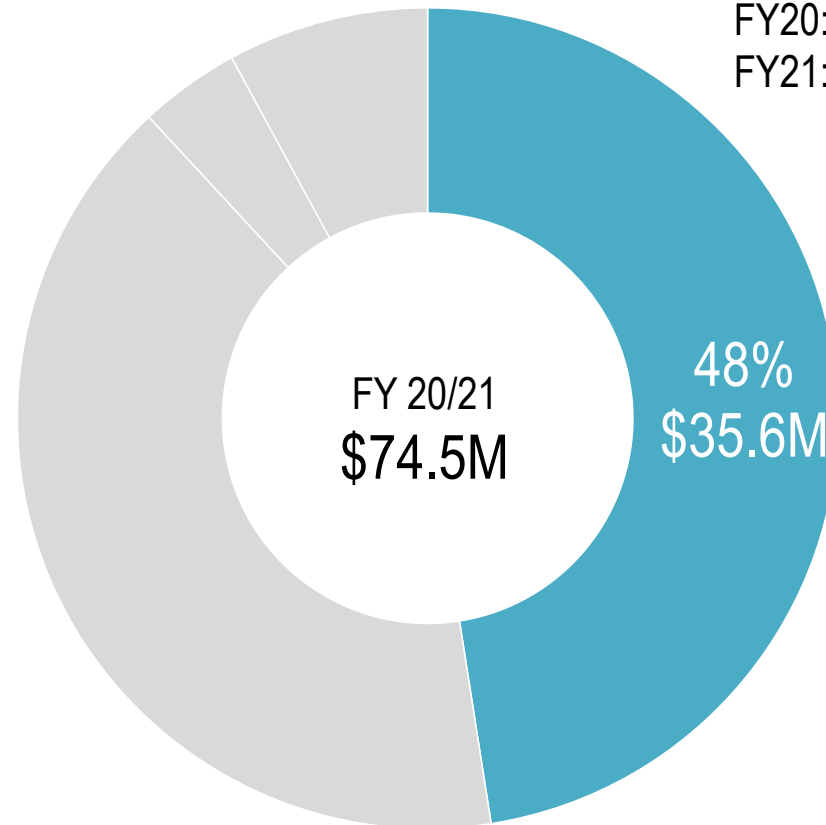
## 1. Investment Portfolio

The largest source of funding is OHA's ability to spend 5% of its investment portfolio, pursuant to its Spending Policy, which allows for a maximum 5% allocation of funding based upon a 20-quarter rolling average market value.

For FY20, the 5% spending amounts to approximately \$17.7 million. For FY21, the computed 5% spending increased slightly to \$17.9 million for a total of \$35.6 million over the two year period or 48% of OHA's total core operating budget.



FY20: \$17.7M  
FY21: \$17.9M

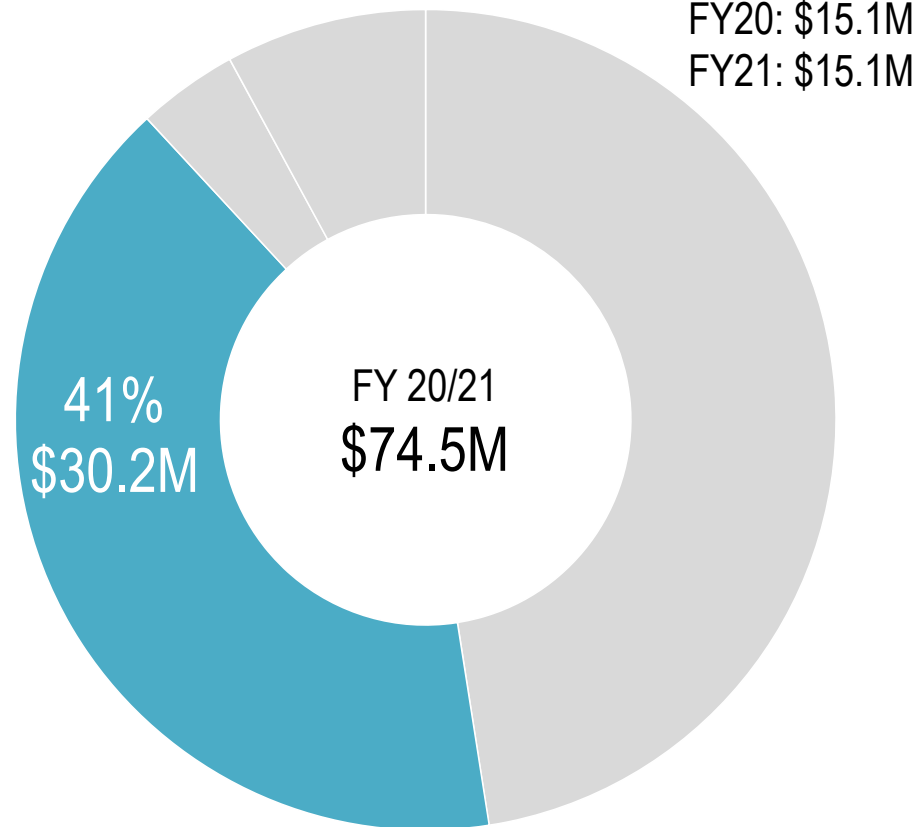


Budget data presented are preliminary and subject to change. 8

# Funding

## 2. Public Land Trust Revenues (PLT)

The PLT is a subset of state lands which is held in trust for the betterment of the conditions of native Hawaiians, and the general public. PLT lands are comprised of former Crown and Government lands of the Hawaiian Kingdom. Hawai'i's constitution establishes OHA in part to receive and administer native Hawaiians' pro rata share of revenues derived from the PLT. The pro rata share is generally understood to be **20% of the revenues** from PLT lands. How this 20% should be calculated is a matter of longstanding debate between OHA and the State. In 2006, the State agreed to pay OHA a fixed \$15.1 million per year as a temporary approximation of the PLT share. At 41% of OHA core operating budget, this is the second largest source of funding.



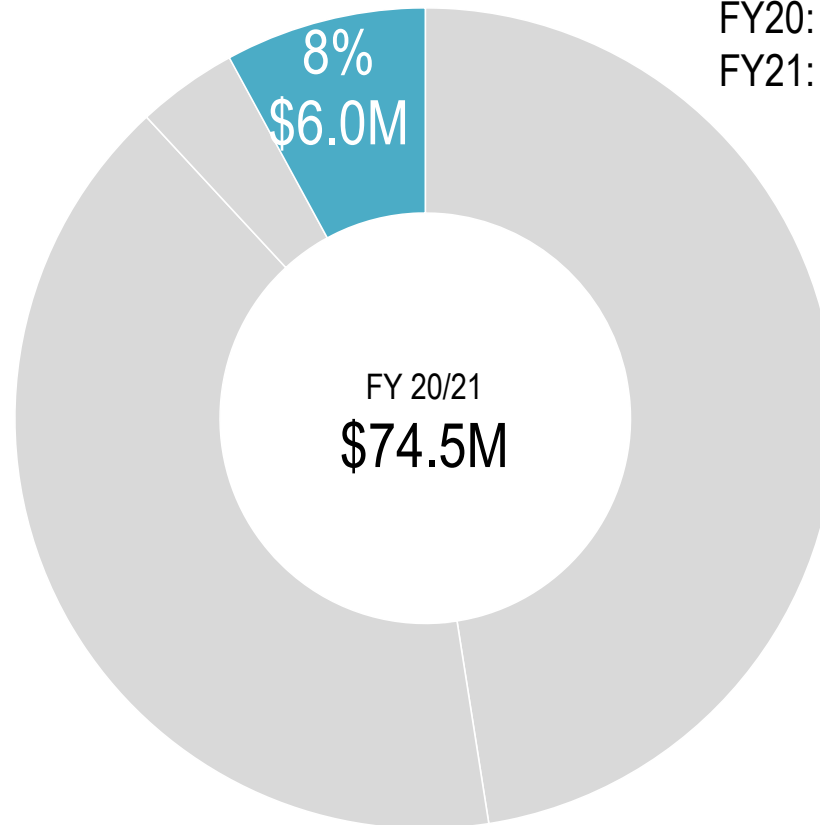
# Funding

## 4. State of Hawai'i General Funds

The fourth source of funding is provided through the State of Hawai'i General Funds. OHA fulfills its fiduciary responsibilities to beneficiaries by advocating at the state legislature each year for general fund appropriations.

On average, OHA receives \$3 million in general fund appropriations annually. In continuing its advocacy efforts, OHA has consistently sought increases to its request to leverage its own Trust Funds for community benefit.

For FY20 and FY21, OHA received an annual funding of approximately \$3 million; for a total of \$6 million over the two years, constituting 8% of OHA's core operating budget.



FY20: \$3.0M  
FY21: \$3.0M

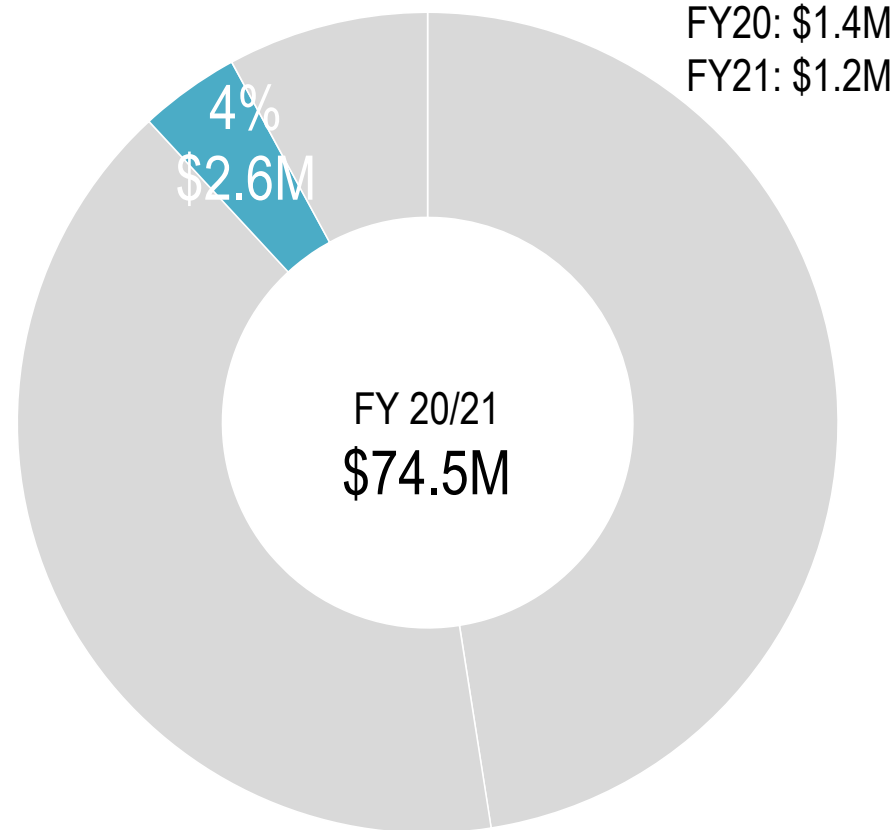
# Funding

## 3. Kaka'ako Makai Revenues

The third source of funding, albeit a small percentage of OHA's total core operating budget, reflects a commitment by OHA's Board of Trustees to ensure maximum funding for continuing grants program support.

In 2012, OHA officially took title of 30 acres of prime real estate in Kaka'ako Makai. Annually, these parcels are expected to generate more than \$4M in revenue to OHA. OHA's Board of Trustees authorized a portion of these revenues to help support OHA's cultural preservation lands and the grants program.

The estimated amount is approximately \$1.4 million in FY20 and slightly decreased to \$1.2 million in FY21, for a total of \$2.6 million or 4% of OHA's total core operating budget.



Budget data presented are preliminary and subject to change. 11

# Total Operating Budget Summary



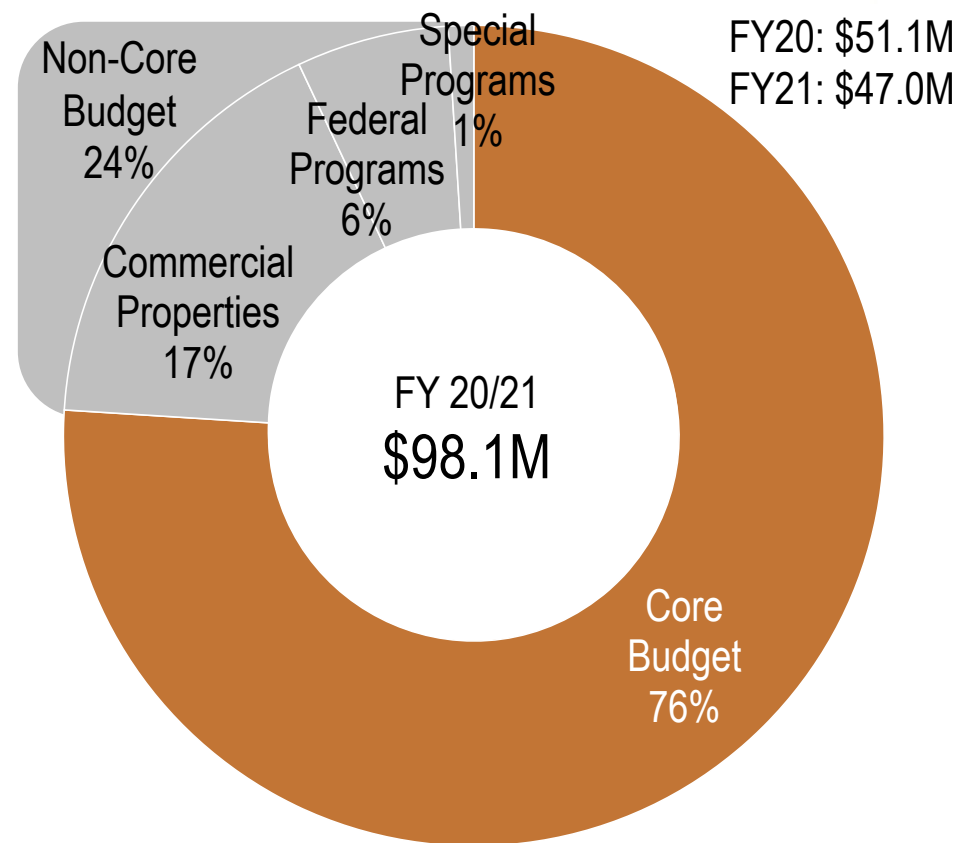
<b>Total Operating Budget</b>	<b>FY 20</b>	<b>FY 21</b>	<b>Total</b>
<b>1. Core Operating Budget</b>			
Personnel	\$16,905,440	\$17,136,197	\$34,041,637
Non-Personnel	20,360,684	20,075,034	40,435,718
<b>Sub-total – Core Operating Budget:</b>	<b>\$37,266,124</b>	<b>\$37,211,231</b>	<b>\$74,477,355</b>
<b>3. Commercial Property</b>			
Kaka'ako Makai	\$2,553,946	\$2,600,704	\$5,154,650
Nā Lama Kukui	5,853,411	5,506,460	11,359,871
<b>Sub-total – Commercial Property:</b>	<b>\$8,407,357</b>	<b>\$8,107,164</b>	<b>\$16,514,521</b>
<b>4. Federal Programs Budget</b>			
HLID Project	\$4,099,249	\$428,199	\$4,527,448
NHRLF Program	902,005	919,030	1,821,035
<b>Sub-total – Legacy Property:</b>	<b>\$5,001,254</b>	<b>\$1,347,229</b>	<b>\$6,348,483</b>
<b>5. Special Programs Budget</b>			
Legacy Property			
Palauea Culture Preserve	\$160,380	\$112,180	\$272,560
Wao Kele O Puna Management Fund	256,610	204,308	460,918
<b>Sub-total – Special – Federal:</b>	<b>\$416,990</b>	<b>\$326,488</b>	<b>\$743,478</b>
Special Programs Budget – Other			
Hi'ilei Aloha & Subsidiaries	\$0	\$0	\$0
Ho'okele Pono & Subsidiaries	0	0	0
<b>Sub-total – Special – Other:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Sub-total – Special Programs Budget:</b>	<b>\$416,990</b>	<b>\$326,488</b>	<b>\$743,478</b>
<b>Total Operating Budget:</b>	<b>\$51,091,725</b>	<b>\$46,992,112</b>	<b>\$98,083,837</b>

Budget data presented are preliminary and subject to change. 12

# Total Operating Budget



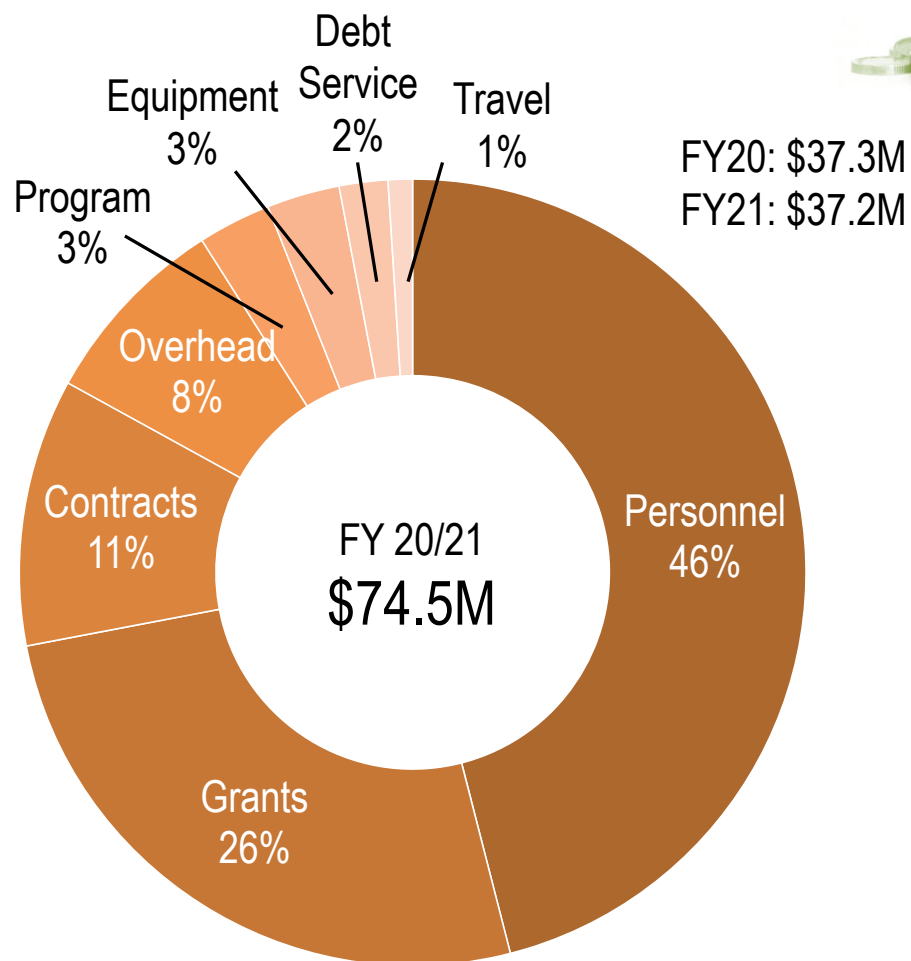
OHA's total operating budget consists of core and non-core budget items. The core operating budget is the focus of this document, as the non-core operating budget items are those that have their own designated funding sources including income from commercial leasing, lending activities and federal grants.



# Core Operating Budget

OHA allocates 46% of its core operating budget to personnel, 26% to its grants program, 11% to contracts, and 8% to overhead costs. The smaller categories include 3% for programs, 3% for equipment, 2% for debt service, and 1% for travel costs.

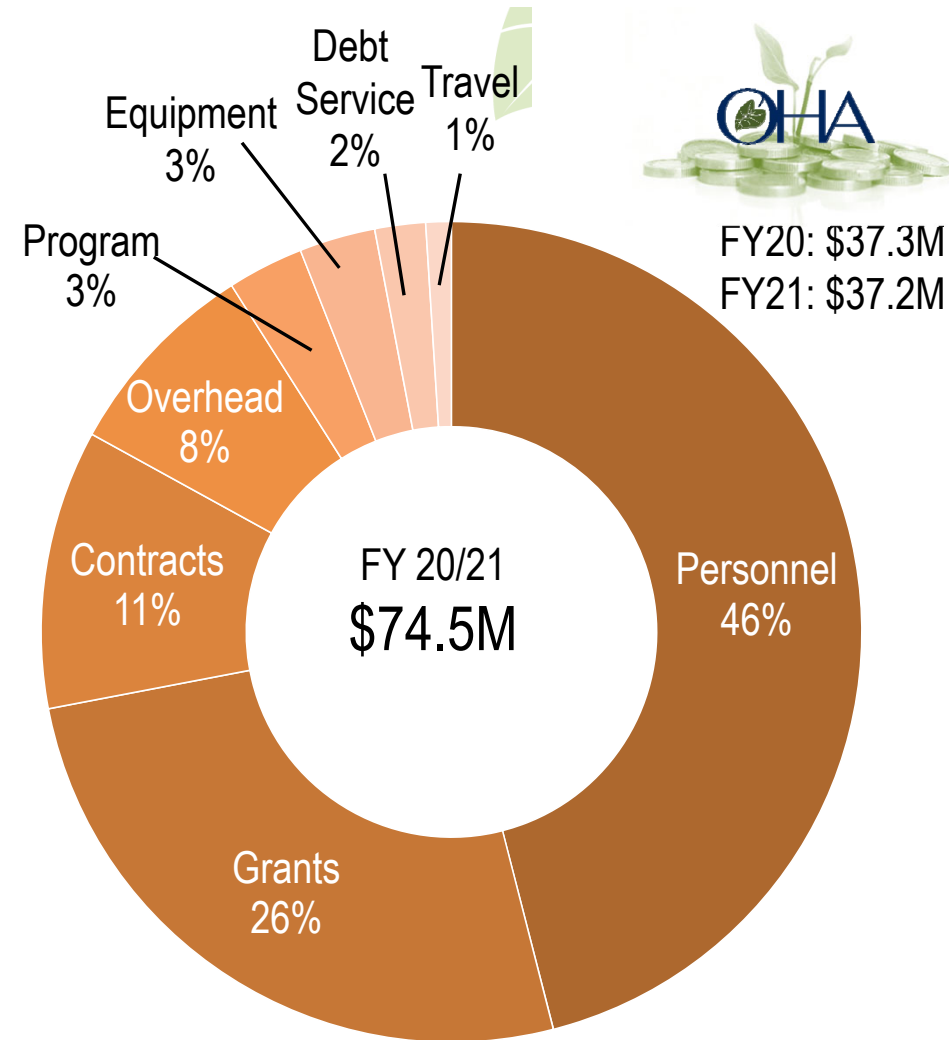
The next few slides will provide a more detailed breakdown of each category, with the exception of debt service. Debt service relates to the principal and interest payment on Line of Credit outstanding balance and totals \$580 thousand for FY20, \$572 thousand for FY21, equaling \$1.15 million over the two-year period.



# Core Operating Budget

CORE OPERATING BUDGET	PROPOSED BUDGET		
	FY 20	FY 21	TOTAL
Personnel (60% fringe)	\$16,905,440	\$17,136,197	\$34,041,637
Grants	9,581,000	9,596,000	19,177,000
Contracts	4,376,719	4,040,294	8,417,013
Overhead	2,964,382	3,134,555	6,098,937
Program	1,351,878	1,192,677	2,544,555
Equipment	995,570	1,027,036	2,022,606
Debt Service	580,048	572,163	1,152,211
Travel	511,087	512,309	1,023,396
<b>Total</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>	<b>74,477,355</b>

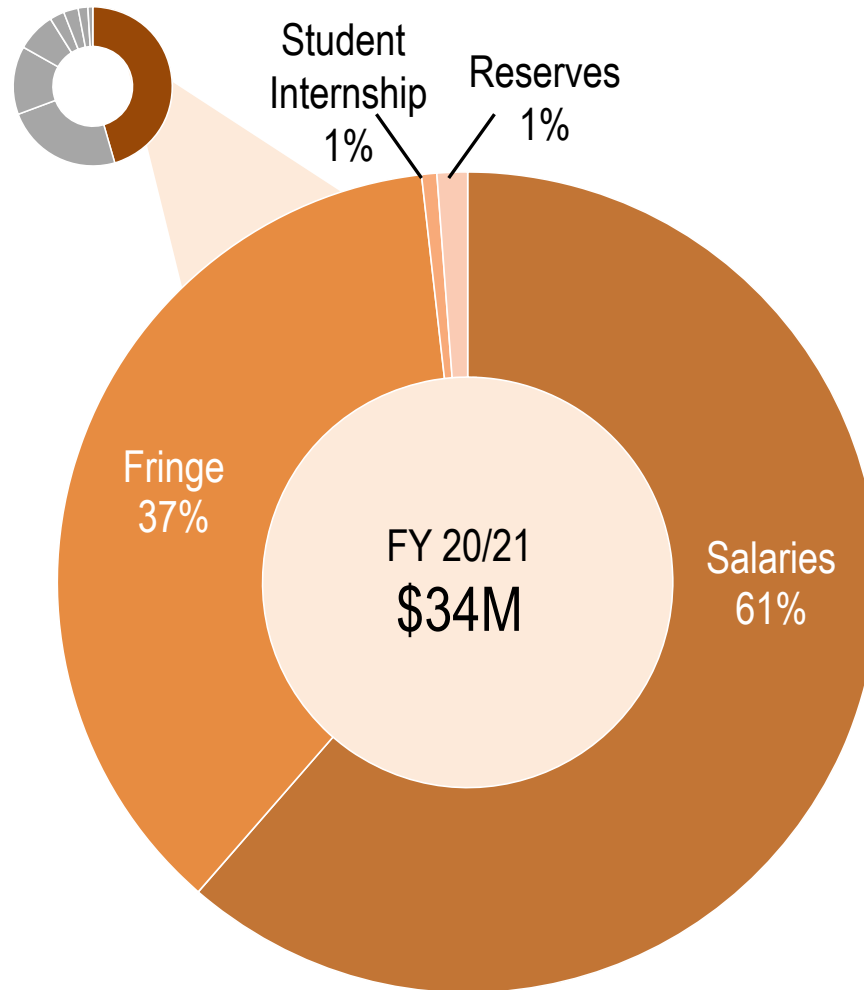
The next few slides will provide a more detailed breakdown of each category.



# Personnel

OHA allocates approximately \$17 million a year of the biennium budget in support of 158 employees under the core budget; constituting 46% of the core operating budget, including the 60.08% fringe benefit rate. This core budget does not include 9 non-core employees whose positions are either funded by commercial properties or federal grants. OHA's 158 full-time employees from core budget represents a decrease from FY18/19, as a result of OHA's decision to leave 12 positions vacant until such time as funding becomes available.

Sixty-one percent of the personnel cost is employee salaries, while a full 37% of personnel cost goes to fringe benefits, as set by the State of Hawai'i at 60.08%. Small portions are allotted to fund student internship and OHA's reserves for vacation payouts, employee continuing education program, and workers compensation payments.

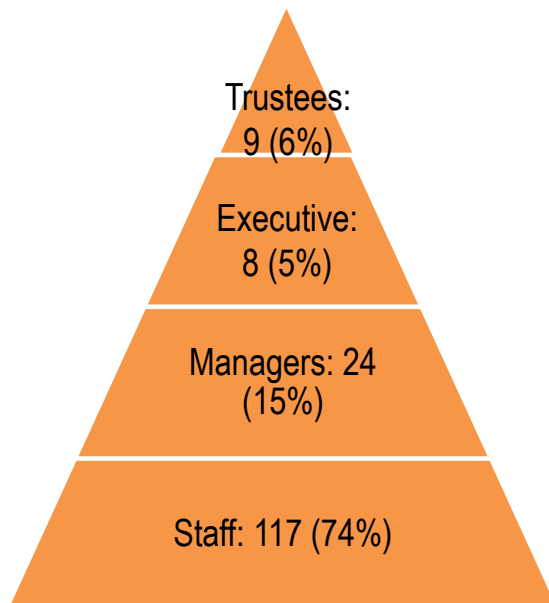


FY20: \$16.9M  
FY21: \$17.1M

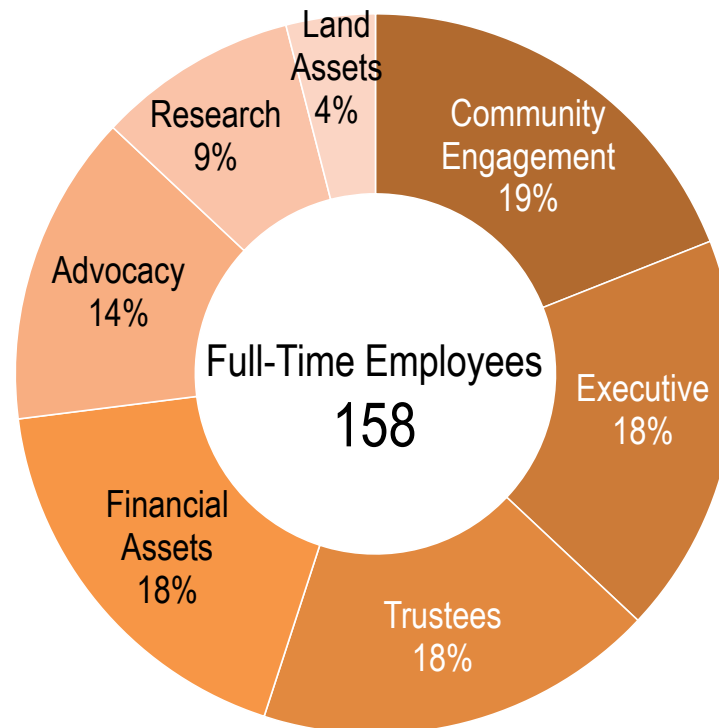
# Personnel



Of OHA's 158 employees under the core budget, 117 are staff members (74% of employees); 24 are managers (15%); 9 are Trustees (6%); and 8 are executives (5%). The figure below represents an average ratio of approximately 1 manager for every 5 staff.



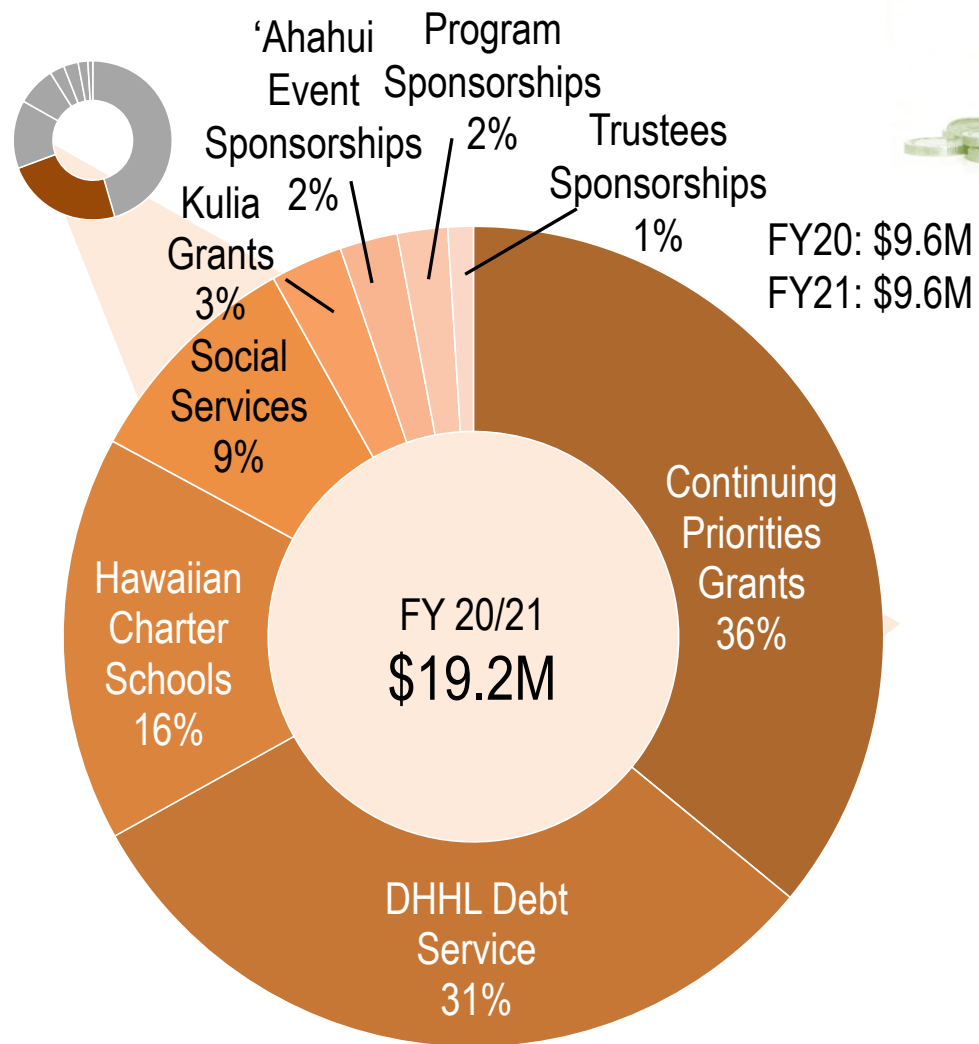
Of OHA's 158 employees: 30 are within Community Engagement, 29 are within the Executive Office; 29 are within the Board of Trustees Office; 28 are within Financial Assets; 22 are within Advocacy; 14 are within Research; and 6 are within Land Assets.



Budget data presented are preliminary and subject to change. 17

# Grants

OHA allocated \$19.2 million over the biennium budget to various grant programs, which constitutes 26% of the core operating budget. Of this budget: 37% is allocated for grants aligned with the continuing Strategic Priorities from the 2010 – 2018 Strategic Plan, including Health, Education, Income, Housing, Culture, and Land, as OHA transitions to its new Strategic Plan. Funding is also allocated to long-term commitments to DHHL homestead development (31%) and to Hawaiian Focused Charter Schools (16%). 9% is allotted for social services so beneficiaries may address unexpected crises. 3% is allocated to the new Kulia grants, which are awarded to innovative projects with a broader focus on bettering conditions of Native Hawaiians. OHA also allocates 5% of grant funding to sponsorship including 'Ahahui Events (2%), Program (2%), and Trustee (1%) Sponsorships (which are currently on a moratorium).



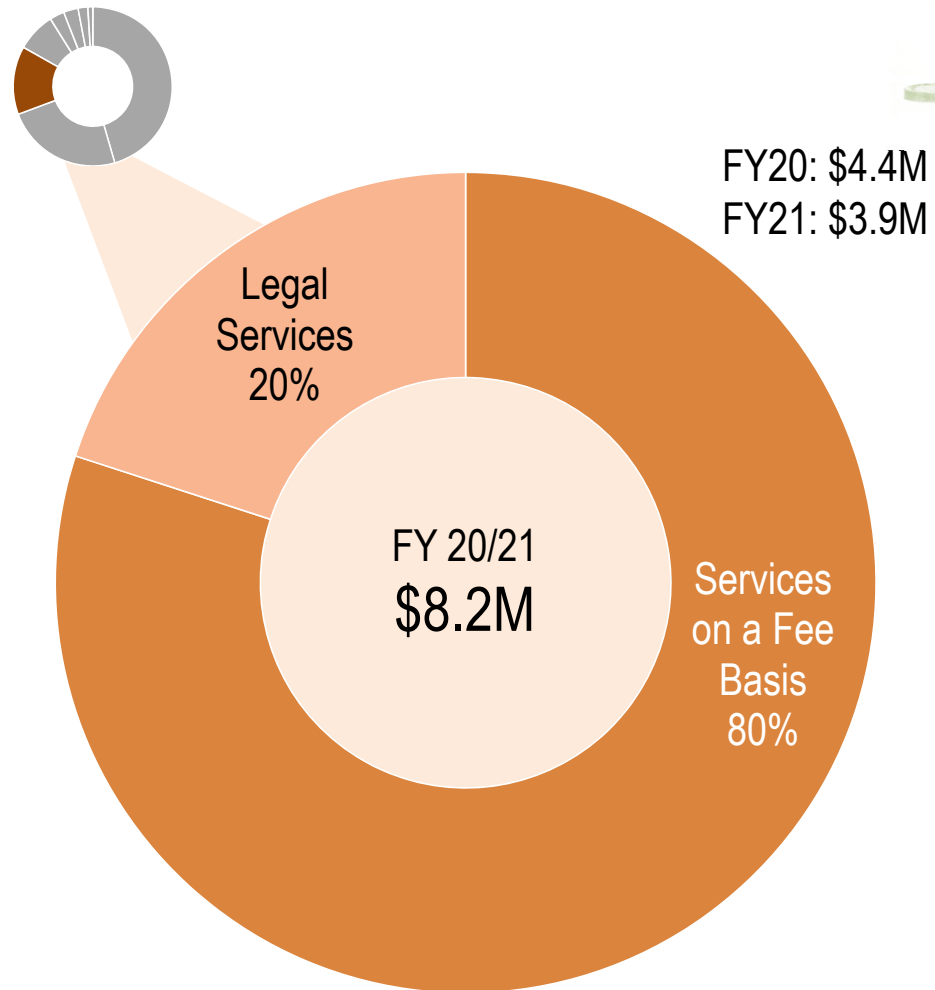
Budget data presented are preliminary and subject to change. 18

# Contracts

Contracts constitute 11% of OHA's core operating budget and is comprised of two main areas: services on a fee basis and legal services.

80% of the Contracts budget is allocated to Services on a Fee Basis which includes contracts from many areas of expertise to help support OHA's strategic focus areas and program operations. It also includes a legal services contract, which provides legal services directly to the beneficiaries, not to OHA.

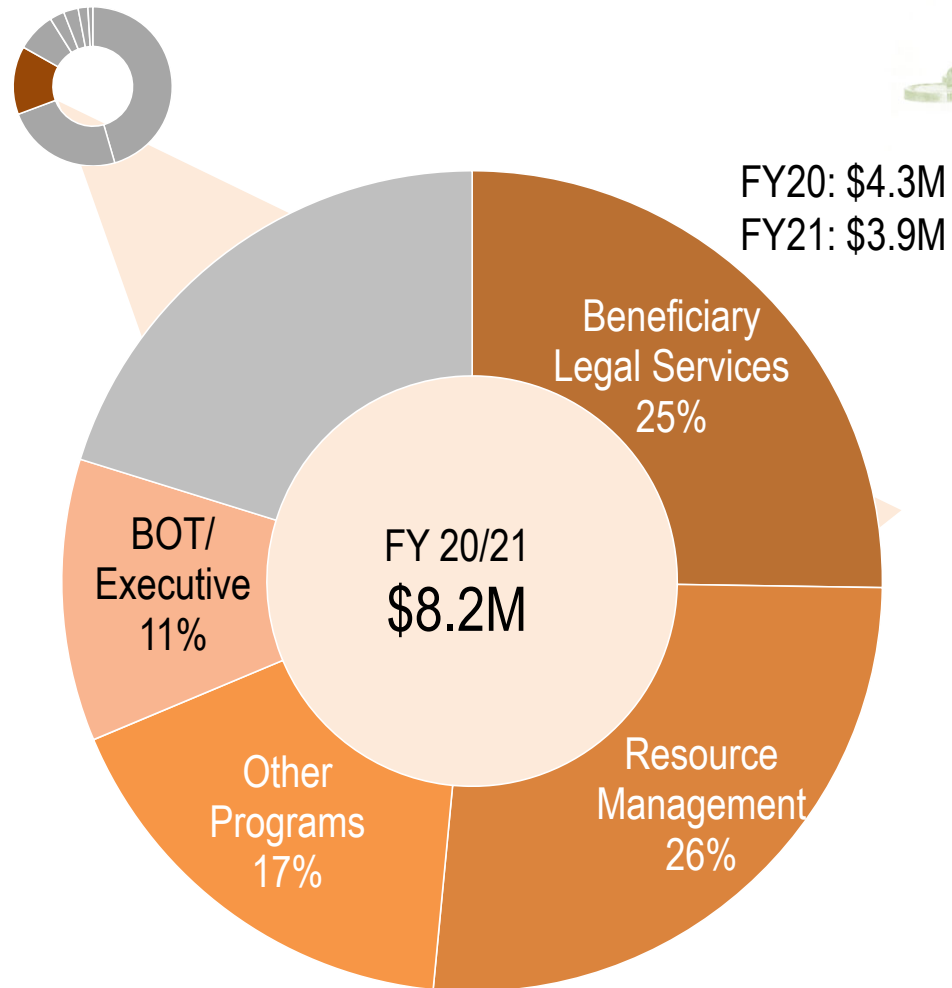
Legal services at 20% are comprised of various litigation, consulting, and Board Counsel needs that arise in the ordinary course of business and are service directly provided to OHA.



# Services on Fee Basis Contracts

Through a State Proviso, 25% of OHA contracts is allocated to beneficiary legal services. The legal services proviso provides beneficiary legal representation for the assertion and defense of quiet title actions, assistance with kuleana tenant rights, and preservation of Native Hawaiian land trust entitlements.

Twenty-six percent of all contract funds is allocated for Resource Management, including Financial and Land Assets, for example services related to Kukaniloko. Other programs (17%) include funding for Native Hawaiian law training course, water and Public Land Trust working groups, and access to Papahānaumokuākea, research, and community engagement. OHA's Trustees and Executive Office account for 11%. Larger expenses include technology upgrades, redesign, and to financial consultant fees.



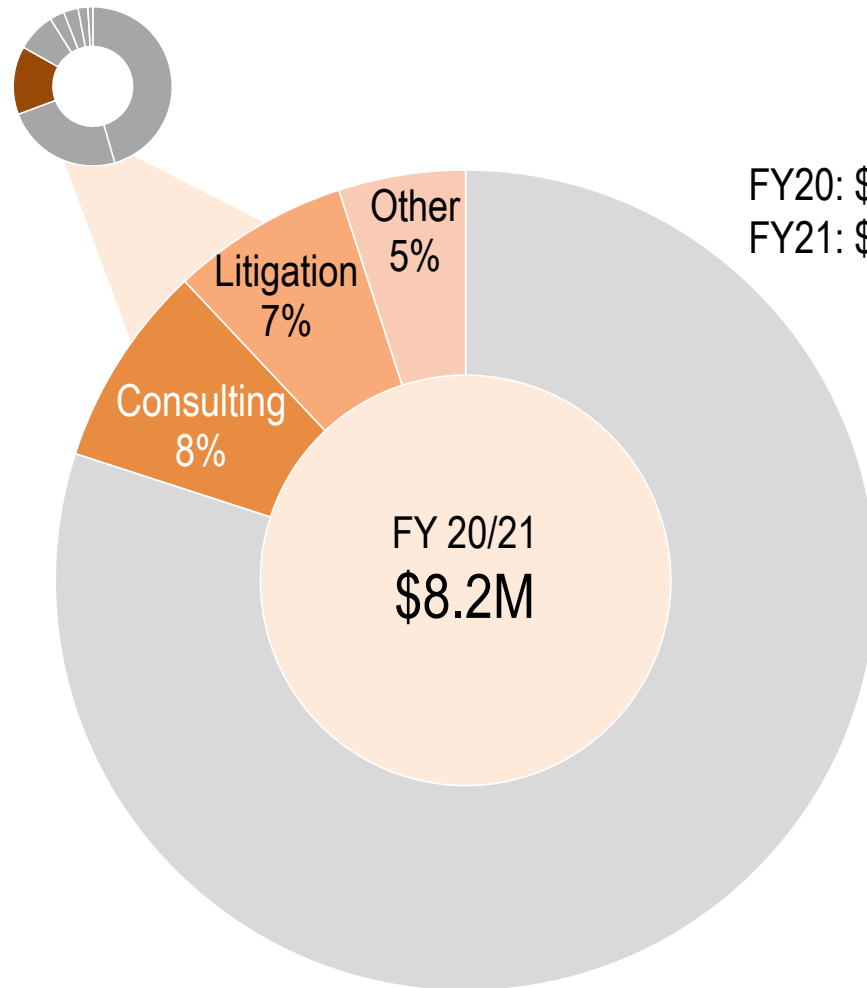
Budget data presented are preliminary and subject to change. 20

# Legal Services Contracts

Eight percent of the Legal Service Contracts budget is allotted for legal consultants who provide OHA with non-litigation legal advice in particular areas of law.

Seven percent is allotted for litigation in which services are rendered in either defending OHA and/or Trustees or as a plaintiff if the Board of Trustees so desires.

The remaining 5% is allotted for other contracts including counsel to the Board of Trustees in which legal advice is rendered regarding Trustee duties, privileges, immunities, and liabilities.



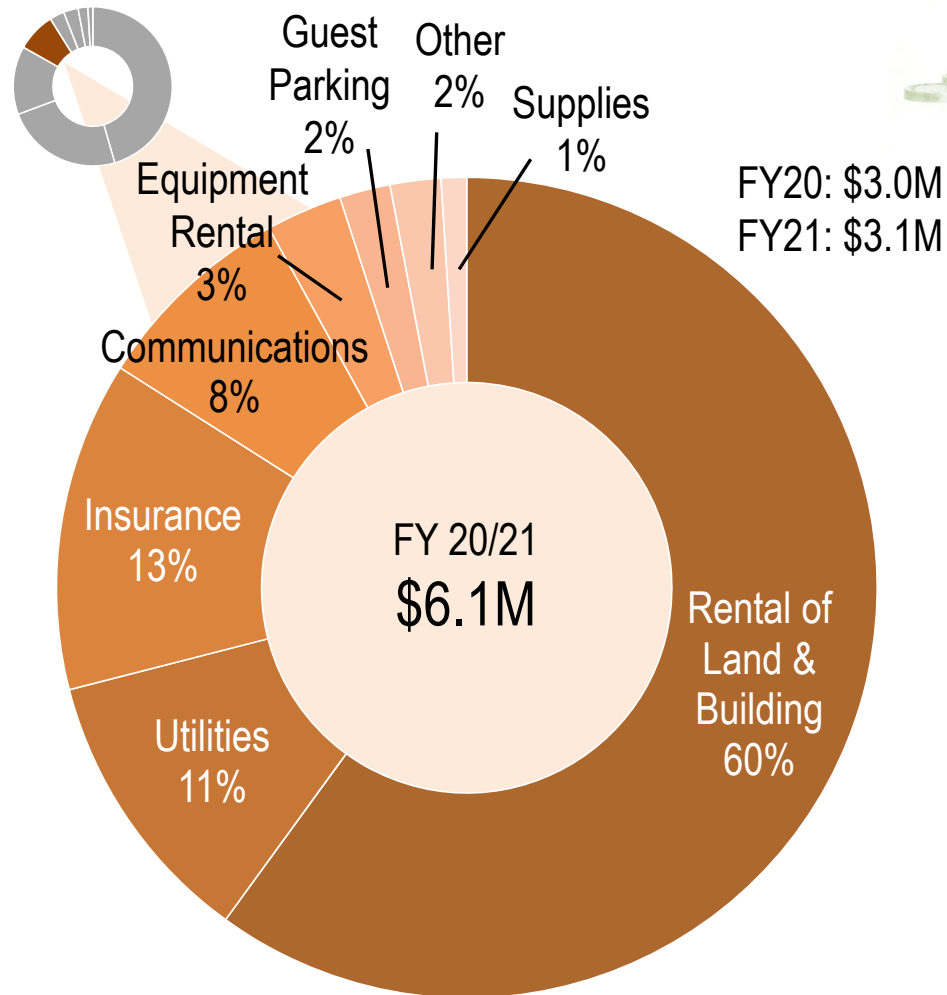
FY20: \$4.3M  
FY21: \$3.9M



# Overhead

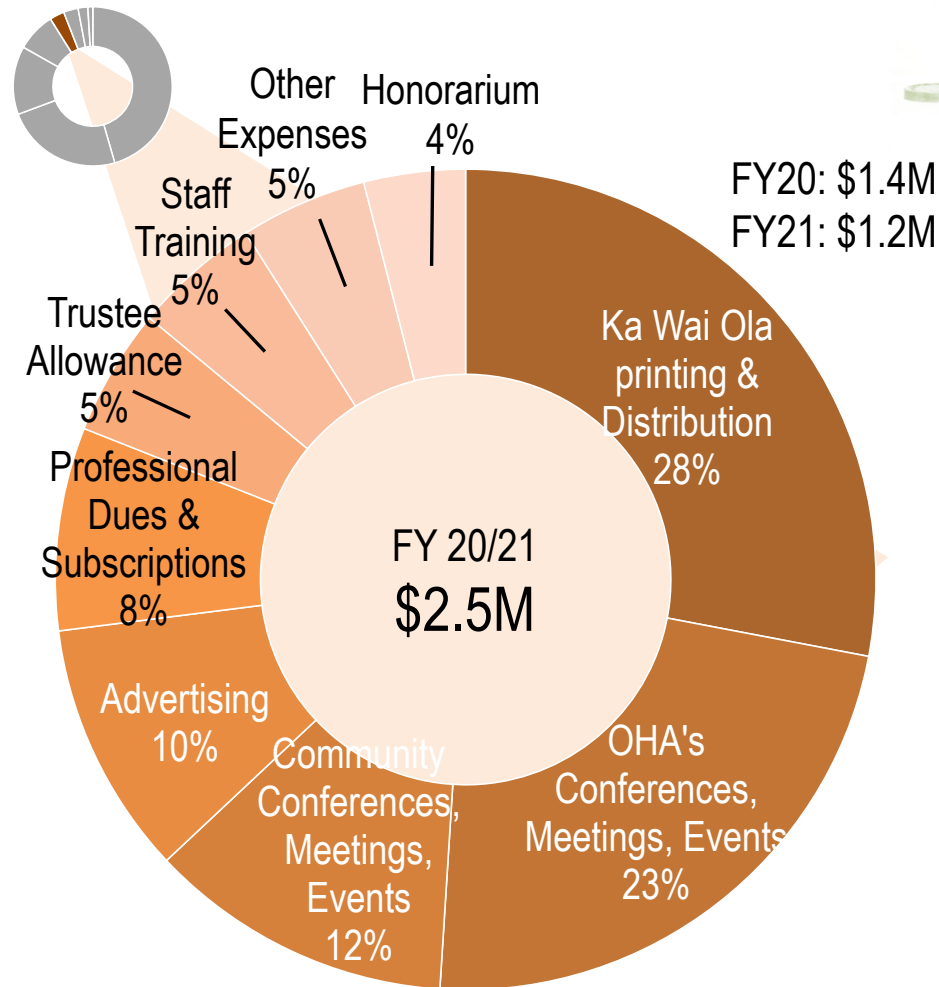
OHA allocates approximately \$3 million annually to Overhead or 8% of the core biennium budget. Of these amounts, office leases account for 60%, which support 7 offices across the State of Hawai'i and 1 office in Washington, D.C. Utilities for these offices make up another 11%.

Thirteen percent (13%) is insurance premiums for liability insurance, workers compensation, board and officers insurance, and other related coverages. Additionally, 8% is allotted for telephone and internet service, 3% for renting equipment, 2% to validate parking for stakeholders and beneficiaries, 1% for office and other supplies; and 2% is made up by small budget items including postage, settlements, and leasehold improvements.



# Program

The next budget category is Program, to which OHA allocates approximately \$1.2 to \$1.4 million annually or 3% of the core biennium budget. These are costs directly related to programs such as printing and distributing of Ka Wai Ola publications (28%), hosting cultural workshops/events (23%), partnering with community organizations to host events (12%), advertising for OHA initiatives (10%), professional dues and subscriptions (8%), trustee protocol allowance (5%), and staff training (5%). Other expenses include, worksite wellness, volunteer stipend, promotional items, honorarium for OHA event participants, etc.

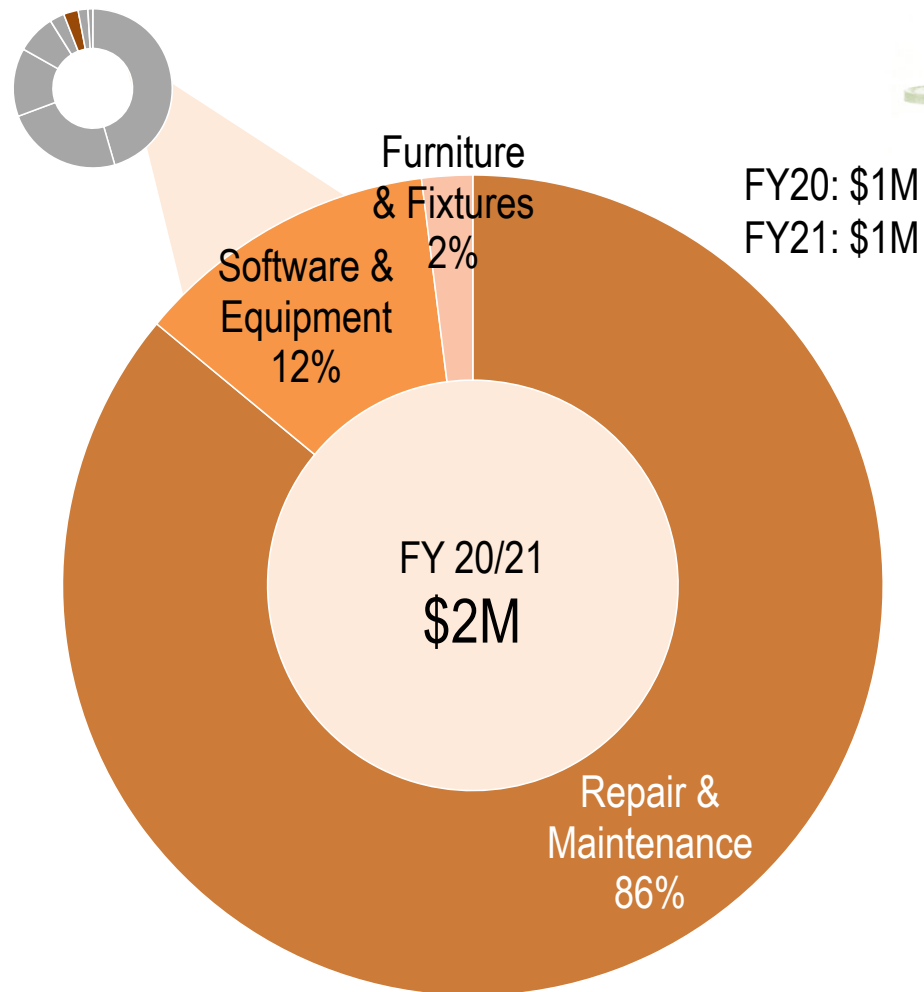


Budget data presented are preliminary and subject to change. 23

# Equipment

OHA allocates \$2 million or 2% of the core biennium budget to equipment; including repair & maintenance, software & equipment, and a smaller portion allocated to furniture and fixtures. Repair & maintenance includes various upkeep work for OHA's facilities and legacy properties. Some of the larger budget items include vegetation maintenance and arborist/tree trimming services for Kūkaniloko legacy property and janitorial service for all offices.

Software & equipment include IT software, hardware, licenses, subscriptions, etc. Larger expenses include the replacement of PCs, laptops, and network equipment and the purchase of software to support new projects planned in FY20 and FY21. Furniture & fixtures include miscellaneous facilities needs that arise during normal course of operation.



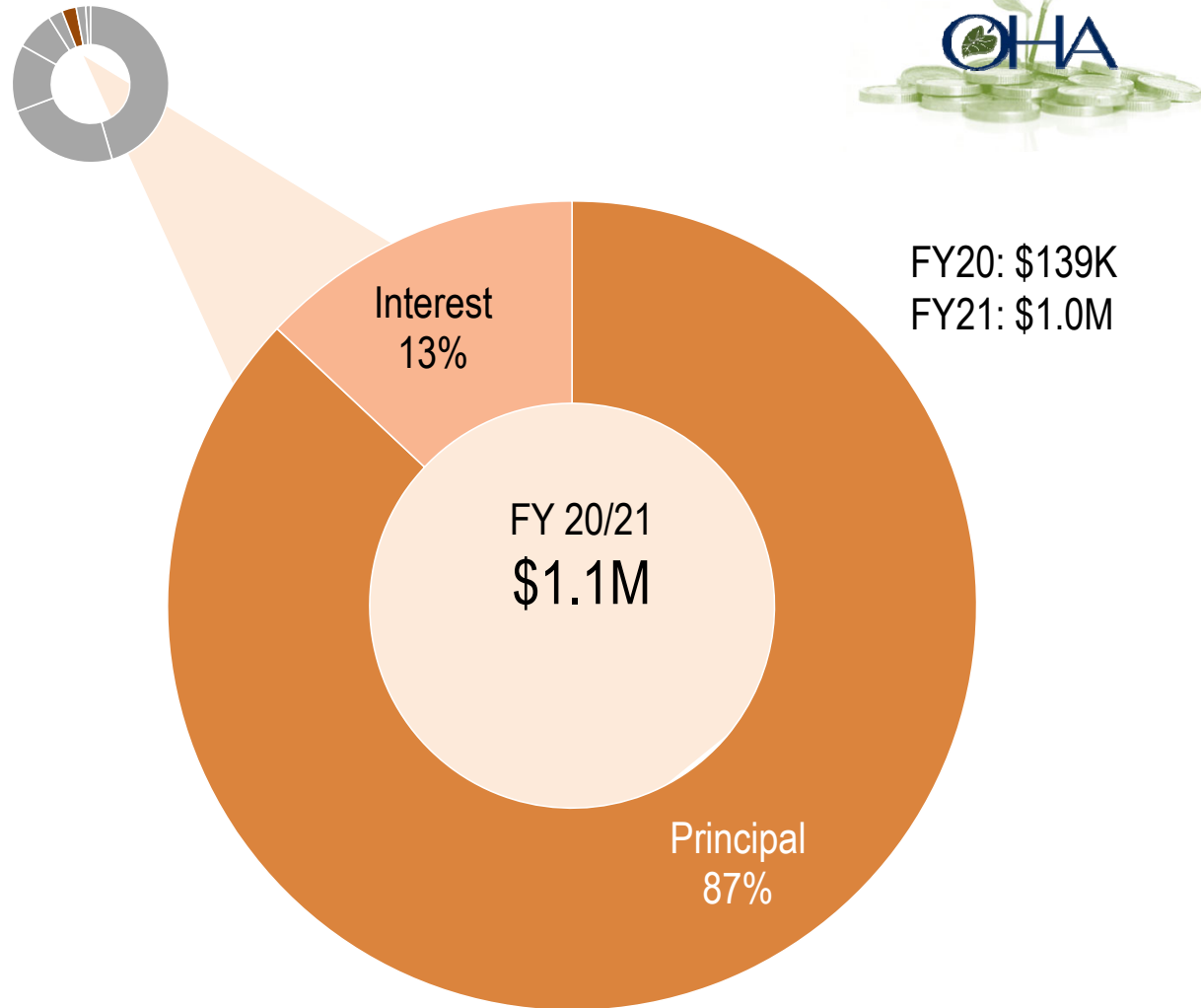
Budget data presented are preliminary and subject to change. 24

# Core Debt Service

Includes all expenditures associated with the payment of debt service for BOT-approved obligations. For FY 20/21 the amounts are \$580,048 and \$572,163, respectively.

In February 2015, OHA obtained a \$5 million credit facility to finance the costs of its Nation Building Initiative. Per Action Item ARM #14-04, only \$3.7 million of the credit facility was available for Nation Building. OHA had two years to draw down the facility in up to six separate tranches. For each tranche, OHA can select among numerous interest rate and maturity options. During the draw period, OHA will only pay interest on the outstanding principal balance. At the conclusion of the draw period in February 2017, OHA can choose to repay the outstanding principal balance over a 3, 5 or 7 year period.

OHA drew a total of \$3,548,000 of the credit facility and elected a 7-year repayment period starting in FY 17. The budgeted costs for debt service in FY 20 and FY 21 are based on amortization schedule maintained by Investments Program staff.

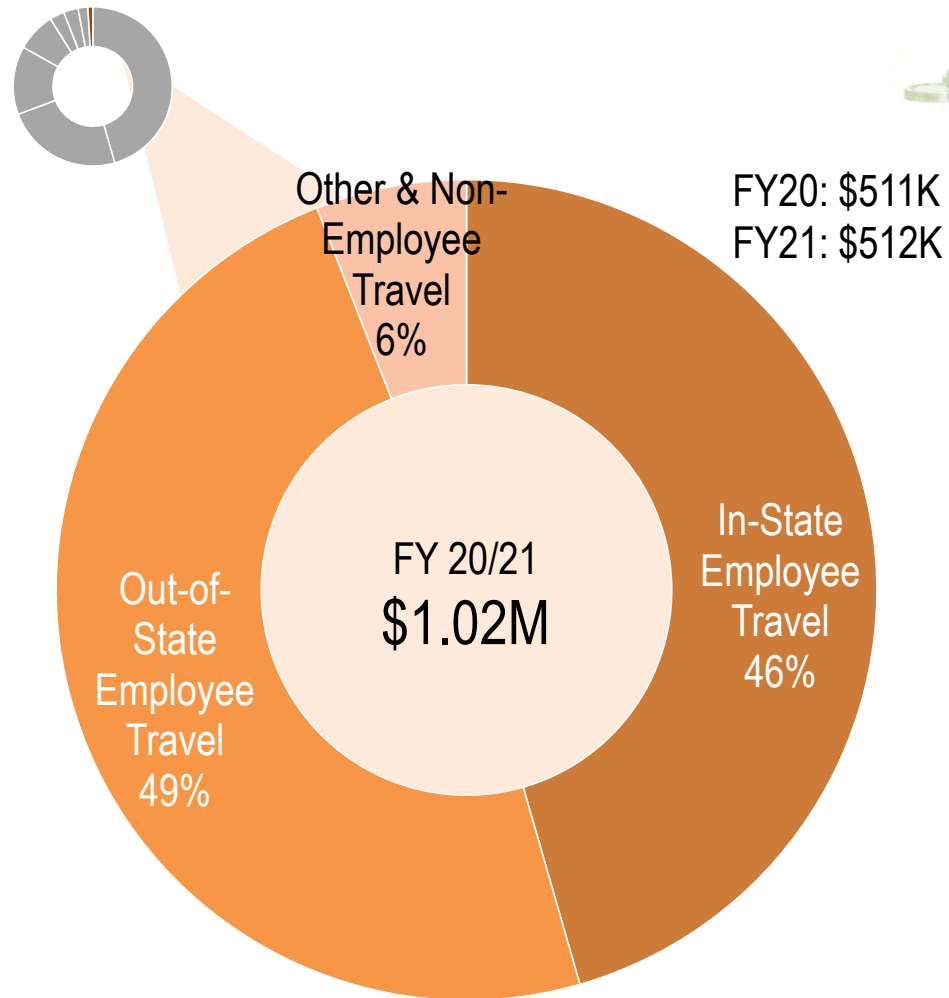


Budget data presented are preliminary and subject to change. 25

# Travel

Lastly, travel budget category makes up a little more than 1% of the core operating budget. These are costs directly related to in-state travels (46%), out-of-state travel (49%) and other & non-employee travel (6%). In-state travels include attendance of BOT and sub-committee meetings by Trustees and Executives that are held throughout the year across the State, grants orientations and site monitoring, and community event coverage on neighbor islands.

The majority of out-of-state travels is related to the annual Lei Draping ceremony held at Washington, DC. Other out-of-state travel is for due diligence meetings and investment conference.





**Mahalo!**

## ATTACHMENT 1

### Prior Year Actual Expenditures Data Tables

Tables below reflect budgeted approved expenditures and actual expenditures.

#### A. CORE OPERATING BUDGET / ACTUAL COMPARISON

**Table 1: Core Operating Budget - FY18**

CORE OPERATING BUDGET	Approved	Actual	Difference	% Spent
	FY 18	FY 18		
Personnel	\$14,739,767	\$13,974,942	\$764,825	95%
Grants	7,323,251	7,150,262	172,989	98%
Contracts	6,474,089	6,054,756	419,333	94%
Overhead	2,646,663	2,415,620	231,043	91%
Program	1,472,218	1,101,072	371,146	75%
Equipment	1,889,876	1,806,895	82,981	96%
Debt Service	630,961	630,952	9	100%
Travel	426,447	344,677	81,771	81%
<b>Total Core Operating Budget:</b>	<b>\$35,603,273</b>	<b>\$33,479,175</b>	<b>\$2,124,097</b>	<b>94%</b>

**Table 2: Core Operating Budget - FY19**

CORE OPERATING BUDGET	Approved	Projected	Difference	% Spent
	FY 19	FY 19		
Personnel	\$15,382,787	\$14,245,529	\$1,137,258	93%
Grants	8,792,199	8,792,199	0	100%
Contracts	5,402,735	5,402,735	0	100%
Overhead	3,023,853	2,722,882	300,971	90%
Program	1,642,249	1,089,481	552,768	66%
Equipment	793,854	725,288	68,566	91%
Debt Service	566,937	566,937	0	100%
Travel	410,158	315,548	94,610	77%
<b>Total Core Operating Budget:</b>	<b>\$36,014,772</b>	<b>\$33,860,598</b>	<b>\$2,154,173</b>	<b>94%</b>

**B. NON-CORE OPERATING BUDGET / ACTUAL COMPARISON****i. Commercial Property Budget / Actual Comparison****Table 3: Kaka'ako Makai Budget - FY18**

<b>Kaka'ako Makai Budget</b>	<b>Approved</b>	<b>Actual</b>	<b>Difference</b>	<b>% Spent</b>
	<b>FY 18</b>	<b>FY 18</b>		
Personnel	\$272,563	\$217,864	\$54,699	80%
Program	70,214	4,325	65,889	6%
Contracts	617,250	565,861	51,389	92%
Travel	9,920	431	9,489	4%
Equipment	1,164,868	122,963	1,041,905	11%
Overhead	243,310	189,155	54,155	78%
<b>Total:</b>	<b>\$2,378,125</b>	<b>\$1,100,599</b>	<b>\$1,277,526</b>	<b>46%</b>

**Table 4: Kaka'ako Makai Budget - FY19**

<b>Kaka'ako Makai Budget</b>	<b>Approved</b>	<b>Projected</b>	<b>Difference</b>	<b>% Spent</b>
	<b>FY 19</b>	<b>FY 19</b>		
Personnel	\$278,035	\$231,826	\$46,209	83%
Program	119,269	10,411	108,858	9%
Contracts	527,181	467,498	59,683	89%
Travel	11,170	2,793	8,377	25%
Equipment	647,864	253,123	394,741	39%
Overhead	738,768	562,939	175,829	76%
<b>Total</b>	<b>\$2,322,287</b>	<b>\$1,528,590</b>	<b>\$793,697</b>	<b>66%</b>

**Table 5: Na Lama Kukui Budget - FY18**

Na Lama Kukui Budget	Approved	Actual	Difference	% Spent
	FY 18	FY 18		
Program	437,417	295,063	142,354	67%
Contracts	398,628	391,325	7,303	98%
Equipment	952,724	657,823	294,901	69%
Overhead	1,134,352	607,217	527,135	54%
<i>Sub-total</i>	<b>2,923,121</b>	<b>1,951,428</b>	<b>971,693</b>	<b>67%</b>
Debt Service	2,548,912	2,548,035	877	100%
<b>Total</b>	<b>\$5,472,033</b>	<b>\$4,499,463</b>	<b>\$972,570</b>	<b>82%</b>

**Table 6: Na Lama Kukui Budget - FY19**

Na Lama Kukui Budget	Approved	Projected	Difference	% Spent
	FY 19	FY 19		
Program	304,566	303,485	1,081	100%
Contracts	529,222	503,145	26,077	95%
Equipment	939,724	846,868	92,856	90%
Overhead	791,115	784,620	6,495	99%
<i>Sub-total</i>	<b>2,564,627</b>	<b>2,438,118</b>	<b>126,509</b>	<b>95%</b>
Debt Service	2,517,926	2,517,924	2	100%
<b>Total</b>	<b>\$5,082,553</b>	<b>\$4,956,042</b>	<b>\$126,511</b>	<b>98%</b>

## ii. Legacy Property Budget / Actual Comparison

Table 7: Palauea Culture Preserve - FY18

Palauea Culture Preserve	Approved	Actual	Difference	% Spent
	FY 18	FY 18		
Program	\$2,000	\$0	\$2,000	0%
Contracts	85,000	26,900	58,100	32%
Grants	25,000	0	25,000	0%
Travel	7,680	288	7,392	4%
Equipment	43,950	6,106	37,844	14%
Overhead	6,000	3,898	2,102	65%
<b>Total:</b>	<b>\$169,630</b>	<b>\$37,192</b>	<b>\$132,438</b>	<b>22%</b>

Table 8: Palauea Culture Preserve - FY19

Palauea Culture Preserve	Approved	Projected	Difference	% Spent
	FY 19	FY 19		
Program	\$2,000	\$333	\$1,667	17%
Contracts	36,000	5,000	31,000	14%
Grants	25,000	0	25,000	0%
Travel	7,680	1,678	6,002	22%
Equipment	27,950	7,135	20,815	26%
Overhead	6,000	4,000	2,000	67%
<b>Total</b>	<b>\$104,630</b>	<b>\$18,146</b>	<b>\$86,484</b>	<b>17%</b>

**Table 9: Wao Kele O Puna - FY18**

<b>Wao Kele O Puna</b>	<b>Approved</b>	<b>Actual</b>	<b>Difference</b>	<b>% Spent</b>
	<b>FY 18</b>	<b>FY 18</b>		
Program	\$12,060	\$397	\$11,663	3%
Contracts	152,000	88,505	63,495	58%
Grants	12,500	0	12,500	0%
Travel	20,805	5,358	15,447	26%
Equipment	136,500	122,470	14,030	90%
Overhead	16,900	5,276	11,624	31%
<b>Total:</b>	<b>\$350,765</b>	<b>\$222,006</b>	<b>\$128,759</b>	<b>63%</b>

**Table 10: Wao Kele O Puna - FY19**

<b>Wao Kele O Puna</b>	<b>Approved</b>	<b>Projected</b>	<b>Difference</b>	<b>% Spent</b>
	<b>FY 19</b>	<b>FY 19</b>		
Program	\$12,070	\$2,400	\$9,670	20%
Contracts	92,000	15,396	76,604	17%
Grants	12,500	0	12,500	0%
Travel	20,805	1,219	19,586	6%
Equipment	186,500	147,556	38,944	79%
Overhead	14,900	205	14,695	1%
<b>Total</b>	<b>\$338,775</b>	<b>\$166,776</b>	<b>\$171,999</b>	<b>49%</b>

iii. **Special Programs Budget/ Actual Comparison**

a. **Federal Programs Budget / Actual Comparison**

**Table 11: Halawa Luluku Interpretive Development (HLID) Project - FY18**

Name	Approved	Actual	Difference	% Spent
	FY 18	FY 18		
HLID Project	\$965,319	\$167,431	\$797,888	17%

**Table 12: HLID Project - FY19**

Name	Approved	Actual	Difference	% Spent
	FY 19	FY 19		
HLID Project	\$292,783	\$228,578	\$64,205	78%

**Table 13: Native Hawaiian Revolving Loan Fund (NHRLF) Program - FY18**

Name	Approved	Actual	Difference	% Spent
	FY 18	FY 18		
NHRLF Program	\$1,215,507	\$766,239	\$449,268	63%

**Table 14: NHRLF Program - FY19**

Name	Approved	Actual	Difference	% Spent
	FY 19	FY 19		
NHRLF Program	\$835,292	\$631,807	\$203,485	76%

**C. Core Travel Budget, Prior Year / Actual Comparison****Table 15: Core Travel Budget, FY18**

Travel	Approved	Actual	Difference	% Spent
	FY 18	FY 18		
In-State Employee Travel	\$277,500	\$249,963	\$27,537	90%
Out-of-State Employee Travel	111,819	68,614	43,205	61%
Other and Non-Employee Travel	33,867	26,100	7,767	77%
<b>Total:</b>	423,186	344,677	78,509	81%

**Table 16: Core Travel Budget, FY19**

Travel	Approved	Projected	Difference	% Spent
	FY 19	FY 19		
In-State Employee Travel	\$277,500	\$239,609	\$37,891	86%
Out-of-State Employee Travel	112,370	70,640	41,730	63%
Other and Non-Employee Travel	20,288	20,288	0	100%
<b>Total:</b>	410,158	330,537	79,621	81%

# Fiscal Year 2020 and 2021 Preliminary Biennium Budget – Non-Core BOT Workshop



The Office of Hawaiian Affairs  
May 2019



# Non-Core Budget



Table 1. OHA's non-core operating budget is summarized as below:

Total Operating Budget	Actual	Projected	Biennium Budget Request	
	FY18	FY19	FY 20	FY 21
<b>1. Fiscal Reserve Authorizations</b>				
Fiscal Reserve Authorizations	\$0	\$0	\$0	\$0
Sub-total – FR Authorizations:	\$0	\$0	\$0	\$0
<b>2. Commercial Property</b>				
Kaka'ako Makai	\$1,100,599	\$1,528,590	\$2,553,946	\$2,600,704
Nā Lama Kukui	4,499,463	4,965,020	5,853,411	5,506,460
Sub-total – Commercial Property:	\$5,600,062	\$6,484,610	\$8,407,357	\$8,107,164
<b>3. Federal Programs Budget</b>				
Halawa Luluku Interpretive Development	\$167,431	\$228,578	\$4,099,249	\$428,199
Native Hawaiian Revolving Loan Fund	766,239	631,807	902,005	919,030
Sub-total – Federal Programs Budget:	\$933,670	\$860,385	\$5,001,254	\$1,347,229
<b>4. Special Programs Budget</b>				
Legacy Properties				
Palaua Culture Preserve	\$37,191	\$18,146	\$160,380	\$122,180
Wao Kele O Puna Management Fund	222,006	166,713	256,610	204,308
Sub-total – Special-Legacy Properties:	\$259,197	\$184,922	\$416,990	\$326,488
Special Programs Budget – Other				
Hi'ilei Aloha & Subsidiaries	\$150,000	\$200,000	\$0	\$0
Ho'okele Pono & Subsidiaries	50,000	50,000	0	0
Sub-total – Special – Other:	\$200,000	\$250,000	\$0	\$0
Sub-total – Special Programs Budget:	\$459,197	\$464,859	\$416,990	\$326,488
<b>Total Operating Budget:</b>	<b>\$6,992,929</b>	<b>\$7,779,918</b>	<b>\$13,825,601</b>	<b>\$9,780,881</b>

Budget data presented are preliminary and subject to change. 2

# Fiscal Reserve



## Fiscal reserve policy

- Budget stabilization
- Unpredicted one-time payments
- Capital acquisitions

## \$3M maximum designation per year

FY17 balance carried forward to FY18 as the moratorium\* restricts additions and withdrawals (see attachment #3, page 4 for calculation)

## Increases:

- Unexpended and unencumbered “approved” core operating budget in the current year.
- Unused funding from a prior year that is later “lapsed” (i.e. cancelled purchase orders)

## Decreases:

- BOT authorized withdrawals

**Table 2. Spending Limit**

Spending Limit	Actual		Biennium Budget Request	
	FY18	FY19	FY 20	FY 21
<b>1. Fiscal Reserve Authorizations</b>				
Fiscal Reserve Balance	\$4,243,980	\$4,243,980	\$4,243,980	\$4,243,980
Annual Designation Limit	0	0	0	0
<b>Sub-total – FR Authorizations:</b>	<b>\$4,243,980</b>	<b>\$4,243,980</b>	<b>\$4,243,980</b>	<b>\$4,234,980</b>

**Table 3. Budget**

Total Operating Budget	Actual		Biennium Budget Request	
	FY18	FY19	FY 20	FY 21
<b>2. Fiscal Reserve Authorizations</b>				
Fiscal Reserve Authorizations	\$0	\$0	\$0	\$0
<b>Sub-total – FR Authorizations:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Per Action Item #18-03, the Board approved a moratorium on fiscal reserve spending that is still in effect.

# Commercial Property - Kaka'ako Makai



## Spending limit

- Beginning balance
- Gross projected revenue
- 10% gross allocation to grants\*\*
- 30% net allocation to legacy land management\*\*

## Revenues

- Commercial leasing activities

## Expenses

- Property management & leasing fees
- RFP for developers for lots A, F & G
- Fire sprinkler system upgrade
- Utilities for AFFES building 60% vacancy rate

**Table 4. Commercial Property – Kaka'ako Makai Budget**

Kaka'ako Makai Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
<b>Beginning Balance*</b>	<b>\$3,314,636</b>	<b>\$6,146,013</b>	<b>\$8,416,493</b>	<b>\$8,396,575</b>
Gross Projected Revenue	3,992,774	4,054,522	4,308,255	4,419,016
Less: 10% Allocation to Grants:	-399,277	-405,452	-841,649	-839,657
Less: 30% KM Prior Year Net Revenue	0	0	-932,578	-744,670
Sub-total Available Funds:	\$6,908,133	\$9,795,083	\$10,950,521	\$11,231,263
<b>Less: Expenses</b>				
Personnel	\$217,864	\$231,826	\$278,161	\$283,724
Program	4,325	10,411	81,475	59,475
Contracts	565,861	467,498	610,000	665,000
Travel	431	2,793	0	0
Equipment	122,963	253,123	939,500	945,200
Overhead	189,155	562,939	644,810	647,305
Sub-total Expenditures:	\$1,100,599	\$1,528,590	\$2,553,946	\$2,600,704
<b>Adjustments:</b>				
True-up: Gross Revenue	\$338,480	\$150,000	\$0	\$0
True-up: 10% Allocation	0	(\$72,206)	0	0
<b>Estimated Net Available Funds:</b>	<b>\$6,146,013</b>	<b>\$8,416,493</b>	<b>\$8,396,575</b>	<b>\$8,630,559</b>

\* Accumulated cash available for spending.

\*\* policy provision sunsets on 6/30/19.

Budget data presented are preliminary and subject to change. 4

# Commercial Property - Nā Lama Kukui Budget



## Spending limit

- Beginning balance
- Gross revenue

## Revenues

- Leasing activities

## Expenses

- Increased security costs
- building maintenance
- Tenant improvement costs

**Table 5. Commercial Property - Nā Lama Kukui Budget**

Nā Lama Kukui Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
<b>Beginning Balance*</b>	<b>\$2,155,384</b>	<b>\$2,568,224</b>	<b>\$2,724,510</b>	<b>\$2,056,070</b>
Gross Revenue	4,827,941	5,017,307	5,184,971	5,301,025
Sub-total Available Funds:	\$6,983,325	\$7,585,531	\$7,909,481	\$7,357,095
<b>Less: Expenses</b>				
Program	\$295,063	\$303,485	\$368,276	\$380,057
Contracts	391,325	503,145	535,015	559,502
Equipment	657,823	846,848	1,311,958	1,053,578
Overhead	607,217	784,620	1,087,183	1,002,371
Sub-total Expenditures:	\$1,951,428	\$2,438,097	\$3,302,432	\$2,995,508
Less: Debt Service	\$2,548,035	\$2,517,924	\$2,550,979	\$2,510,952
<b>Adjustments:</b>				
True-up: Gross Revenue	\$84,361	\$95,000	\$0	\$0
<b>Estimated Net Available Funds:</b>	<b>\$2,568,224</b>	<b>\$2,724,510</b>	<b>\$2,056,070</b>	<b>\$1,850,635</b>

# Federal Programs



## Federal Programs

- Hālawā Lūluku Interpretive Development (HLID) - rehab/construction phase of the H-3 project
- Native Hawaiian Revolving Loan Fund (NHRLF)– federally funded appropriations requiring approval of the business plan and the biennium operating budget by the Administration for Native Americans (ANA)

**Table 6. Federal Programs Budget**

Federal Programs	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
<b>Federal</b>				
<b>HLID Project</b>				
Personnel	\$146,178	\$197,813	\$312,472	\$318,770
Program	521	1,367	8,200	8,200
Contracts	0	0	3,740,927	63,860
Equipment	0	358	1,250	1,250
Overhead	20,733	28,707	36,400	36,119
Travel	0	333	0	0-
Sub-total HLID:	\$167,431	\$228,578	\$4,099,249	\$428,199
<b>NHRLF Program</b>				
Personnel	\$465,718	\$374,464	\$451,776	\$460,812
Program	49,127	51,375	100,817	105,991
Contracts	196,615	165,684	273,288	276,099
Equipment	22,356	0	2,500	0
Overhead	28,641	36,320	36,579	39,083
Travel	3,782	3,964	37,045	37,045
Sub-total NHRLF:	\$766,239	\$631,807	\$902,005	\$919,030
<b>Total Federal Programs Budget:</b>	<b>\$933,670</b>	<b>\$860,385</b>	<b>\$5,001,254</b>	<b>\$1,347,229</b>

Budget data presented are preliminary and subject to change. 6

# Legacy Property – Palauea Culture Preserve



## Spending limit

- Beginning balance
- .05% of home sales in the Palauea subdivision on Maui

## Expenses

- Repairs and maintenance
- Stewardship

The Palauea Cultural Preserve is a 20-acre property acquired by OHA in 2013 to protect the complex of Hawaiian archaeological features. OHA is currently developing a Preservation Plan for the property that will guide its use and management into the future. Palauea Cultural Preserve revenues are derived from the sale of homes in an affluent area on Maui. The .05% of each sale has been deposited into an account for which the funds are to be used for the upkeep and long-term stewardship of this historical site.

**Table 7. Special Programs Budget – Legacy Property Palauea Culture Preserve**

Palauea Culture Preserve	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
<b>Beginning Balance*</b>	<b>\$336,042</b>	<b>\$299,541</b>	<b>\$353,769</b>	<b>\$258,959</b>
Revenue	0	\$72,375	\$65,570	\$65,570
<b>Less: Expenses</b>				
Program	\$0	\$333	\$3,000	\$3,000
Contracts	26,900	5,000	75,000	42,000
Grants	0	0	25,000	35,000
Travel	288	1,678	4,680	4,680
Equipment	6,106	7,135	43,500	28,500
Overhead	3,898	4,000	9,200	9,000
Sub-total Expenditures:	\$37,191	\$18,146	\$160,380	\$122,180
<b>Adjustments:</b>				
True-up: Revenue	\$690	\$0	\$0	\$0
<b>Estimated Net Available Funds:</b>	<b>\$299,541</b>	<b>\$353,769</b>	<b>\$258,959</b>	<b>\$202,349</b>

Budget data presented are preliminary and subject to change. 7

# Legacy Property – Wao Kele O Puna



## Spending limit

- Beginning balance

## Expenses

- Road & vegetation maintenance
- Invasive species control
- Fencing

In July, 2006, OHA acquired Wao Kele O Puna (WKOP) in the Puna district of the island of Hawai'i. WKOP is currently designated as a Forest Reserve and in Conservation Land with jurisdiction under the State of Hawai'i Department of Land and Natural Resources Division of Forestry & Wildlife.

On June 26, 2015, via Action Item BOT #15-02, Board approved to allow the establishment of the WKOP Management Fund which includes previously-authorized Board appropriations for current and future programmatic needs. The available balance of the Fund as well as needs through FY21 are estimated and summarized herein.

**Table 8. Special Programs Budget – Wao Kele O Puna**

WKOP Management Fund	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
<b>Beginning Balance*</b>	<b>\$846,734</b>	<b>\$624,728</b>	<b>\$460,918</b>	<b>\$204,308</b>
<b>Less: Expenses</b>				
Program	\$397	\$2,400	\$9,550	\$9,550
Contracts	88,505	15,396	70,000	80,000
Grants	0	0	10,000	10,000
Travel	5,358	1,219	8,160	8,160
Equipment	122,470	147,556	158,100	95,798
Overhead	5,276	205	800	800
Sub-total Expenditures:	\$222,006	\$166,776	\$256,610	\$204,308
<b>Adjustments:</b>				
True-up: Revenue	\$0	\$2,965	\$0	\$0
<b>Estimated Net Available Funds:</b>	<b>\$624,728</b>	<b>\$460,918</b>	<b>\$204,308</b>	<b>(\$0)</b>

# Special Programs Budget – Other



## Spending limit

- Beginning balance
- Ka Wai Ola advertising revenues
- OHA-DHHL homesteader loan repayments

## Expenses

- Funding of LLCs operations

Hawaiian Projects – includes funds collected from Ka Wai Ola advertisement sales, conference sponsorships, and other miscellaneous income.

Homesteader Loan Program – A defunct loan program started in 1993. OHA invested \$20M to create the loan program with DHHL to help beneficiaries with home ownership. OHA provided the funds and DHHL administered the program. Loan repayments are still being collected and are estimated to be \$150,000 in FY20 and \$120,000 in FY21.

**Table 9. Special Programs Budget - Other**

Special Programs Budget – Other	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
<b>Beginning Balance*</b>	<b>\$9,563</b>	<b>\$129,031</b>	<b>\$142,863</b>	<b>\$367,863</b>
Hawaiian Projects Revenues	84,538	76,205	75,000	75,000
Homesteader Loan Repayments	234,931	187,626	150,000	120,000
Sub-total Revenues:	\$329,031	\$392,863	\$367,863	\$562,863
<b>Less: Expenses</b>				
Hi'iilei Aloha & Subsidiaries	\$150,000	\$200,000	\$0	\$0
Ho'okele Pono & Subsidiaries	50,000	50,000	0	0
Sub-total Expenditures:	\$250,000	\$250,000	\$0	\$0
<b>Estimated Net Available Funds:</b>	<b>\$129,031</b>	<b>\$142,863</b>	<b>\$367,863</b>	<b>\$562,863</b>



**Mahalo!**

## ATTACHMENT 2

### FY 20/21 Biennium Budget Summary and Data Tables

**Core Operating Budget:** Reflects the basic operating budget consisting of payroll, operations, and program expenditures and includes the following four (4) funding sources:

- **Withdrawals from the Native Hawaiian Trust Fund (NHTF)** are limited by the Native Hawaiian Trust Fund Spending Policy. This policy limits the withdrawal to five (5) percent of the NHTF's twenty-quarter (20-quarter) rolling average market value, as defined, to ensure that resources held within the trust are available for future spending.

**Table 1: Calculation of 5% of the NHTF's Twenty (20) Quarter Rolling Market Value**

<b>FY: 2020</b>	<b>Market Value</b>	<b>FY: 2021</b>	<b>Market Value</b>
13-Jun	\$343,590,398	14-Jun	\$372,087,833
13-Sep	355,390,255	14-Sep	364,312,340
13-Dec	365,006,349	14-Dec	361,439,451
14-Mar	367,615,357	15-Mar	363,364,275
14-Jun	372,087,833	15-Jun	355,048,226
14-Sep	364,312,340	15-Sep	333,046,326
14-Dec	361,439,451	15-Dec	334,273,216
15-Mar	363,364,275	16-Mar	333,913,756
15-Jun	355,048,226	16-Jun	334,212,849
15-Sep	333,046,326	16-Sep	341,999,977
15-Dec	334,273,216	16-Dec	337,863,691
16-Mar	333,913,756	17-Mar	351,253,532
16-Jun	334,212,849	17-Jun	354,826,696
16-Sep	341,999,977	17-Sep	364,342,282
16-Dec	337,863,691	17-Dec	375,820,258
17-Mar	351,253,532	18-Mar	367,614,957
17-Jun	354,826,696	18-Jun	374,937,631
17-Sep	364,342,282	18-Sep	376,504,952
17-Dec	375,820,258	18-Dec	378,097,174
18-Mar	367,614,957	19-Mar	379,720,998
<b>Average:</b>	<b>\$353,851,101</b>	<b>Average:</b>	<b>\$357,734,021</b>
<b>5%:</b>	<b>\$17,692,555</b>	<b>5%:</b>	<b>\$17,886,701</b>

- **Public Land Trust (PLT) Revenues** are received from the State of Hawai'i and have been set at \$15,100,000 (Act 178, SLH 2006) per year, until further legislative action.
- **Kaka'ako Makai (KM) Revenues** are allocated to OHA's Core Operating Budget in two ways, as outlined in BOT approved May 25, 2017, Action Item RM #17-05, Approval of an

OHA Board of Trustees Policy Amendment relating to an allocation of revenue from OHA's Kaka'ako Makai properties:

- 1) for grant funding and is calculated at ten (10) percent of estimated lease and other revenues generated from OHA-owned Kaka'ako Makai parcels, and
- 2) for OHA's Legacy Property Management and is calculated at 30% of net revenue.

**Table 2: Funding from Kaka'ako Makai Revenues**

FUNDING SOURCES	BOT Approved		Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
10% of Kaka'ako Makai Gross Revenue	\$433,997	\$440,709	\$430,826	\$441,902
30% Kaka'ako Makai FY18 Net Revenue*	0	0	932,578	744,670
<b>Sub-total - Core Operating Budget:</b>	<b>\$433,997</b>	<b>\$440,709</b>	<b>\$1,363,404</b>	<b>\$1,186,572</b>

- *State of Hawai'i General Fund* appropriations are determined by the legislature during each Biennium. OHA budget request was \$3,980,578 for each fiscal year of FY20 and FY21. The state legislature revised the amount and the current draft of HB172 CD1 awaiting the Governor's signature, is \$3,037,879 for each fiscal year, and no change from the FY18 and FY19 award level.

**Table 3: SOH General Fund Request HB172 and HB172 CD1 (most recent)**

Program ID	Original HB172	Draft HB 172 CD1	Adjustments
<b>OHA150 - Office of Trustees</b>	<b>\$89,044</b>	<b>\$58,323</b>	<b>(\$30,721)</b>
Personnel	89,044	58,323	(30,721)
<b>OHA160 - Administration</b>	<b>1,559,749</b>	<b>1,124,042</b>	<b>(435,707)</b>
Personnel	1,262,875	827,168	(435,707)
Operating (Office Rent)	296,874	296,874	0
<b>OHA175 - Beneficiary Advocacy</b>	<b>2,331,785</b>	<b>1,855,514</b>	<b>(476,271)</b>
Personnel	277,385	181,684	(95,701)
Operating (Grants)	2,054,400	1,673,830	(380,570)
<b>Total per Year:</b>	<b>\$3,980,578</b>	<b>\$3,037,879</b>	<b>(\$942,699)</b>

## Funding Sources for Core Operating Budget (Slide 7)

**Table 4: Spending Limit for OHA's Core Operating Budget**

Funding Sources	BOT Approved		Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
5% of NHTF Portfolio	\$17,555,826	\$17,448,120	\$17,692,555	\$17,886,701
Public Land Trust Revenues	15,100,000	15,100,000	15,100,000	15,100,000
State of Hawai'i General Funds	3,037,879	3,037,879	3,037,879	3,037,879
Allocation of Kaka`ako Makai Revenues	433,997	440,709	1,435,610	1,186,572
<b>Sub-total - Core Operating Budget:</b>	<b>\$36,127,702</b>	<b>\$36,026,708</b>	<b>\$37,266,044</b>	<b>\$37,211,152</b>

## Core Operating Budget (Slide 14)

The Core Operating Budget (COB) reflects the basic operating budget consisting of payroll, operations, and program expenditures and is presented in **Table 4** below:

**Table 5: Core Operating Budget (by Category)**

Core Operating Budget (by category)	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Personnel (with 60% fringe)	\$13,974,942	\$14,245,529	\$16,905,440	\$17,136,197
Grants	7,150,262	8,792,199	9,581,000	9,596,000
Contracts	6,054,756	5,402,735	4,376,719	4,040,294
Overhead	2,415,620	2,722,882	2,964,382	3,134,555
Program	1,101,072	1,089,481	1,351,878	1,192,677
Equipment	1,806,895	725,288	995,570	1,027,036
Debt Service	630,952	566,937	580,048	572,163
Travel	344,677	315,548	511,087	512,309
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

## Core Personnel Budget (Slides 16 - 17)

Personnel costs includes all expenditures directly related to personnel and comprise of Salaries & Fringe, Student Intern Program, Vacation Payments (including transfer of vacation leave to other State agencies), Employee Continuing Education Program and Workers' Compensation Payments.

Core Operating Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
<b>Personnel</b>	<b>\$13,974,942</b>	<b>\$14,245,529</b>	<b>\$16,905,440</b>	<b>\$17,136,197</b>
Grants	7,150,262	8,792,199	9,581,000	9,596,000
Contracts	6,054,756	5,402,735	4,376,719	4,040,294
Overhead	2,415,620	2,722,882	2,964,382	3,134,555
Program	1,101,072	1,089,481	1,351,878	1,192,677
Equipment	1,806,895	725,288	995,570	1,027,036
Debt Service	630,952	566,937	580,048	572,163
Travel	344,677	315,548	511,087	512,309
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

**Table 6: Core Personnel Budget (Detail)**

Core Personnel Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Salaries	\$9,231,557	\$9,117,524	\$10,373,213	\$10,517,364
Fringe	4,481,630	4,836,023	6,232,227	6,318,833
Vacation Payout	182,815	188,191	150,000	150,000
Salaries - Student Internship Program	57,822	75,414	65,000	65,000
Fringe - Student Internship Program	2,559	3,306	39,050	39,050
Continuing Education Program	16,432	25,071	30,000	30,000
Overtime	2,128	10,000	10,000	10,000
Worker's Compensation Payments	0	0	5,950	5,950
<b>Total Core Personnel Budget:</b>	<b>\$13,974,942</b>	<b>\$14,255,529</b>	<b>\$16,905,440</b>	<b>\$17,136,197</b>

## Core Grants Budget (Slide 18)

Includes all grant opportunities in support of our Native Hawaiian communities to create systemic change.

Core Operating Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Personnel	\$13,974,942	\$14,245,529	\$16,905,440	\$17,136,197
<b>Grants</b>	<b>7,150,262</b>	<b>8,792,199</b>	<b>9,581,000</b>	<b>9,596,000</b>
Contracts	6,054,756	5,402,735	4,376,719	4,040,294
Overhead	2,415,620	2,722,882	2,964,382	3,134,555
Program	1,101,072	1,089,481	1,351,878	1,192,677
Equipment	1,806,895	725,288	995,570	1,027,036
Debt Service	630,952	566,937	580,048	572,163
Travel	344,677	315,548	511,087	512,309
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

**Table 7: Core Grants Budget**

Core Grants Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Community Grants Program	\$3,920,000	\$3,950,000	\$4,530,000	\$4,530,000
Level II Grants	2,912,222	4,500,000	4,750,000	4,750,000
Sponsorships	318,040	342,199	301,000	316,000
<b>Total Core Grants Budget:</b>	<b>\$7,150,262</b>	<b>\$8,792,199</b>	<b>\$9,581,000</b>	<b>\$9,596,000</b>

**Table 8: Community Grants Program**

Community Grants	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20*	FY 21*
20-01: Culture	\$503,811	\$500,000	\$500,000	\$500,000
20-02: Health	500,000	500,000	500,000	500,000
20-03: Education	500,000	500,000	500,000	500,000
20-04: Housing	500,800	500,000	500,000	500,000
20-05: Income	500,000	500,000	500,000	500,000
20-06: Land	503,689	500,000	500,000	500,000
20-07: Ahahui	191,700	200,000	200,000	200,000
Leverage Opportunities		215,000		
Higher Education Scholarships	500,000	500,000	500,000	500,000

Disaster Relief for Kaua'ula, Maui	220,000	35,000	na	na
Social Services			830,000	830,000
<b>Total Community Grants:</b>	<b>\$3,920,000</b>	<b>\$3,950,000</b>	<b>\$4,530,000</b>	<b>\$4,530,000</b>

\* Figures based on BAE/RM #19-04 (DRAFT) FY20 FY21 Community Grants

**Table 9: Level II Grants**

Level II Grants	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Department of Hawaiian Home Lands (DHHL)	\$1,132,222	\$2,500,000	\$3,000,000	\$3,000,000
Hawaiian-Focused Public Charter Schools	1,500,000	1,500,000	1,500,000	1,500,000
...Emergency Relief Disaster: Kauai and Big Island	280,000	0	na	na
Kulia	0	500,000	250,000	250,000
<b>Total Level II Grants:</b>	<b>\$2,912,222</b>	<b>\$4,500,000</b>	<b>\$4,750,000</b>	<b>\$4,750,000</b>

**Table 10: Sponsorships**

Sponsorships	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Trustees			\$135,000	\$135,000
...Prince Lot Festival	10,000	10,000		
...LLC (BOT Approved Action Item RM #19-04)		70,921		
Kaiaulu	106,840	0	71,000	71,000
Community Outreach	54,000	35,000	45,000	45,000
SPRI Initiative	68,200	50,142	0	0
Washington D.C. Office	36,500	52,909	0	0
Papahānaumokuākea	42,500	48,227	30,000	30,000
Legacy & Programmatic Lands	0	65,000	10,000	25,000
National Indigenous	10,000	10,000	10,000	10,000
<b>Total Sponsorships:</b>	<b>\$328,040</b>	<b>\$342,199</b>	<b>\$301,000</b>	<b>\$316,000</b>

### Core Contracts Budget (Slide 19 – 21)

Includes all expenditures directly related to implementing program activities and includes professional services for professional speakers, consultants, advisors, etc., or any service rendered for which there is an established fee.

Core Operating Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Personnel	\$13,974,942	\$14,245,529	\$16,905,440	\$17,136,197
Grants	7,150,262	8,792,199	9,581,000	9,596,000
<b>Contracts</b>	<b>6,054,756</b>	<b>5,402,735</b>	<b>4,376,719</b>	<b>4,040,294</b>
Overhead	2,415,620	2,722,882	2,964,382	3,134,555
Program	1,101,072	1,089,481	1,351,878	1,192,677
Equipment	1,806,895	725,288	995,570	1,027,036
Debt Service	630,952	566,937	580,048	572,163
Travel	344,677	315,548	511,087	512,309
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

**Table 11: Core Program Budget– FY 20 & FY 21**

Core Contracts Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Services on a Fee	\$4,697,756	\$4,272,735	\$3,561,719	\$3,205,294
Legal Services	1,357,000	1,130,000	815,000	835,000
<b>Total Core Contracts Budget:</b>	<b>\$6,054,746</b>	<b>\$5,402,735</b>	<b>\$4,376,719</b>	<b>\$4,040,294</b>

**Table 12: Core Contracts Budget–FY 20 & FY 21 (Detail)**

CONTRACTS	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
<b>Services on a Fee</b>				
State Proviso: Legal Representation	1,048,800	1,048,800	1,048,800	1,048,800
State Proviso: Multi-Services Program	830,000	830,000	(reported in Grants)	(reported in Grants)
Board of Trustees	580,000	110,000	212,500	210,000
Executive	793,505	525,147	345,700	318,380
Resource Management - Financial Assets	195,500	216,803	267,395	225,000
Community Engagement	26,754	86,500	100,000	50,000
Research	374,788	331,000	421,000	124,000
Advocacy	353,371	488,485	378,600	337,475

ATTACHMENT 2

Resource Management - Land Assets	219,243	588,500	787,724	891,639
SPRI	39,795	47,500	0	0
<b>Subtotal - Services on a Fee</b>	<b>\$4,697,756</b>	<b>\$4,272,735</b>	<b>\$3,561,719</b>	<b>\$3,205,294</b>
<b>Legal Services</b>				
Board Counsel	290,000	200,000	225,000	225,000
Litigation	150,000	225,000	200,000	200,000
Legal Consultants	375,000	200,400	75,000	100,000
Legal Due Diligence	75,000	30,000	40,000	40,000
Ceded Land Issues	200,000	100,000	25,000	25,000
UH Law Clinic - Ku Huli Ao Program	152,000	75,000	90,000	90,000
Mauna Kea	0	0	75,000	75,000
Water Initiative Consultants	50,000	91,600	35,000	30,000
Conflict Representation	65,000	208,000	50,000	50,000
<b>Subtotal - Legal Services</b>	<b>\$1,357,000</b>	<b>\$1,130,000</b>	<b>815,000</b>	<b>835,000</b>
<b>Total Core Contracts Budget:</b>	<b>\$6,054,756</b>	<b>\$5,402,735</b>	<b>\$4,376,719</b>	<b>\$4,040,294</b>

## Core Overhead Budget (Slide 22)

Includes all expenditures associated with office rents and utilities, communication costs, insurance, supplies, and postage.

Core Operating Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Personnel	\$13,974,942	\$14,245,529	\$16,905,440	\$17,136,197
Grants	7,150,262	8,792,199	9,581,000	9,596,000
Contracts	6,054,756	5,402,735	4,376,719	4,040,294
<b>Overhead</b>	<b>2,415,620</b>	<b>2,722,882</b>	<b>2,964,382</b>	<b>3,134,555</b>
Program	1,101,072	1,089,481	1,351,878	1,192,677
Equipment	1,806,895	725,288	995,570	1,027,036
Debt Service	630,952	566,937	580,048	572,163
Travel	344,677	315,548	511,087	512,309
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

**Table 13: Core Overhead Budget**

OVERHEAD	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Rental of Land & Building & Common Area Maintenance	\$1,407,342	\$1,637,799	\$1,757,150	\$1,904,948
Insurance	372,330	380,932	378,853	426,077
Utilities	265,969	266,499	314,559	335,556
Communications	132,036	128,346	233,556	255,632
Equipment Rental	64,809	86,352	84,614	88,642
Guest Parking	44,303	34,397	45,750	52,750
Other	65,133	92,515	109,900	27,100
...Business Settlement	3,000	25,000	30,000	0
...Leasehold Improvement	36,796	21,515	57,800	0
...Postage	25,337	46,000	22,100	27,100
Supplies	63,699	96,041	40,000	43,850
...Office Supplies	28,341	44,887	20,400	24,950
...Other Supplies	35,358	51,155	19,600	18,900
<b>Total Core Overhead Budget:</b>	<b>\$2,415,620</b>	<b>\$2,722,882</b>	<b>\$2,964,382</b>	<b>\$3,134,555</b>

### Core Program Budget (Slide 23)

Includes all expenditures directly related to implementing program activities and comprises of such expenditures as promotional items, printing, advertising, bulk mail, conference, and seminar fees.

Core Operating Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Personnel	\$13,974,942	\$14,245,529	\$16,905,440	\$17,136,197
Grants	7,150,262	8,792,199	9,581,000	9,596,000
Contracts	6,054,756	5,402,735	4,376,719	4,040,294
Overhead	2,415,620	2,722,882	2,964,382	3,134,555
<b>Program</b>	<b>1,101,072</b>	<b>1,089,481</b>	<b>1,351,878</b>	<b>1,192,677</b>
Equipment	1,806,895	725,288	995,570	1,027,036
Debt Service	630,952	566,937	580,048	572,163
Travel	344,677	315,548	511,087	512,309
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

**Table 14: Core Program Budget**

CORE PROGRAM BUDGET	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Ka Wai Ola Printing & Distribution	\$389,036	\$548,736	\$338,278	\$382,520
OHA's Conferences, Meetings, Events	107,894	100,343	337,550	252,550
Community Conferences, Meetings, Events	42,182	47,208	134,100	170,100
Advertising	138,253	135,441	199,788	45,750
Professional Dues & Subscriptions	124,215	104,234	93,267	97,337
Trustee Allowance	150,540	0	64,800	64,800
Staff Training	49,026	51,917	62,483	61,308
Honorarium & Protocol	35,514	43,310	49,100	63,350
Other Expenses	64,413	58,291	72,512	54,962
...Promotional Items	11,467	3,415	2,000	3,500
...Auto Allowance	7,224	4,464	3,912	3,912
...ADA Accommodations	726	1,963	2,500	2,500
...Other Rentals	20,333	13,379	34,100	24,430
...Volunteer Stipend	1,227	2,462	5,200	5,200
...Other Expenses	23,436	32,608	24,800	15,420
<b>Total Core Program Budget:</b>	<b>\$1,101,072</b>	<b>\$1,089,481</b>	<b>\$1,351,878</b>	<b>\$1,192,677</b>

## Core Equipment Budget (Slide 24)

Includes all expenditures associated with repair and maintenance, furniture and fixtures, and software and equipment. This category also includes funding from OHA's Core Operating Budget that has been allocated to support OHA's limited liability companies.

Core Operating Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Personnel	\$13,974,942	\$14,245,529	\$16,905,440	\$17,136,197
Grants	7,150,262	8,792,199	9,581,000	9,596,000
Contracts	6,054,756	5,402,735	4,376,719	4,040,294
Overhead	2,415,620	2,722,882	2,964,382	3,134,555
Program	1,101,072	1,089,481	1,351,878	1,192,677
<b>Equipment</b>	<b>1,806,895</b>	<b>725,288</b>	<b>995,570</b>	<b>1,027,036</b>
Debt Service	630,952	566,937	580,048	572,163
Travel	344,677	315,548	511,087	512,309
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

**Table 15: Core Equipment Budget**

EQUIPMENT	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Repair & Maintenance	\$611,612	\$403,025	\$845,020	\$888,386
Furniture & Fixtures	21,176	15,896	22,500	16,300
Software & Equipment	459,981	306,367	128,050	122,350
Investment (Capitalization)	714,126	0	0	0
<b>Total Core Equipment Budget:</b>	<b>\$1,806,895</b>	<b>\$725,288</b>	<b>\$995,570</b>	<b>\$1,027,036</b>

### Core Debt Service Budget (Slide 25)

Represents line of credit repayment related to previously Governance Planning budget of approximately \$3.5M.

Core Operating Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Personnel	\$13,974,942	\$14,245,529	\$16,905,440	\$17,136,197
Grants	7,150,262	8,792,199	9,581,000	9,596,000
Contracts	6,054,756	5,402,735	4,376,719	4,040,294
Program	1,101,072	1,089,481	1,351,878	1,192,677
Equipment	1,806,895	725,288	995,570	1,027,036
<b>Debt Service</b>	<b>630,952</b>	<b>566,937</b>	<b>580,048</b>	<b>572,163</b>
Travel	344,677	315,548	511,087	512,309
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

Table 16: Core Debt Service Budget

DEBT SERVICE	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Principal Expense	\$566,507	\$507,865	\$506,749	\$506,749
Interest Expense	64,446	59,072	73,298	65,414
<b>Total:</b>	<b>\$630,952</b>	<b>\$566,937</b>	<b>\$580,048</b>	<b>\$572,163</b>

## Core Travel Budget (Slide 26)

Includes all expenditures associated with in-state and out-of-state travel to include transportation, accommodation, car rental, parking, mileage, and subsistence and includes an increased demand for professional training and staff development not available within the State of Hawai‘i.

Core Operating Budget	Actual	Projected	Biennium Budget Request	
	FY 18	FY 19	FY 20	FY 21
Personnel	\$13,974,942	\$14,245,529	\$16,905,440	\$17,136,197
Grants	7,150,262	8,792,199	9,581,000	9,596,000
Contracts	6,054,756	5,402,735	4,376,719	4,040,294
Program	1,101,072	1,089,481	1,351,878	1,192,677
Equipment	1,806,895	725,288	995,570	1,027,036
Debt Service	630,952	566,937	580,048	572,163
Travel	344,677	315,548	511,087	512,309
<b>Travel</b>	<b>344,677</b>	<b>315,548</b>	<b>511,087</b>	<b>512,309</b>
<b>Total Core Operating Budget:</b>	<b>\$33,479,175</b>	<b>\$33,860,598</b>	<b>\$37,266,123</b>	<b>\$37,211,232</b>

**Table 17: Core Travel Budget**

TRAVEL	Actual	Projected	Biennium Budget Request	
	FY 2018	FY 2019	FY 2020	FY 2021
In-State Employee Travel	\$249,963	\$226,445	\$233,562	\$233,399
Out-of-State Employee Travel	68,614	57,400	233,515	266,075
Other and Non-Employee Travel	26,100	31,702	44,010	12,835
<b>Total Core Travel Budget:</b>	<b>\$344,677</b>	<b>\$315,548</b>	<b>\$511,087</b>	<b>\$512,309</b>

(End)

## Comparative Performance of Native Hawaiian Trust Fund, as of December 31, 2018

→ Since NHTF fund inception in 3/1/2003, the investment portfolio has earned an average investment return of 6.37%.

## Native Hawaiian Trust Fund

## Comparative Performance

As of December 31, 2018

	Allocation		Performance (%)										Expense Ratio
	Market Value (\$000)	%	1 Month	1 Quarter	Year To Date	Jul-2018 To Dec-2018	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date	
<b>Total OHA Plan</b>	<b>358,151</b>	<b>100.00</b>	<b>-3.01</b>	<b>-5.82</b>	<b>-2.95</b>	<b>-4.04</b>	<b>-2.95</b>	<b>6.02</b>	<b>4.25</b>	<b>6.53</b>	<b>6.37</b>	<b>03/01/2003</b>	
IPS Total OHA Benchmark			-3.56	-6.83	-3.88	-4.21	-3.88	6.51	4.41	6.55	7.01		
All Endowments-Total Fund Median			-4.05	-7.59	-4.85	-5.36	-4.85	5.60	4.05	6.72	7.44		
Total OHA Plan Rank			30	30	28	34	28	34	44	57	81		
Population			305	302	293	300	293	262	234	199	94		
<b>Total Global Equities</b>	<b>124,226</b>	<b>34.69</b>	<b>-7.39</b>	<b>-13.28</b>	<b>-9.99</b>	<b>-9.56</b>	<b>-9.99</b>	<b>6.50</b>	<b>4.20</b>	<b>8.70</b>	<b>7.66</b>	<b>03/01/2003</b>	
IPS Global Equities Benchmark			-7.04	-12.75	-9.42	-9.02	-9.42	6.74	4.31	8.55	8.24		
SS Money Market (SALXX)	1	0.00	0.15	0.47	1.36	0.87	1.36	N/A	N/A	N/A	0.92	12/01/2016	0.37
90 Day U.S. Treasury Bill			0.18	0.56	1.87	1.06	1.87	0.99	0.61	0.45	1.33		
IM U.S. Taxable Money Market (MF) Median			0.17	0.48	1.54	0.90	1.54	0.70	0.43	0.31	1.01		0.48
SS Money Market (SALXX) Rank			71	57	69	56	69	N/A	N/A	N/A	59		
Population			832	831	815	822	815	705	649	630	786		
Commonfund Open Cash	795	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N/A	0.00	07/01/2012	
90 Day U.S. Treasury Bill			0.18	0.56	1.87	1.06	1.87	0.99	0.61	0.45	0.48		
IM U.S. Cash Fixed Income (SA+CF) Median			0.21	0.56	2.00	1.15	2.00	1.48	1.12	1.20	1.10		
Commonfund Open Cash Rank			92	94	100	100	100	100	100	N/A	100		
Population			53	53	52	53	52	50	46	41	42		
State Street S&P 500 Index Strategy (SSSYX)	28,216	7.88	-9.09	-13.54	-4.43	-6.92	-4.43	N/A	N/A	N/A	10.95	11/01/2016	0.02
S&P 500			-9.03	-13.52	-4.38	-6.85	-4.38	9.26	8.49	12.70	10.11		
IM U.S. Large Cap Core Equity (MF) Median			-8.98	-13.78	-5.61	-7.57	-5.61	8.00	7.13	11.61	9.21		0.92
State Street S&P 500 Index Strategy (SSSYX) Rank			57	46	31	39	31	N/A	N/A	N/A	13		
Population			778	770	736	755	736	634	565	514	661		
JP Morgan US Large Cap Core Plus (JLPSX)	11,944	3.33	-9.24	-16.11	-7.15	-8.88	-7.15	7.39	N/A	N/A	7.45	05/01/2014	0.85
S&P 500			-9.03	-13.52	-4.38	-6.85	-4.38	9.26	8.49	12.70	8.54		
IM U.S. Large Cap Core Equity (MF) Median			-8.98	-13.78	-5.61	-7.57	-5.61	8.00	7.13	11.61	7.26		0.92
JP Morgan US Large Cap Core Plus (JLPSX) Rank			66	90	75	79	75	65	N/A	N/A	46		
Population			778	770	736	755	736	634	565	514	572		
JP Morgan Disciplined Equity R6 (JDEUX)	8,098	2.26	-9.15	-13.92	-5.48	-7.07	-5.48	8.09	7.44	N/A	11.02	05/01/2012	0.25
S&P 500			-9.03	-13.52	-4.38	-6.85	-4.38	9.26	8.49	12.70	11.48		
IM U.S. Large Cap Core Equity (MF) Median			-8.98	-13.78	-5.61	-7.57	-5.61	8.00	7.13	11.61	10.38		0.92
JP Morgan Disciplined Equity R6 (JDEUX) Rank			62	55	48	42	48	49	41	N/A	27		
Population			778	770	736	755	736	634	565	514	530		
JP Morgan Value Advantage Instl (JVAIX)	8,098	2.26	-10.04	-12.28	-8.98	-7.99	-8.98	6.76	5.82	N/A	9.79	05/01/2012	0.75
Russell 3000 Value Index			-9.78	-12.24	-8.58	-7.51	-8.58	7.01	5.77	10.91	9.91		
IM U.S. Multi-Cap Value Equity (MF) Median			-10.23	-14.26	-10.94	-9.99	-10.94	5.72	4.46	9.93	8.75		0.96
JP Morgan Value Advantage Instl (JVAIX) Rank			39	18	28	26	28	27	17	N/A	18		
Population			416	413	409	411	409	345	290	267	272		

## Core Travel Expenditures, FY 2016 - FY 2021

Table 1: Core Travel Budget Summary - FY16 to FY21

TRAVEL	Actual	Actual	Actual	Projected	Biennium Budget Request	
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
In-State Employee Travel	\$311,324	\$258,204	\$249,963	\$239,609	\$233,562	\$233,399
Out-of-State Employee Travel	155,794	96,916	68,614	70,640	233,515	266,075
Other and Non-Employee Travel	45,686	18,950	26,100	20,288	44,010	12,835
<b>Total:</b>	<b>\$512,804</b>	<b>\$374,070</b>	<b>\$344,677</b>	<b>\$330,537</b>	<b>\$511,087</b>	<b>\$512,309</b>

Table 2: Core Travel Budget - FY18 Budget/Actual Comparison

Travel	Approved	Actual	Difference	% Spent
	FY 18	FY 18		
In-State Employee Travel	\$277,500	\$249,963	\$27,537	90%
Out-of-State Employee Travel	111,819	68,614	43,205	61%
Other and Non-Employee Travel	33,867	26,100	7,767	77%
<b>Total:</b>	<b>\$423,186</b>	<b>\$344,677</b>	<b>\$78,509</b>	<b>81%</b>

Table 3: Core Travel Budget - FY19 Budget / Actual Comparison

Travel	Approved	Projected	Difference	% Spent
	FY 19	FY 19		
In-State Employee Travel	\$277,500	\$239,609	\$37,891	86%
Out-of-State Employee Travel	112,370	70,640	41,730	63%
Other and Non-Employee Travel	20,288	20,288	0	100%
<b>Total:</b>	<b>\$410,158</b>	<b>\$330,537</b>	<b>\$79,621</b>	<b>81%</b>

**Note>**

- Figures of actual travel expenditures from FY16 to FY19 and FY20 FY21 travel expenditures budget request in Table 1.
- Table 2 and Table 3 show that in FY18 and also in FY19 OHA spends 81% of the budgeted travel expenditures.

## Special Programs Budget Analysis

Special Programs - Other	Actual	Actual	Annualized	Projected	Projected
	FY17	FY18	FY19	FY20	FY21
<b>Beginning Balance</b>	\$19,210.33	\$9,562.93	\$129,031.20	\$142,862.95	\$367,862.95
<b>Hawaiian Projects</b>	78,650.00	84,537.50	76,205.45	75,000.00	75,000.00
<b>Homesteader Loan Program</b>	251,702.60	234,930.77	187,626.29	150,000.00	120,000.00
<b>Available Funds</b>	<b>\$349,562.93</b>	<b>\$329,031.20</b>	<b>\$392,862.95</b>	<b>\$367,862.95</b>	<b>\$562,862.95</b>
<b>Appropriations</b>	(340,000.00)	(200,000.00)	(250,000.00)		
<b>Proposed Appropriations</b>					
<b>Net Available</b>	<b>\$9,562.93</b>	<b>\$129,031.20</b>	<b>\$142,862.95</b>	<b>\$367,862.95</b>	<b>\$562,862.95</b>

**Note>**

→ Special Programs budget reflects special programs funded through other sources of income including:

1) Hawaiian Projects

...Ka Wai Ola advertisement sales;  
 ...Conference sponsorships; and  
 ...Other miscellaneous income.

2) Homesteader Loan Program

...Repayments received for the OHA-DHHL Homesteader Loan Program

→ These income are considered special program income and not part of the NHTF. Expenditure of these funds is authorized through BOT approval of the Special Programs budget.

→ Projected for FY19, Special Program's net available funds is \$142,862.95, and for FY20, FY21, \$367,862.95 and \$562,862.95, respectively.

Office of Hawaiian Affairs  
Fiscal Reserve Rollforward  
Actuals from FY11 to FY 18, Projected to FY 19

Moratorium in Effect (see note 2)

	Actual	Actual	Actual	Actual	Actual	Actual	Actual		Actual	Projected
<b>FISCAL RESERVE ROLLFORWARD</b>	<b>FY:11</b>	<b>FY:12</b>	<b>FY:13</b>	<b>FY:14</b>	<b>FY:15</b>	<b>FY:16</b>	<b>FY:17</b>		<b>FY:18</b>	<b>FY:19</b>
Fiscal Reserve Balance, beginning of year	15,131,590	13,565,235	11,256,763	8,257,459	5,909,701	4,845,506	2,090,142		4,243,980	5,745,956
Additions to reserve										
Current year lapse to fiscal reserve										
BOT approved budget (less G/F)	33,921,801	32,578,746	33,624,166	33,206,175	32,476,815	32,675,225	33,116,011		32,565,384	36,014,771
Expended / Encumbered (less G/F)	(33,837,132)	(32,576,115)	(33,623,470)	(33,196,854)	(31,109,261)	(32,646,209)	(32,019,207)		(31,075,626)	(33,860,598)
Current year lapse	84,669	2,630	697	9,321	1,367,554	29,016	1,096,804		1,489,758	2,154,173
Prior year PO cancellation	1,348,976	688,898		512,921	568,251	215,620	1,057,034		12,218	1,000,000
Less board designations made for use of fiscal reserve	(3,000,000)	(3,000,000)	(3,000,000)	(2,870,000)	(3,000,000)	(3,000,000)	-		-	
Add back lapse of fiscal reserve				-						
<b>Fiscal Reserve Balance, end of year</b>	<b>13,565,235</b>	<b>11,256,763</b>	<b>8,257,459</b>	<b>5,909,701</b>	<b>4,845,506</b>	<b>2,090,142</b>	<b>4,243,980</b>		<b>5,745,956</b>	<b>8,900,129</b>

**Note>**

1) Per section IV of OHA's Native Hawaiian Trust Fund Spending Policy section entitled, "Policy/Procedure", Fiscal Reserve is defined as "Any funds available but not spent in previous fiscal years." This includes, but not limited to current year lapse, prior year PO cancellation with remaining funds, and prior year designated fiscal reserve lapse. The maximum designations allowable to be made in any fiscal year are limited to no more than \$3,000,000 annually. Under special circumstances that will require the use of funds in excess of the categories noted above, the \$3,000,000 limit may be waived by the BOT with a vote of the super majority plus 2 (8 affirmative votes).

2) BOT Approved Action Item BOT# 18-01, February 27, 2018, Moratorium on use of Trustee Sponsorship and Allowance Fund (TFAAF) and CEO-initiated Sponsorships  
BOT approved to impose a moratorium on the use of Trustee Sponsorship and Allowance Fund (TFAAF) and CEO-initiated Sponsorships and the immediate return of the unused balance of the TFAAF to OHA.

PUBLIC LAND TRUST (CEDED LAND) REVENUES RECEIPTS  
FY 2010 - FY 2019

FY 2010	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	Act 178	Total
1Q10	5,806.00	50,459.31	103,354.64	16,205.00	1,451,282.81	772,378.07	106,974.62	120.00	1,268,419.55	3,775,000.00
2Q10	5,790.00	56,632.92	95,975.59	25,120.00	1,388,662.14	741,485.65	105,589.41	0.00	1,355,744.29	3,775,000.00
3Q10	5,768.00	58,300.34	118,243.20	15,860.00	1,355,580.32	740,464.65	105,093.10	0.00	1,375,690.39	3,775,000.00
4Q10	5,778.00	76,727.86	117,494.30	18,433.00	1,841,060.26	1,109,775.11	103,099.14	0.00	502,632.33	3,775,000.00
<b>Tot FY10</b>	<b>23,142.00</b>	<b>242,120.43</b>	<b>435,067.73</b>	<b>75,618.00</b>	<b>6,036,585.53</b>	<b>3,364,103.48</b>	<b>420,756.27</b>	<b>120.00</b>	<b>4,502,486.56</b>	<b>15,100,000.00</b>

FY 2011	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	Act 178	Total
1Q11	5,625.00	22,899.12	93,534.24	18,673.00	1,468,008.55	638,784.03	115,446.44	0.00	1,412,029.62	3,775,000.00
2Q11	5,462.00	53,514.39	128,019.69	19,765.00	2,184,971.60	770,296.76	110,984.98	0.00	501,985.58	3,775,000.00
3Q11	5,527.00	37,846.71	105,793.71	20,494.00	2,039,474.76	1,104,722.75	101,444.05	85.00	359,612.02	3,775,000.00
4Q11	5,172.00	94,255.79	103,763.91	17,700.00	1,921,539.81	1,056,024.00	119,075.83	0.00	457,468.66	3,775,000.00
<b>Tot FY11</b>	<b>21,786.00</b>	<b>208,516.01</b>	<b>431,111.55</b>	<b>76,632.00</b>	<b>7,613,994.72</b>	<b>3,569,827.54</b>	<b>446,951.30</b>	<b>85.00</b>	<b>2,731,095.88</b>	<b>15,100,000.00</b>

FY 2012	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	Act 178	Total
1Q12	4,970.00	108,091.00	92,689.28	23,166.00	1,930,785.51	738,782.95	117,736.56	85.00	758,693.70	3,775,000.00
2Q12	5,243.00	79,055.58	280,438.74	24,825.00	2,427,990.45	628,133.73	112,649.41	0.00	216,664.09	3,775,000.00
3Q12	5,560.00	104,455.43	107,920.49	26,109.00	1,812,408.39	1,458,334.28	117,064.66	0.00	143,147.75	3,775,000.00
4Q12	0.00	39,953.16	167,452.12	26,100.00	2,858,003.41	1,125,375.57	104,699.93	360.00	0.00	4,321,944.19
<b>Tot FY12</b>	<b>15,773.00</b>	<b>331,555.17</b>	<b>648,500.63</b>	<b>100,200.00</b>	<b>9,029,187.76</b>	<b>3,950,626.53</b>	<b>452,150.56</b>	<b>445.00</b>	<b>1,118,505.54</b>	<b>15,646,944.19</b>

TRF BAL  
\$0.00  
\$0.00  
\$0.00  
\$546,944.19  
\$546,944.19 (a)

FY 2013	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	Act 178	Total
1Q13	5,068.00	37,949.71	89,628.65	24,674.00	2,570,104.95	1,007,085.31	107,506.88	236.00	0.00	3,842,253.50
2Q13	5,254.00	36,952.88	91,041.44	24,175.00	2,349,623.13	943,303.25	113,826.96	401.00	210,422.34	3,775,000.00
3Q13	5,166.00	36,850.74	88,469.36	28,256.00	2,322,361.32	1,159,776.21	118,667.61	313.00	15,139.76	3,775,000.00
4Q13	5,166.00	0.00	152,553.37	4,631.43	3,317,050.39	891,212.38	592,911.12	200.00	0.00	4,963,724.69
<b>Tot FY13</b>	<b>20,654.00</b>	<b>111,753.33</b>	<b>421,692.82</b>	<b>81,736.43</b>	<b>10,559,139.79</b>	<b>4,001,377.15</b>	<b>932,912.57</b>	<b>1,150.00</b>	<b>225,562.10</b>	<b>16,355,978.19</b>

TRF BAL  
\$67,253.50  
\$0.00  
\$0.00  
\$1,188,724.69  
\$1,255,978.19 (b)

FY 2014	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	Act 178	Total
1Q14	4,959.00	0.00	90,124.13	24,103.00	2,742,089.81	889,462.40	133,045.10	0.00	0.00	3,883,783.44
2Q14	577,061.57	0.00	106,166.81	32,020.00	2,897,843.11	990,699.77	166,822.51	170.00	0.00	4,770,783.77
3Q14	5,646.00	0.00	103,279.44	31,831.00	2,793,798.37	1,415,721.19	142,643.70	480.00	0.00	4,493,399.70
4Q14	5,352.00	0.00	114,659.93	28,271.00	3,075,585.56	1,357,075.64	150,265.49	1,166.00	0.00	4,732,375.62
<b>Tot FY14</b>	<b>593,018.57</b>	<b>0.00</b>	<b>414,230.31</b>	<b>116,225.00</b>	<b>11,509,316.85</b>	<b>4,652,959.00</b>	<b>592,776.80</b>	<b>1,816.00</b>	<b>0.00</b>	<b>17,880,342.53</b>

TRF BAL  
\$108,783.44  
\$995,783.77  
\$718,399.70  
\$957,375.62  
\$2,780,342.53 (c)

FY 2015	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	Act 178	Total
1Q15	5,205.00	49,638.98	95,219.42	30,208.00	3,240,772.23	1,083,930.19	166,834.26	305.00	0.00	4,672,113.08
2Q15	5,090.00	99,554.76	216,203.30	23,590.00	3,026,802.73	944,422.72	157,780.15	300.00	0.00	4,473,743.66
3Q15	5,402.00	107,904.51	156,389.57	30,547.00	3,082,851.93	1,100,462.98	169,726.32	314.40	0.00	4,653,598.71
4Q15	5,019.00	125,922.50	113,816.43	28,576.00	3,333,496.69	1,255,348.73	148,948.75	300.00	0.00	5,011,428.10
<b>Tot FY15</b>	<b>20,716.00</b>	<b>383,020.75</b>	<b>581,628.72</b>	<b>112,921.00</b>	<b>12,683,923.58</b>	<b>4,384,164.62</b>	<b>643,289.48</b>	<b>1,219.40</b>	<b>0.00</b>	<b>18,810,883.55</b>

TRF BAL  
\$897,113.08  
\$698,743.66  
\$878,598.71  
\$1,236,428.10  
\$3,710,883.55 (d)

FY 2016	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	B&F	Act 178	Total
1Q16	5,139.00	112,928.41	107,783.06	21,638.00	2,998,457.56	844,385.80	175,386.12	328.80	0.00	0.00	4,266,046.75
2Q16	5,063.00	135,407.07	91,870.43	27,354.00	2,480,626.30	874,467.06	152,914.42	300.00	101,488.84	0.00	3,869,491.12
3Q16	5,467.00	142,069.27	820,916.14	33,775.00	820,916.14	1,314,346.78	176,750.72	360.00	1,111,992.65	0.00	3,775,000.00
4Q16	5,079.00	98,765.62	129,410.45	30,825.00	5,700,921.49	1,339,119.72	145,429.70	320.00	0.00	0.00	7,449,870.98
<b>Tot FY16</b>	<b>20,748.00</b>	<b>489,170.37</b>	<b>498,386.38</b>	<b>113,592.00</b>	<b>12,000,921.49</b>	<b>4,372,319.36</b>	<b>650,480.96</b>	<b>1,308.80</b>	<b>1,213,481.49</b>	<b>0.00</b>	<b>19,360,408.85</b>

TRF BAL  
\$491,046.75  
\$94,491.12  
\$0.00  
\$3,674,870.98  
\$4,260,408.85 (e)

PUBLIC LAND TRUST (CEDED LAND) REVENUES RECEIPTS FY 2010  
- FY 2019 (continued)

FY 2017	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	DOT-HWY	Act 178	Total
1Q17	5,073.00	86,857.50	106,879.02	32,306.00	4,197,980.23	894,490.74	178,542.07	1,834.40	0.00	0.00	5,503,962.96
2Q17	5,013.00	53,849.37	166,079.21	33,569.00	3,646,166.94	872,908.06	152,055.93	0.00	170.18	0.00	4,929,811.69
3Q17	5,363.00	70,912.88	116,393.45	26,453.00	3,095,384.74	1,680,474.13	143,314.49	860.00	0.00	0.00	5,139,155.69
4Q17	5,325.00	62,921.80	191,523.20	28,919.00	2,599,640.79	1,578,547.92	146,389.69	275.00	0.00	0.00	4,613,542.40
<b>Tot FY17</b>	<b>20,774.00</b>	<b>274,541.55</b>	<b>580,874.88</b>	<b>121,247.00</b>	<b>13,539,172.70</b>	<b>5,026,420.85</b>	<b>620,302.18</b>	<b>2,969.40</b>	<b>170.18</b>	<b>0.00</b>	<b>20,186,472.74</b>

**TRF BAL**  
**\$1,728,962.96**  
**\$1,154,811.69**  
**\$1,364,155.69**  
**\$838,542.40**  
**\$5,086,472.74** (f)

FY 2018	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	DOT-HWY	Act 178	Total
1Q18	5,030.00	83,720.48	92,186.04	24,010.00	2,516,137.89	1,055,069.69	200,891.19	681.00	0.00	0.00	3,977,726.29
2Q18	5,052.00	99,979.23	175,488.08	28,513.00	2,500,483.50	1,145,059.84	206,722.84	921.90	40,693.20	0.00	4,202,913.59
3Q18	5,019.00	86,088.67	95,367.67	28,891.00	2,503,394.87	1,595,303.66	197,164.45	575.00	0.00	0.00	4,511,804.32
4Q18	4,608.00	61,571.24	110,080.52	32,056.00	2,479,983.74	1,819,602.26	190,893.62	718.80	0.00	0.00	4,699,514.18
<b>Tot FY18</b>	<b>19,709.00</b>	<b>331,359.62</b>	<b>473,122.31</b>	<b>113,470.00</b>	<b>10,000,000.00</b>	<b>5,615,035.45</b>	<b>795,672.10</b>	<b>2,896.70</b>	<b>40,693.20</b>	<b>0.00</b>	<b>17,391,958.38</b>

**TRF BAL**  
**\$202,726.29**  
**\$427,913.59**  
**\$736,804.32**  
**\$924,514.18**  
**\$2,291,958.38** (g)

FY 2019	DAGS	DOA	DBEDT	DOE	DOT-HAR	DLNR	UH	DOD	DOT-HWY	Act 178	Total
1Q19	4,521.00	72,323.36	145,874.05	26,769.12	2,520,720.59	1,033,591.01	206,183.33	337.60	40,423.20	0.00	4,050,743.26
2Q19	10,642.00	122,651.04	105,528.15	26,062.00	2,509,150.26	1,031,047.16	220,574.14	474.80	0.00	0.00	4,026,129.55
3Q19	11,682.00	146,676.97	96,475.30	26,363.00	2,500,061.87	525,221.19	248,084.41	350.00	0.00	0.00	3,554,914.74
4Q19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Tot FY19</b>	<b>26,845.00</b>	<b>341,651.37</b>	<b>347,877.50</b>	<b>79,194.12</b>	<b>7,529,932.72</b>	<b>2,589,859.36</b>	<b>674,841.88</b>	<b>1,162.40</b>	<b>40,423.20</b>	<b>0.00</b>	<b>11,631,787.55</b>

**TRF BAL**  
**\$275,743.26**  
**\$251,129.55**  
**\$0.00**  
**\$526,872.81** (h)

**PLT Revenue** 15,100,000.00  
**Total paid to date to OHA in FY19** 11,104,914.74  
**Remaining payment to OHA** **3,995,085.26**

**Note>**

1) Each year OHA receives a set amount of \$15,100,000, such that not to exceed four quarterly payments of \$3,775,000, as the Public Land Trust (PLT) Revenues from the State of Hawaii.

2) This table shows the amount received by OHA from the other state agencies for fiscal years 2010 to 2019. In the event that OHA receives a sum exceeding \$3,775,000 per quarter or \$15,100,000 per year, the excess is subsequently returned to the State.

(a) In FY 2012,	\$15,646,944.19		\$546,944.19	
(b) In FY 2013,	16,355,978.19		1,255,978.19	
(c) In FY 2014,	17,880,342.53		2,780,342.53	
(d) In FY 2015,	18,810,883.55	OHA received	3,710,883.55	was returned to
(e) In FY 2016,	19,360,408.85	a total of	4,260,408.85	the State.
(f) In FY 2017,	20,186,472.74		5,086,472.74	
(g) In FY 2018,	17,391,958.38		2,291,958.38	

(h) In FY 2019, OHA has received a total of \$11,631,787.55, as of this writing. Of which \$526,872.81 has been returned to the State (excess of maximum \$3,775,000 per quarter). OHA expects to receive total receipts of \$3,995,085.26 by end of FY19.

## Native Hawaiian Trust Fund Withdrawals, FY 2005 to FY2019

Chart 1

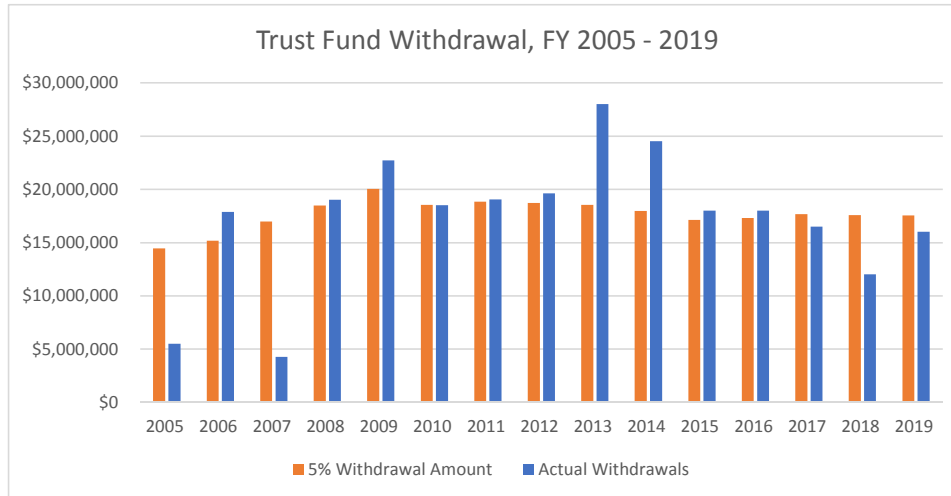


Table 1: Accompanying Data Table to the Native Hawaiian Trust Fund Withdrawals

FY	5% Withdrawal Amount	Actual Withdrawals	% Withdrawal	Available and Not Used	Running Total
2005	\$14,448,913	\$5,500,000	38%	\$8,948,913	\$8,948,913
2006	15,173,724	17,880,000	118%	(2,706,276)	6,242,637
2007	16,955,210	4,250,000	25%	12,705,210	18,947,847
2008	18,480,584	19,002,873	103%	(522,289)	18,425,558
2009	20,036,797	22,700,000	113%	(2,663,203)	15,762,355
2010	18,526,078	18,500,000	100%	26,078	15,788,433
2011	18,821,801	19,032,000	101%	(210,199)	15,578,234
2012	18,706,586	19,600,000	105%	(893,414)	14,684,820
2013	18,530,773	28,000,000	151%	(9,469,227)	5,215,593
2014	17,956,175	24,500,000	136%	(6,543,825)	(1,328,232)
2015	17,110,928	18,000,000	105%	(889,072)	(2,217,304)
2016	17,299,064	18,000,000	104%	(700,936)	(2,918,240)
2017	17,658,436	16,500,000	93%	1,158,436	(1,759,804)
2018	17,558,598	12,000,000	68%	5,558,598	3,798,794
2019	17,533,378	16,000,000	91%	1,533,378	5,332,171
<b>Total</b>	<b>\$264,797,044</b>	<b>\$259,464,873</b>	<b>98%</b>	<b>\$5,332,171</b>	

## Note&gt;

Table shows that from FY 2005 to FY 2019, NHTF fund withdrawals total \$259,464,873, as compared to cumulative maximum withdrawal of \$264,707,044, leaving a remaining \$5,332,171 available for withdrawal projected at end of FY 2019.

## Reconciliation of Cash Disbursed to Year in which the Expenses were Budgeted

A. Table 1: Actual FY 2018 Expenses

Category	FY 2007	...	FY 2011	...	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Grand Total
CONTRACTS	1,194		1,801		16,595	49,724	162,939	477,594	955,154	2,371,680	4,036,681
DEBT SERVICE									200,000	630,952	830,952
EQUIPMENT							17,000	15,600	153,044	1,038,313	1,223,957
GRANTS							104,454	345,133	5,487,412	3,459,073	9,396,072
OVERHEAD							4,353		534,672	2,142,302	2,681,328
PERSONNEL & FRINGE COSTS										14,562,694	14,562,694
PROGRAM									194,635	1,166,195	1,360,830
TRAVEL									141	343,088	343,229
<b>Grand Total</b>	<b>\$1,194</b>		<b>\$1,801</b>		<b>\$16,595</b>	<b>\$49,724</b>	<b>\$288,746</b>	<b>\$838,327</b>	<b>\$7,525,057</b>	<b>\$25,714,299</b>	<b>\$34,435,744</b>

Table 2: Projected FY 2019 Expenses

Category	FY 2007	...	FY 2011	...	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Grand Total
CONTRACTS	2,662		3,047		68,404	9,779	183,888	60,729	453,189	1,575,756	2,408,411	4,765,865
DEBT SERVICE											566,937	566,937
EQUIPMENT										336,268	637,377	973,645
GRANTS							10,662	72,712	619,062	3,128,534	5,217,804	9,048,774
OVERHEAD									384	222,174	2,426,897	2,649,456
PERSONNEL & FRINGE COSTS											14,245,529	14,245,529
PROGRAM									6,561	160,679	1,056,404	1,223,645
TRAVEL											314,964	314,964
<b>Grand Total</b>	<b>\$2,662</b>		<b>\$3,047</b>		<b>\$68,404</b>	<b>\$9,779</b>	<b>\$194,550</b>	<b>\$133,441</b>	<b>\$1,079,196</b>	<b>\$5,423,411</b>	<b>\$26,874,323</b>	<b>\$33,788,814</b>

## Note&gt;

A. Table 1 shows a total of \$34,435,744 was paid out between July 1, 2017, and June 30, 2018, and for the expenses budgeted in the fiscal year listed

Fiscal Year	Amount
FY 2007	\$1,194
FY 2011	1,801
FY 2013	16,595
FY 2014	the amount paid in FY18 was 49,724
FY 2015	288,746
FY 2016	838,327
FY 2017	7,525,057
FY 2018	25,714,299
<b>Actual Total Cash Disbursed in FY18 Period</b>	<b>\$34,435,744</b>

B. Table 2 shows that a projected total of \$33,788,814 to be paid out between July 1, 2018, and June 30, 2019, and for the expenses budgeted in the fiscal year listed below:

Fiscal Year	Amount
FY 2007	\$2,662
FY 2011	3,047
FY 2013	68,404
FY 2014	9,779
FY 2015	the amount paid in FY19 194,550
FY 2016	was 133,441
FY 2017	1,079,196
FY 2018	5,423,411
FY 2019	26,874,323
<b>Projected Total Cash Disbursed in in FY19 Period</b>	<b>\$33,788,814</b>

## Office of Hawaiian Affairs - Long Term Liabilities

**NOTE L - LONG-TERM LIABILITIES**

On August 14, 2012, OHA entered into a \$21,370,000 long term note payable with a bank, to finance the purchase of Na Lama Kukui. The interest rate is fixed at 3.35%. The note is due in full on September 1, 2022 and is collateralized by a mortgage lien on the property, assignment of OHA's right, title and interest as landlord in and to any rents under tenant leases and rental agreements on Na Lama Kukui and security interest in all furniture, fixtures, and equipment. On July 26, 2013 the agreement was modified to increase the interest rate to 3.6% and include certain financial covenants. At June 30, 2018, OHA was in compliance with those covenants.

The long term note payable future principal and interest payments are as follows:

Fiscal Year ending June 30,	Principal	Interest	Total
2019	\$ 596,444	\$ 701,149	\$ 1,297,593
2020	618,274	679,319	1,297,593
2021	640,903	656,691	1,297,594
2022	664,360	633,234	1,297,594
2023	17,214,386	154,543	17,368,929
	<u>\$ 19,734,367</u>	<u>\$ 2,824,936</u>	<u>\$ 22,559,303</u>

**NOTE L - LONG-TERM LIABILITIES (Continued)**

On June 28, 2013 OHA entered into a \$6,758,000 line of credit to finance the renovation of Na Lama Kukui, which is due in full on June 28, 2023. On January 28, 2015, OHA entered into a \$5,000,000 line of credit to finance OHA's governance planning initiative and other projects, which is due in full on February 3, 2024. OHA had drawn a total of \$8,325,705 between the lines of credit as of June 30, 2018. The interest rates are contingent upon certain elections by OHA. The lines of credit are collateralized by all investment property and financial assets held in certain investment accounts. There were no principal payments made for the year ended June 30, 2018. The lines of credit are also subject to certain financial covenants. At June 30, 2018, OHA was in compliance with those covenants. Future principal and interest payments are as follows:

Fiscal Year ending June 30,	Principal	Interest	Total
2019	\$ 1,614,666	\$ 210,051	\$ 1,824,717
2020	1,614,666	221,100	1,835,766
2021	1,614,666	172,443	1,787,109
2022	1,614,666	123,771	1,738,437
2023	1,614,666	55,227	1,669,893
2024	252,375	4,151	256,526
	<u>\$ 8,325,705</u>	<u>\$ 786,743</u>	<u>\$ 9,112,448</u>

In the past, long-term liabilities have generally been paid by the Public Land Trust Fund.

Changes in long-term liabilities for the year ended June 30, 2018 were as follows:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Amount due within one year	Amount due after one year
Compensated absences	\$ 1,660,765	\$ 792,290	\$ (862,692)	\$ 1,590,363	\$ 1,095,736	\$ 494,627
Capital lease obligation	212,971	14,238	(46,694)	180,515	48,898	131,617
Notes payable	20,300,386	—	(566,019)	19,734,367	596,444	19,137,923
Lines of credit	10,195,500	—	(1,869,795)	8,325,705	1,614,666	6,711,039
Total	<u>\$ 32,369,622</u>	<u>\$ 806,528</u>	<u>\$ (1,345,200)</u>	<u>\$ 29,830,950</u>	<u>\$ 3,355,744</u>	<u>\$ 26,475,206</u>

Source: Office of Hawaiian Affairs, Financial Statements with Independent Auditor's Report, Year Ended June 30, 2018, p. 50-51.

Sovereign Councils  
of the

March 31, 2018

Board of Trustees  
Office of Hawaiian Affairs  
560 N. Nimitz Highway, Suite 200  
Honolulu, Hawaii 96817

Re: *Beneficiary input on the OHA Biennium Budget proposed by the OHA Administration to the OHA Board of Trustees*

Aloha Chair and Members of the OHA Board of Trustees:

My name is Robin Puanani Danner, the elected chairman of the Sovereign Councils of the Hawaiian Homeland Assembly (SCHHA), the oldest and largest organization unifying Hawaiian Home Lands (HHL) community leaders and self-governing homestead associations throughout the state of Hawaii. The SCHHA protects and advances the interests of native Hawaiians eligible under the federal Hawaiian Homes Commission Act (HHCA) of 1921, whether on the land, or awaiting a land award.

On behalf of our SCHHA Vice Chair, Kammy Purdy from Molokai and our SCHHA Chair Emeritus, Kamaki Kanahale from Oahu, and our entire SCHHA Executive Council, we appreciate the opportunity to review, contemplate and submit recommendations on the OHA FY2018/FY2019 Biennium Budget. Our SCHHA Executive Council established a budget review team, consisting of all of our SCHHA executives, all of our SCHHA policy directors, as well as individual homestead leader members. We dedicated ourselves to thoroughly understanding the budget numbers and budget structure, as well as to improve our understanding of the administration structure, staffing levels and kuleana.

We congratulate OHA for the incredible fiscal team you have in place, that distributed excellent and comprehensive budget data to all OHA beneficiaries last week.

We also want to express that members of the OHA Executive team have been extraordinarily responsive to our budget review team in answering clarifying questions to ensure a complete understanding of budget line items by our team. Thank you sincerely, it made an already burdened workload much easier to be able to give our manao on our OHA budget.

The enclosed budget review document includes five (5) overall budget findings and fourteen (14) recommendations as follows:

- |   |                   |
|---|-------------------|
| 1. OHA Staffing/Duplication/Beneficiary Land Trust Fund | 3 recommendations |
| 2. OHA Management Top Heavy                             | 1 recommendations |
| 3. OHA Centric versus Beneficiary Centric Spending      | 3 recommendations |
| 4. Grants Program Adjustments                           | 5 recommendations |
| 5. Limited Liability Corporations                       | 2 recommendations |

You will find thoughtful manao from HHCA Beneficiaries that care about both our trust agencies, DHHL and OHA, and all our Native Hawaiian people, regardless of blood quantum. One of the recommendations, is to establish a Land Trust Fund to begin the acquisition of lands, and establishment of a land trust like Hawaiian Home Lands for all Native Hawaiians to achieve affordable housing opportunities, especially rentals.

We recommend that this fund begin with a modest reduction of 10% in staffing resources totaling \$1.5M under each year of your biennium budget, and for net revenues from the commercial property on Nimitz

to further build this Land Trust Fund to enable OHA to acquire relevant lands and/or multi-family residential properties that may become available across Hawaii in the years ahead. One of the greatest accomplishments OHA can achieve, is to acquire residential trust assets that enable our people to access affordable housing rentals, regardless of blood quantum. Hawaii is our homeland, let's begin with the FY2018/FY2019 Biennium Budget to build a future where our children are never threatened to be forced to leave.

We mahalo the invitation by OHA to all Beneficiaries to review the OHA budget and for creating an environment of welcomed input versus being treated as adversaries. For the 10 days that our budget review team worked together and with various members of the OHA Executive team, at no time did we feel unwelcomed to ask tough questions or to share our most frank manao.

Mahalo for your consideration of the work of HHCA beneficiaries to advance the interests of all Beneficiaries.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robin Puanani Danner', written in a cursive style.

Robin Puanani Danner  
SCHHA Chairman

CC: SCHHA Vice Chairman, Kammy Purdy  
SCHHA Chairman Emeritus, Kamaki Kanahele  
SCHHA Executive Council and Homestead Members



**SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

# **Comparison of OHA & SCHHA Proposal to the OHA Board of Trustees For 2-Year Funding FY2018 & FY2019**

**This Kit Prepared by SCHHA based on OHA Budget Data on: March 28, 2017**

**The SCHHA formed an OHA Budget Review Team to provide input on the OHA Proposal.**

**Following are the comparable numbers from the OHA proposal and the SCHHA proposal:**

## Summary of OHA versus SCHHA Budget Proposal:

Spending Purpose	OHA Proposal FY 2018	SCHHA Prop FY 2018	SCHHA Difference
<b><u>OHA Personnel (158 FTE vs 142 FTE)</u></b>	<b>\$15,379,000</b>	<b>\$13,827,566</b>	<b>-\$1,551,434</b>
<b><u>Beneficiary Serving Grants</u></b>	<b>\$9,772,000</b>	<b>\$13,433,256</b>	<b>\$3,661,256</b>
To Nonprofits	6,742,680	11,534,376	\$4,791,696
To DHHL	3,029,320	-0-	-\$3,029,320
To Beneficiary Legal/Social Services		1,898,880	\$1,898,880
<b><u>OHA Contracts</u></b>	<b>\$5,934,000</b>	<b>\$2,774,145</b>	<b>-\$3,159,855</b>
OHA Services	4,035,120	2,774,145	-\$1,260,975
To Beneficiary Legal/Social Services	1,898,880	-0-	-\$1,898,880
<b><u>OHA Programs (conf, allowances, print, etc)</u></b>	<b>\$1,602,000</b>	<b>\$1,204,704</b>	<b>-\$397,296</b>
<b><u>OHA Travel</u></b>	<b>\$443,000</b>	<b>\$338,895</b>	<b>-\$104,105</b>
<b><u>OHA Equipment</u></b>	<b>\$900,000</b>	<b>\$900,000</b>	<b>-0-</b>
<b><u>OHA Overhead</u></b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>-0-</b>
<b><u>OHA Debt Service</u></b>	<b>\$579,000</b>	<b>\$579,000</b>	<b>-0-</b>
<b>Subtotal Core Operating Costs</b>	<b>\$37,609,000</b>	<b>\$36,057,566</b>	<b>-\$1,551,434</b>
<b>Land Acquisition Fund for a Housing Land Trust like HHL for all Native Hwns</b>	<b>-0-</b>	<b>\$1,551,434</b>	<b>\$1,551,434</b>
<b>Total Core Operating Costs</b>	<b>\$37,609,000</b>	<b>\$37,609,000</b>	<b>-0-</b>
<hr/>			
Spending Purpose	OHA Proposal FY 2019	SCHHA Prop FY 2019	SCHHA Difference
<b><u>OHA Personnel (167 FTE vs 142 FTE)</u></b>	<b>\$15,528,000</b>	<b>\$13,961,535</b>	<b>-\$1,566,465</b>
<b><u>Beneficiary Serving Grants</u></b>	<b>\$9,782,000</b>	<b>\$13,338,934</b>	<b>\$3,556,934</b>
To Nonprofits	6,749,580	11,527,094	\$4,777,514
To DHHL	3,032,420	-0-	-\$3,032,420
To Beneficiary Legal/Social Services		1,811,840	\$1,811,840
<b><u>OHA Contracts</u></b>	<b>\$5,662,000</b>	<b>\$2,646,985</b>	<b>-\$3,015,015</b>
OHA Services	3,850,160	2,646,985	-\$1,203,175
To Beneficiary Legal/Social Services	1,811,840	-0-	-\$1,811,840
<b><u>OHA Programs (conf, allowances, print, etc)</u></b>	<b>\$1,718,000</b>	<b>\$1,291,936</b>	<b>-\$426,064</b>
<b><u>OHA Travel</u></b>	<b>\$493,000</b>	<b>\$377,145</b>	<b>-\$115,855</b>
<b><u>OHA Equipment</u></b>	<b>\$725,000</b>	<b>\$725,000</b>	<b>-0-</b>
<b><u>OHA Overhead</u></b>	<b>\$3,036,000</b>	<b>\$3,036,000</b>	<b>-0-</b>
<b><u>OHA Debt Service</u></b>	<b>\$567,000</b>	<b>\$567,000</b>	<b>-0-</b>
<b>Sub Total Core Operating Costs</b>	<b>\$37,511,000</b>	<b>\$35,944,535</b>	<b>-\$1,566,465</b>
<b>Land Acquisition Fund for a Housing Land Trust like HHL for all Native Hwns</b>	<b>-0-</b>	<b>\$1,566,465</b>	<b>\$1,566,465</b>
<b>Total Core Operating Costs</b>	<b>\$37,511,000</b>	<b>\$37,511,000</b>	<b>-0-</b>

## **BENEFICIARIES FIRST – An alternative budget to the OHA Board of Trustees**

### **Budget Review Project Background**

The SCHHA Executive Council consists of elected and appointed beneficiaries of the Hawaiian Homes Commission Act, that either live on homestead lands, or are on the waitlist for a homestead land award. Moku represented are Kauai, Oahu, Maui, Molokai and Hawaii Island and includes 7 Policy Directors with policy expertise in the areas of Native Rights, Farming & Ranching, Affordable Housing, Telecommunications, Economic Development, DHHL Compliance to the HHCA and Political Action Committee functions. The current SCHHA Chairman is **Robin Puanani Danner** from Kauai, its Vice Chairman is **Kammy Purdy** from Molokai and its Chairman Emeritus, **Kamaki Kanahele** from Oahu.

For the first time in the SCHHA's 30-year history, its Executive Council established an OHA Budget Review team consisting of SCHHA members to work together to become competent in OHA's budget and organizational structure in meeting its mission of serving Native Hawaiian beneficiaries, including HHCA beneficiaries to provide comprehensive feed-back to the OHA Board of Trustees.

### **SCHHA Budget Review Team Findings**

The budget review team finds that OHA has three (3) core functional responsibilities as follows:

- 1. Core Organizational Governance – 29 FTE**
  - a. Board of Trustees – 9 FTE
  - b. Staff Support to Board of Trustees – 20 FTE
  - c. Trustee Allowances for Relevant Expenditures and Funding Special Requests
- 2. Core Organizational Administration Systems – 61 FTE**
  - a. Executive Team – 7 FTE
  - b. Staff Support to Executive Team – 11 FTE
  - c. Organizational Financial Systems & Asset Management – 31 FTE
  - d. Land & Real-estate Asset Management – 12 FTE
- 3. Core Organizational Programs & Services to, for or on behalf of Beneficiaries – 77 FTE**
  - a. Community Engagement Program – 31 FTE
    - i. OHA Statewide Office System for Beneficiary Access
    - ii. Community Outreach to Beneficiaries
    - iii. Newspaper, Website & Other Informational Systems for Beneficiary Access
    - iv. Grant Resources & Legal/Social Services for Beneficiary Access
  - b. Advocacy – 28 FTE
    - i. State & Federal Policy Advocacy on behalf of Beneficiaries
    - ii. Compliance & Enforcement of Existing Laws impacting Beneficiaries
    - iii. Self-Governance & Registry Management on behalf of Beneficiaries
    - iv. Management of Papahanumokuakea on behalf of Beneficiaries
  - c. Research – 18 FTE
    - i. Research, tracking & publication of Data Statistics about Beneficiaries

The above staffing allocations total 167 FTE; however, it should be noted that OHA has a freeze on 9 of these positions, and the funding levels in the OHA funding proposal does not include dollars for these 9 positions.

### **SCHHA Budget Review Team Recommendations**

The budget review team finds the following based on a review of how trust funds are currently budgeted and proposed by the OHA Administration:

- 1. OHA has an enormous staff FTE.** The sheer size of OHA is incredible for the basic functions it performs, many of which are duplicative to other long standing and effective Beneficiary organizations.

Essentially, out of the **\$37M** in annual operations, OHA spends only **\$8.5M** in nonprofit grants (\$6.7M for education, housing/health/income, culture/land/water, event and other program sponsorships and \$1.8M in legal/social service contracts) that directly touch Beneficiaries. The \$3M in OHA funds that flow to DHHL are not included in the \$8.5M because those funds subsidize DHHL, another state agency for its debt service and operations. None of the \$3M flows directly to HHCA beneficiaries.

Overall, including staffing costs, contract costs, program costs – OHA spends more Beneficiary trust funds on itself than on Beneficiaries.

In addition, fringe benefit rates are rising for every state agency, to support the State to meet its obligations to State employees from a 38% rate to 60%. This means that achieving goals with internal staff is becoming more and more expensive, and certainly can be achieved by improving collaboration with and avoiding duplication with Beneficiary nonprofits, where fringe rates are not at 60%.

### **SCHHA recommends the following:**

- A. Conduct an Inventory of Statewide Serving Beneficiary Organizations** that have full time staff, to assess level of capacity, prior accomplishments and current menu of services being delivered to ascertain the duplicative functions at OHA.
- B. Reduce Staffing Levels** by 10% or 16 FTE Positions for the next 2 years. Set a goal of further reduction by additional FTE positions in the follow-on biennium based on the Inventory of Statewide Beneficiary Organizations.

Call on all Division Managers to improve OHA Collaboration with Beneficiary Organizations to improve productivity and maximize OHA resources in achieving the tenets of its strategic plan, particularly in the program areas of research, policy advocacy and community organizing and capacity building. Staffing costs and the 60% fringe rate can be reduced through improved collaboration.

- C. Create a Beneficiary Land Acquisition Fund**, wherein 100% of the cost savings from the 16 staff reductions totaling a modest \$1.5M annually be deposited into this new fund every single year, including follow-on biennium.

When opportunities arise, OHA should purchase farm lands, subdivisions or housing projects, to establish a land trust program like Hawaiian Home Lands for all Native

Hawaiians. In 1920, the Congress established a land trust and set the blood quantum at 50%. As the SCHHA, we call on OHA to help all our people, regardless of blood quantum, and begin the process of directing funds annually from staff reduction savings, to help all our Hawaiian people to access affordable housing in our homeland (ownership and rental).

2. **OHA is extremely top heavy.** Currently OHA has 1 manager for every 6 employees (21 managers over 130-line staff). If trustees, and executives are included, OHA has 1 manager for every 3.5 employees (21 managers + 9 trustees + 7 directors/CEO/COO over 130-line staff). Our kids have a 1 to 20 ratio of teacher to students in any typical classroom. Given the size of OHA, there should be far greater efficiencies in management to line staff ratios.

**SCHHA recommends the following:**

- A. **Minimize middle managers** within Divisions, by requiring highly compensated Directors to manage line staff within Divisions, especially when line staff number less than 10 in a program area, and improve collaboration with existing Beneficiary Organizations to achieve workload.

3. **OHA Centric versus Beneficiary Centric.** The incredible levels of funding in line items for OHA Programs, for OHA Travel, for OHA Service Contracts versus for direct Beneficiary impact are misdirected. Line after line, literally, OHA spends more Beneficiary trust funds on itself, than on Beneficiaries or Beneficiary Organizations delivering service on the ground, at nearly a 4:1 ratio (again \$37M total, with only \$8M in direct funding to Beneficiary service organizations).

**SCHHA recommends the following:**

- A. **Redirect a portion of travel costs** for OHA staff in specific divisions, to increase Program Sponsorships and other grant programs to fund Beneficiary Organizations to maintain capacity and expertise in subject matter areas that these organizations provide direct services in. Currently, the OHA travel line item totals **\$443K** for FY2018. We recommend **\$104K** be transferred to the Grants Program.
- B. **Redirect a portion of program costs** designated for OHA and non-OHA conferences and conference fees, to the Grants Program to fund proficient Beneficiary Organizations that have conducted statewide and national conferences for literally decades on every topic including business, Native rights, nonprofit capacity building, resource development, policy priorities, land trust uses, education and health among others.

OHA should not be coordinating conferences, but rather facilitating the work of Beneficiary Organizations that do. Nor should OHA staff be attending conferences to build their own capacity, but rather should be attending Beneficiary conferences to remain connected to the capacity and priorities of Beneficiaries. We recommend that **\$396K** of the line items on conferences totaling **\$416K** in the FY 2018 budget for example, be transferred to the grants budget for use by Beneficiary Organizations.

- C. **Redirect a portion of the OHA contracts budget** to the grants section to fund grants or grant contracts to Beneficiary Organizations to deliver services to OHA and/or directly to Beneficiaries on the ground. We recommend for example in FY 2018, that of the **\$4M** dedicated to contracts by OHA staff, that **\$1.2M** be transferred to the Program sponsorship procure grants with Beneficiary Organizations that have incredible expertise.

- 4. **OHA Grant Program Adjustments.** The grants program is the primary vehicle for Beneficiaries to be directly impacted by their own Beneficiary trust funds. As such, the grant program should be managed in such a way that represents the vital needs of our people and continues to invest in the capacity of the many mature Beneficiary Controlled Nonprofits.

**SCHHA recommends the following:**

- A. **Move the Social Service/Legal Service contract into Grants program**, to better reflect funds that have a direct impact on Beneficiaries, like other grant funding programs.

In terms of the scope of service of this annual contract, Beneficiaries have voiced that Handi-Van, Summer Youth Employment programs, and Kupuna Employment programs should be included.

- B. **Adopt a Beneficiary Serving and Controlled Organization Criteria for Grant Scoring.**

The knowledge of Beneficiary life ways and best practices are best found in Beneficiary controlled and serving organizations. As such, a policy should be adopted that requires grant criteria that honors and values Beneficiary Organizations on all awards under the grants budget, including scoring criteria that rewards organizations that dedicate 100% of their mission, resources, and expertise to Beneficiary communities. This will have an excellent side benefit, in that it will encourage non-Beneficiary focused organizations to seek out and partner with Beneficiary organizations.

- C. **Redirect funds in the grants budget designated to DHHL**, to direct project development by Homestead Associations and Beneficiary Organizations on Hawaiian Home Lands in community facilities, rental housing, access to water resources, farming and ranching infrastructure and capacity that serves all Beneficiaries. Today, Homestead Associations are highly capable, having built multi-family rental projects, community centers, marketplaces, certified kitchens and other economic development facilities and projects.

The designation of **\$3M** between state agencies currently in the budget, was never the subject of consultation with HHCA beneficiaries, nor based on the needs of HHCA beneficiaries, nor the capacity of DHHL to perform adequately. To date, DHHL has failed to fulfill the commitment made to OHA to fund 20 regional grants with these funds, and has failed to report to anyone, how this \$3M annual cost is benefitting HHCA beneficiaries.

- D. **Improved Transparency.** We recommend the transfer of the Executive Sponsorship funds in the budget to the Program Sponsorship line item to further strengthen

transparency and dissuade any special treatment of funds awarded outside the guidelines of grant making. For example, the CEO awarded \$25,000 to a mainland Asian American organization, that has a record of failing to serve Native Hawaiians or to collaborate with Native Hawaiians.

Moreover, we recommend that OHA publish quarterly reports for any grants awarded during the quarter for event sponsorships, program sponsorships or leveraged projects.

- E. Establish a firm policy that any allocation of Kakaako funds,** must be directed to the Grants program and not for other operating costs of the agency. This simple commitment, signals quite clearly, that the Kakaako investment has a direct impact to Beneficiary lives. We do not want OHA to follow the misguided management of HHCA trust funds, where DHHL keeps our people on the waitlist, under the guise of leasing our lands for revenue generation, wherein all the revenue funds DHHL staff and operations instead of directly impacting HHCA Beneficiary lives.

- 5. LLCs Properly & Improperly Used by OHA.** LLCs have been established by OHA to hold certain trust assets, and in at least one case, to simply operate a program outside the parameters of OHA as an agency. There are many good reasons that entities utilize an LLC vehicle in general corporate affairs, namely to create a corporate veil against potential liability. However, The OHA LLCs have been established in an undisciplined way, with some maximizing this powerful mitigation of liability approach, and some for no apparent mitigation purpose.

**SCHHA recommends the following:**

- A. Complete a review** to assess all LLCs and maintain any LLC that hold real property assets that may pose liability from accidents or unforeseen circumstances. Eliminate any LLCs that are solely program, consulting or service based and move these functions into the agency.
- B. Establish an LLC to hold the commercial property owned by our trust,** to mitigate the same or similar liability issues as other land based LLCs. We recommend that 100% of annual net income from this LLC be deposited to the Trust Corpus and to the recommended Beneficiary Land Trust discussed in item 1.C above to provide housing to all Native Hawaiians.

**Summary**

The SCHHA has convened our leaders and members to spend dedicated volunteer hours to review, contemplate and identify our best manao on how Beneficiary funds should be spent in FY2018 and FY2019. We have matched the level of funding proposed by the OHA administration at **\$37.5M**, by making only one major reduction totaling **\$1.5M** annually in staffing levels and redirecting that cost savings to a land acquisition fund to establish a Beneficiary Land Trust for all Native Hawaiians regardless of Blood Quantum.

All other line item reductions that are highly “OHA Centric” totaling **\$1.7M** in travel, program costs, and contract costs, we have redirected to “Beneficiary Centric” spending under the Grants Program. We have redirected the **\$1.8M** in legal and social service contracts currently located within the contracts section of the budget to the Grants Program budget section to be better reflective of direct Beneficiary

impact services. And finally, we have repurposed **\$3M** in trust funds currently being issued to DHHL in the Grants Program to direct development by homestead associations that serve all Native Hawaiians in rental housing, agricultural parks, and economic development projects on our trust lands.

In summary, this budget review identifies **5 overall budget findings** and **14 specific recommended actions** as follows:

- |  |                   |
|--|-------------------|
| 1. OHA Staffing/Duplication Services/Beneficiary Land Trust Fund | 3 recommendations |
| 2. OHA Management Top Heavy                                      | 1 recommendations |
| 3. OHA Centric versus Beneficiary Centric Spending –             | 3 recommendations |
| 4. Grants Program Adjustments –                                  | 5 recommendations |
| 5. Limited Liability Corporations –                              | 2 recommendations |

The result of this budget review project, if considered by the OHA Board of Trustees, will give greater balance to how Beneficiary trust funds are spent, moving from the OHA proposal of **\$37M to issue \$8M** in direct impact funding grants, to the SCHHA proposal of **\$35M to issue \$13M** in direct impact funding grants to Beneficiaries, and **\$1.5M** dedicated to a Beneficiary Land Trust to begin building a land based trust to serve the residential needs of all of our Native Hawaiian people.

Said another way, the OHA proposal directs **\$15M** in OHA staffing costs to issue **\$8M** in direct impact funding grants to Beneficiaries versus the SCHHA proposal of **\$13M** in staffing costs to issue **\$13M** in direct impact funding grants to Beneficiaries – a far more balanced approach that puts Beneficiaries First.

Mahalo for the opportunity to engage, and give meaningful input.



SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years

# **OHA Administration Proposal to the OHA Board of Trustees For 2-Year Funding FY2018 & FY2019**

**This Kit Prepared by SCHHA based on OHA Budget Data on: March 28, 2017**

**The SCHHA formed an OHA Budget Review Team to contemplate the OHA Proposal to spend \$37M annually in Beneficiary Trust Funds on OHA's Operating Budget.**

**Following are the numbers made public by OHA for Beneficiary Review and Comment.**

## Summary of OHA Administration Budget Proposal

<u>Spending Purpose</u>	<u>FY2018</u>	<u>FY2019</u>
OHA Personnel (167 FTE)	\$15,379,000	\$15,528,000
Beneficiary Serving Grants	\$9,772,000	\$9,782,000
To Nonprofits	\$6,742,680	\$6,749,580
To DHHL	\$3,029,320	\$3,032,420
OHA Contracts	\$5,934,000	\$5,662,000
OHA Programs (Conferences, Allowances, Dues)	\$1,602,000	\$1,718,000
OHA Travel	\$443,000	\$493,000
OHA Equipment	\$900,000	\$725,000
OHA Overhead	\$3,000,000	\$3,036,000
OHA Debt Service	\$579,000	\$567,000
<b>TOTAL CORE OPERATING COSTS PROPOSED</b>	<b>\$37,609,000</b>	<b>\$37,511,000</b>

**OHA Draft Budget Proposal to the Board of Trustees - March 2017**

This data has been confirmed against OHA provided spreadsheet

	FY 2018	FY 2019	2 Years
<b>CORE BUDGET</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>
<b>NON-CORE BUDGET (funded by Grant/Reserve Sources)</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
<b>COMBINED CORE + NON-CORE BUDGET</b>	<b>52,609,000</b>	<b>52,511,000</b>	<b>105,120,000</b>
<b>Description of SOURCE OF FUNDS</b>			
5% Annual Withdrawal from NHTF Corpus	17,609,000	17,411,000	35,020,000
Set Amount by Legislature from Public Land Revenues	15,100,000	15,100,000	30,200,000
State General Funds for NHLC/Helping Hands/Fringe	4,500,000	4,500,000	9,000,000
Allocation by BOT of 10% of Kakaako Revenues	400,000	500,000	900,000
<b>Total SOURCE OF FUNDS</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>
<b>Description of Proposed USE OF FUNDS</b>			
<b>Personnel Costs/OHA PPT</b>	<b>15,379,000</b>	<b>15,528,000</b>	<b>30,907,000</b>
Salaries (167 FTE - 138 Ops & Execs/29 Trustees & Staff) - 66%	10,150,140	10,248,480	20,398,620
Benefits/Fringe - 32%	4,921,280	4,968,960	9,890,240
<b>SubTotal FTE Positions</b>	<b>15,071,420</b>	<b>15,217,440</b>	<b>30,288,860</b>
Student Help-1%	153,790	155,280	309,070
Reserves (incentives, vacation, OT)-1%	153,790	155,280	309,070
<b>Total Personnel Costs</b>	<b>15,379,000</b>	<b>15,528,000</b>	<b>30,907,000</b>
167 FTE: 31-Comm Engage; 28-Advocacy; 18-Research; 12-Land; 31-Fin Assets; 18 Exec Team; 29-BOT Team			
130 are Line Staff; 21 are Managers; 7 are Executives; 9 are Trustees			
That's 1 mgr/exec/trustee for every 3.5 line staff on average			
That's 1 mgr for every 6.2 line staffers on average			
Fringe rate is increasing from 37% to 60% to help state fund backlog amounts due to state employees			
<b>NOTE: Budget Amount Represents Funding for 157 FTE (9 positions frozen by OHA)</b>			
<b>Grant Costs/OHA PPT</b>	<b>9,772,000</b>	<b>9,782,000</b>	<b>19,554,000</b>
Executive Sponsorships - 1%	97,720	97,820	195,540
Program Sponsorships - 2%	195,440	195,640	391,080
Event Sponsorships - 2%	195,440	195,640	391,080
Leveraged Grants - 6%	586,320	586,920	1,173,240
Culture/Land/Water - 10%	977,200	978,200	1,955,400
Health/Housing/Income - 20%	1,954,400	1,956,400	3,910,800
Education - 28%	2,736,160	2,738,960	5,475,120
DHHL - 31%	3,029,320	3,032,420	6,061,740
<b>Total Grant Award Costs</b>	<b>9,772,000</b>	<b>9,782,000</b>	<b>19,554,000</b>
<b>Contract Costs/OHA PPT</b>	<b>5,934,000</b>	<b>5,662,000</b>	<b>11,596,000</b>
BOT/Executive-5%	296,700	283,100	579,800
Fee Svcs on Resource Mgmnt (water, land, financial, etc)-19%	1,127,460	1,075,780	2,203,240
Legal/Consulting Fee Services to OHA-22%	1,305,480	1,245,640	2,551,120
*Other Program Contracts (spent by 5 Divisions)-22%	1,305,480	1,245,640	2,551,120
Fee Svcs to Ben for legal/social (NHLC/Helping Hands)-32%	1,898,880	1,811,840	3,710,720
<b>Total Contract Costs</b>	<b>5,934,000</b>	<b>5,662,000</b>	<b>11,596,000</b>
<b>Program Costs/OHA PPT</b>	<b>1,602,000</b>	<b>1,718,000</b>	<b>3,320,000</b>
Mailing/Shipping - 18%	288,360	309,240	597,600
OHA Organized Conferences - 15%	240,300	257,700	498,000
Other - 12%	192,240	206,160	398,400

Trustee Allowances - 12%	192,240	206,160	398,400
Printing - 11%	176,220	188,980	365,200
Advertising - 8%	128,160	137,440	265,600
Conference Fees - 6%	96,120	103,080	199,200
Non OHA Conferences - 5%	80,100	85,900	166,000
Dues - 5%	80,100	85,900	166,000
Subscriptions - 4%	64,080	68,720	132,800
Honorariums - 4%	64,080	68,720	132,800
<b>Total Program Costs</b>	<b>1,602,000</b>	<b>1,718,000</b>	<b>3,320,000</b>
<b>Travel Costs/OHA PPT</b>	<b>443,000</b>	<b>493,000</b>	<b>936,000</b>
Trustee Travel - 45%	199,350	221,850	421,200
Advocacy Team Travel - 18%	79,740	88,740	168,480
Executive Team Travel - 13%	57,590	64,090	121,680
Community Engagement Team Travel - 9%	39,870	44,370	84,240
Financial Assets Team Travel - 7%	31,010	34,510	65,520
Research Team Travel - 4%	17,720	19,720	37,440
Land Asset Team Travel - 3%	13,290	14,790	28,080
SPRI Travel - 1%	4,430	4,930	9,360
<b>Total Travel Costs</b>	<b>443,000</b>	<b>493,000</b>	<b>936,000</b>
<b>Equipment Costs/OHA PPT</b>	<b>900,000</b>	<b>725,000</b>	<b>1,625,000</b>
Repair & Maintenance - 65%	585,000	471,250	1,056,250
Software & Equipment - 30%	270,000	217,500	487,500
Furniture & Fixtures-5%	45,000	36,250	81,250
<b>Total Equipment Costs</b>	<b>900,000</b>	<b>725,000</b>	<b>1,625,000</b>
<b>Overhead Costs/OHA PPT</b>	<b>3,000,000</b>	<b>3,036,000</b>	<b>6,036,000</b>
Office Leases, CAM, Utilities - 59%	1,770,000	1,791,240	3,561,240
Insurance - 15%	450,000	455,400	905,400
Utilities - 11%	330,000	333,960	663,960
Supplies - 6%	180,000	182,160	362,160
Other - 6%	180,000	182,160	362,160
Communications - 3%	90,000	91,080	181,080
<b>Total Overhead Costs</b>	<b>3,000,000</b>	<b>3,036,000</b>	<b>6,036,000</b>
<b>Debt Service/OHA PPT</b>	<b>579,000</b>	<b>567,000</b>	<b>1,146,000</b>
Principal & Interest on LOC balance - 100%	579,000	567,000	1,146,000
<b>Total Debt Service</b>	<b>579,000</b>	<b>567,000</b>	<b>1,146,000</b>
<b>GRAND TOTAL CORE BUDGET by OHA</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>
For context - FY 2016, OHA Spent	35,892,729		
Difference between FY2016 and FY 2018	1,716,271		
<b>NON-CORE BUDGET</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
Fiscal Reserve Authorization	TBD	TBD	
Governance Planning	TBD	TBD	
Commercial Property - Kakaako & Na Lama Kukui	TBD	TBD	
Legacy Property - Palaua Culture Preserve & Wao Kele O Puna	TBD	TBD	
Special Programs HLIC/NHRLF/EPA	TBD	TBD	
Special Programs Other - Hiilei & Hookele Pono	TBD	TBD	
<b>GRAND TOTAL NON-CORE BUDGET</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
<b>GRAND TOTAL OF CORE + NON-CORE BUDGET PROPOSAL</b>	<b>90,218,000</b>	<b>52,511,000</b>	<b>105,120,000</b>



**SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

# **SCHHA Proposal to the OHA Board of Trustees For 2-Year Funding FY2018 & FY2019**

**This Kit Prepared by SCHHA based on OHA Budget Data on: March 28, 2017**

**The SCHHA formed an OHA Budget Review Team to provide input on the OHA Proposal.**

**Following are the numbers as developed by the SCHHA for OHA Board of Trustee Consideration:**

## Summary of SCHHA Recommendations for the OHA Administration Budget Proposal

<u>Spending Purpose</u>	<u>FY2018</u>	<u>FY2019</u>
OHA Personnel (142 FTE)	\$13,827,566	\$13,961,535
Beneficiary Serving Grants**	\$13,433,256	\$13,338,934
To Nonprofits	\$13,433,256	\$13,338,934
To DHHL	\$-0-	\$-0-
OHA Contracts	\$2,774,145	\$2,646,985
OHA Programs (Conferences, Allowances, Dues)	\$1,204,704	\$1,291,936
OHA Travel	\$338,895	\$377,145
OHA Equipment	\$900,000	\$725,000
OHA Overhead	\$3,000,000	\$3,036,000
OHA Debt Service	\$579,000	\$567,000
<b>TOTAL CORE OPERATING COSTS PROPOSED</b>	<b>\$36,057,566</b>	<b>\$35,944,535</b>
<b>Compared to TOTAL OHA PROPOSAL</b>	<b>\$37,609,000</b>	<b>\$37,511,000</b>
<b>*Difference (100% consisting of Staff Reduction)</b>	<b>\$(1,551,434)</b>	<b>\$(1,566,465)</b>

\*Cost Savings Directed to a Land Acquisition Fund

\*\*Increases Beneficiary Funds by \$3,661,256 & \$3,556,934 by Decreasing OHA/DHHL Funds by Same

**SCHHA Proposal of OHA Draft Budget to Board of Trustees**This spreadsheet is SCHHA's recommended revisions - **Updated March 30, 2017**

	FY 2018	FY 2019	2 Years
<b>CORE BUDGET</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>
<b>NON-CORE BUDGET (funded by Grant/Reserve Sources)</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
<b>COMBINED CORE + NON-CORE BUDGET</b>	<b>52,609,000</b>	<b>52,511,000</b>	<b>105,120,000</b>
<b>Description of SOURCE OF FUNDS</b>			
5% Annual Withdrawal from NHTF Corpus	17,609,000	17,411,000	35,020,000
Set Amount by Legislature from Public Land Revenues	15,100,000	15,100,000	30,200,000
State GF for fringe/legal/social/hsg/education/income	4,500,000	4,500,000	9,000,000
Allocation by BOT of 10% of Kakaako Revenues - to Grants	400,000	500,000	900,000
<b>Total SOURCE OF FUNDS</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>
<b>Description of Proposed USE OF FUNDS</b>			
<b>Personnel Costs/OHA PPT</b>			
Salaries (142 FTE - Reduce by 10%)	9,135,126	9,223,632	18,358,758
Benefits/Fringe (Reduce accordingly)	4,384,860	4,427,343	8,812,204
<b>SubTotal FTE Positions</b>	<b>13,519,986</b>	<b>13,650,975</b>	<b>27,170,961</b>
Student Help (Add Kupuna & placement at NHOs	153,790	155,280	309,070
Need Data: Reserves (incentives, vacation, OT)	153,790	155,280	309,070
<b>Total Personnel Costs (Decrease by 10%)</b>	<b>13,827,566</b>	<b>13,961,535</b>	<b>27,789,101</b>
142 FTE: 16 FTE reductions from Division Teams			
Require Division Executives to Manage Pgm Staff of 10 or less- reduce high # of managers			
Reducing FTE is the only way to reduce rising fringe rates (at 60% rate)			
Use contracting/grant functions with NHOs to deliver direct services to OHA & Community			
Difference to OHA Budget	(1,551,434)	(1,566,465)	(3,117,899)
<b>100% of this reduction to go to a Land Acquisition Fund &amp; Reinvestment to the Corpus</b>			
<b>Grant Costs/OHA PPT - Limit to NHO Orgs ONLY/Others Partner</b>			
Executive Sponsorships - To Program Sponsors	0	-	-
Prgm Sponsors - From Exec, Contracts, Travel	1,735,136	1,694,954	3,430,090
Event Sponsorships - From OHA/Non-OHA Conf Costs	515,840	539,240	1,055,080
Leverage Grants	586,320	586,920	1,173,240
Culture/Land/Water	977,200	978,200	1,955,400
Health/Housing/Income/Social/Legal	3,853,280	3,768,240	7,621,520
Education	2,736,160	2,738,960	5,475,120
Redirect from DHHL to HHA Facilities/Rentals/Ag	3,029,320	3,032,420	6,061,740
<b>Total Grant Award Costs - Increase by 37%</b>	<b>13,433,256</b>	<b>13,338,934</b>	<b>26,772,190</b>
Difference to OHA Budget	3,661,256	3,556,934	7,218,190
<b>100% of increase to Beneficiary Grants/Services comes from OHA contract, OHA program &amp; OHA Travel</b>			
<b>Contract Costs/OHA PPT</b>			
BOT/Executive	296,700	283,100	579,800
Fee Svcs on Res Mgmt (water, land, fin, etc) - 25% to Pgm Grants	845,595	806,835	1,652,430
Legal Fee Services to OHA - 25% to Grants	979,110	934,230	1,913,340
*Other Program Contracts (spent by 5 Divisions)-50% to Pgm Grants	652,740	622,820	1,275,560
Fee Svcs (legal/social svcs)- to Grants	0	-	-
<b>Total Contract Costs - Redirect to Grants</b>	<b>2,774,145</b>	<b>2,646,985</b>	<b>5,421,130</b>
Difference to OHA Budget	(3,159,855)	(3,015,015)	(6,174,870)
<b>100% of decreases flow to increases to Beneficiary Grants/Services</b>			

<b>Program Costs/OHA PPT</b>				
Mailing/Shipping	288,360	309,240	597,600	
OHA Organized Conferences - 100% to Event Grants	0	-	-	
Other - Need Info	192,240	206,160	398,400	
Trustee Allowances	192,240	206,160	398,400	
Printing	176,220	188,980	365,200	
Advertising	128,160	137,440	265,600	
Conference Fees - 80% to Pgm Grants	19,224	20,616	39,840	
Non OHA Conferences - 100% to Event Grants	0	-	-	
Dues	80,100	85,900	166,000	
Subscriptions	64,080	68,720	132,800	
Honorariums	64,080	68,720	132,800	
<b>Total Program Costs - Redirect to Grants</b>	<b>1,204,704</b>	<b>1,291,936</b>	<b>2,496,640</b>	
Difference to OHA Budget	(397,296)	(426,064)	(823,360)	
<b>100% of decreases flow to increases to Beneficiary Grants/Services</b>				
<b>Travel Costs/OHA PPT</b>				
Trustee Travel	199,350	221,850	421,200	
Advocacy Team Travel - 50% to Capacity	39,870	44,370	84,240	
Executive Team Travel - 50% to Capacity	28,795	32,045	60,840	
Community Engagement Team Travel - 50% to Capacity	19,935	22,185	42,120	
Financial Assets Team Travel - 50% to Capacity	15,505	17,255	32,760	
Research Team Travel	17,720	19,720	37,440	
Land Asset Team Travel	13,290	14,790	28,080	
SPRI Travel	4,430	4,930	9,360	
<b>Total Travel Costs - Redirect to Capacity</b>	<b>338,895</b>	<b>377,145</b>	<b>716,040</b>	
Difference to OHA Budget	(104,105)	(115,855)	(219,960)	
<b>100% of decreases flow to increases to Beneficiary Grants/Services</b>				
<b>Equipment Costs/OHA PPT</b>				
Repair & Maintenance	585,000	471,250	1,056,250	
Software & Equipment	270,000	217,500	487,500	
Furniture & Fixtures	45,000	36,250	81,250	
<b>Total Equipment Costs</b>	<b>900,000</b>	<b>725,000</b>	<b>1,625,000</b>	
<b>Zero Change</b>				
<b>Overhead Costs/OHA PPT</b>				
Office Leases, CAM, Utilities - 59%	1,770,000	1,791,240	3,561,240	
Insurance - 15%	450,000	455,400	905,400	
Utilities - 11%	330,000	333,960	663,960	
Supplies - 6%	180,000	182,160	362,160	
Need Info - Other	180,000	182,160	362,160	
Communications - 3%	90,000	91,080	181,080	
<b>Total Overhead Costs</b>	<b>3,000,000</b>	<b>3,036,000</b>	<b>6,036,000</b>	
<b>Zero Change</b>				
<b>Debt Service/OHA PPT</b>				
Principal & Interest on LOC balance	579,000	567,000	1,146,000	
<b>Total Debt Service</b>	<b>579,000</b>	<b>567,000</b>	<b>1,146,000</b>	
<b>Zero Change</b>				
<b>GRAND TOTAL SCHHA Proposal for OHA Core Budget</b>	<b>36,057,566</b>	<b>35,944,535</b>	<b>72,002,101</b>	
<b>GRAND TOTAL OHA Proposal for OHA Core Budget</b>	<b>37,609,000</b>	<b>37,511,000</b>	<b>75,120,000</b>	

<b>SCHHA Proposal for Core Budget Difference</b>	<b>(1,551,434)</b>	<b>(1,566,465)</b>	<b>(3,117,899)</b>
SCHHA Proposes Staff Savings to Beneficiary Land Trust	1,551,434	1,566,465	3,117,899
SCHHA Proposed Amount Increase to Beneficiary Grants/Svcs	3,661,256	3,556,934	7,218,190
SCHHA Proposed Amt Redirected from DHHL to Homestead Develop	3,029,320	3,032,420	6,061,740
<b>NON-CORE BUDGET</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
Fiscal Reserve Authorization	TBD	TBD	
Governance Planning	TBD	TBD	
Commercial Property - Kakaako & Na Lama Kukui	TBD	TBD	
Legacy Property - Palaua Culture Preserve & Wao Kele O Puna	TBD	TBD	
Special Programs HLIC/NHRLF/EPA	TBD	TBD	
Special Programs Other - Hiilei & Hookele Pono	TBD	TBD	
<b>GRAND TOTAL NON-CORE BUDGET</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>30,000,000</b>
<b>GRAND TOTAL OF CORE + NON-CORE BUDGET PROPOSAL</b>	<b>52,609,000</b>	<b>52,511,000</b>	<b>105,120,000</b>

**Brown - SCHHA has made a revision to the line item**

**Green - SCHHA increased the line item in dollars**

**Red - SCHHA decreased the line item in dollars**



**SCHHA Policy Project to Review  
OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Board of Trustees - 29 FTE**

This staffing sheet represents the Board of Trustees and staff.

**Board of Trustees – 9 FTE**

**Board of Trustee Staff – 20 FTE**

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review**  
**OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Executive Office Sheet - 19 FTE**

**CEO Office - 4 FTE**

Chief Executive Officer  
 Senior Executive Assistant  
 Executive Assistant  
 Executive Manager

**COO Office – 10 FTE**

Chief Operating Officer  
 Executive Assistant  
 Public Relations Officer  
 Cultural Specialist  
 Knowledge Based Strategies Specialist – frozen  
 Performance Based Strategies Specialist  
 Human Resources Manager  
 Human Resource Assistant  
 Human Resource Specialist  
 Human Resource Specialist

**Corporate Counsel – 5 FTE**

Senior Legal Counsel  
 Legal Assistant  
 Assistant Senior Legal Counsel/Risk Manager Officer  
 General Counsel for Government Regulatory Law & Compliance  
 Counsel for Environmental Law, Native Rights & Legal Services

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review**  
**OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Resource Management Financial Assets Division Sheet – 34 FTE + 5 Federally Funded**

The purpose of the Resource Management Financial Assets Line of Business is to provide resource management and organizational infrastructure services to the OHA Board of Trustees and Administration executives so that they can protect, preserve, and grow intrusted financial, non-financial and real assets over the long term for the Native Hawaiian people.

**Division Executive Team – 3 FTE**

Chief Financial Officer/Resource Management Director  
 Executive Assistant  
 Administrative Assistant

**Administrative Services Program** provides financial, and procurement support to the Administration and managers so they can efficiently allocate and manage resources in the best long term interests of beneficiaries.

**Administrative Services Program – 16 FTE**

Controller  
 Administrative Assistant  
 Budget Analyst  
 Accounting Manager  
 Accountant  
 Accounting Assistant  
 Accounting Assistant  
 Accounting Assistant  
 Accounting Assistant  
 Accounting Assistant  
 Procurement Manager  
 Purchasing/Procurement Specialist  
 Purchasing/Procurement Specialist  
 Purchasing Technician  
 Travel Services/Procurement Specialist  
 Travel Services/Procurement Specialist

**Information Systems and Records Management Program** provides business technology tools and applications, records management, and network services to OHA leaders and staff so they can conduct business and achieve results in a reliable and efficient computing environment.

**Information Systems and Records Management Program – 6 FTE**

Information Systems/Records Manager  
 Information Systems Specialist  
 Information Systems Specialist  
 IT Specialist  
 Information Specialist  
 Records Management Specialist

**Investment Transactions Program** provides financial and land investment strategy, acquisition, and asset management services to OHA so they can steward and grow the value of portfolio investments for the eventual legal transfer to the new Native Hawaiian governing entity.

**Investment Transaction Programs – 2 FTE**

Investment Transactions Manager

Senior Investment Analyst

**Transitional Assistance Program** provides information and referral, financial assistance and short term health care, education, and income assistance services to Native Hawaiians individuals and families so they can maintain or improve their issue while they access additional services and opportunities to stabilize their life situation and move toward self – sufficiency.

**Transitional Assistance Program – 7 FTE**

Transitional Assistance Manager

Administrative Assistant

Grants Specialist

Grants Specialist

Grants Specialist

Grants Specialist

Funding Source Specialist - frozen

**Native Hawaiian Revolving Loan Fund** staff are not part of the CORE BUDGET because they are funded by federal program dollars. NHRLF is designed to provide Native Hawaiians better access to credit, capital, and financial services and skills as a part of a larger effort to create jobs, wealth, and economic and social well-being. NHRLF offers business, consumer education and consumer home improvement capital.

**NHRLF Program – 5 FTE NOT INCLUDED IN DIVISION FTE TOTAL**

Manager

Research Analyst

Research Analyst

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review**  
**OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Resource Management Land Assets Division Sheet – 10 FTE + 3 Federally Funded**

The kuleana of the Resource Management Land Assets Line of business is to restore and enhance the reciprocal relationship between Kanaka and Aina through exemplary traditional and innovative stewardship of OHA's lands; promoting efforts to ensure that resources and opportunities remain sustainably available for the current needs and future prosperity of our beneficiaries.

**Division Executive Team – 2 FTE**

Land & Property Director  
 Executive Assistant

**Commercial Property Management Program** is responsible for the oversight of management, leasing and development at Kaaako Makai and Na Lama Kukui, as well as all OHA facility related issues.

**Commercial Property Management Program – 4 FTE (2 FTE funded by Kakaako Maikai, not Core Budget)**

Land & Property Manager  
 Land Management Specialist  
 Natural Resource Management Specialist  
 Land Specialist

**Land & Property Management Program** cares for all OHA's legacy and programmatic lands totaling approximately 26,000 acres of conservation, agricultural and commercial property.

**Land & Property Management Program – 4 FTE**

Land & Property Manager  
 Land Management Specialist  
 Natural Resource Management Specialist  
 Land Specialist

**Halawa-Luluku Interpretive Development Project** mitigates adverse impacts to select cultural sites caused by the construction of Interstate H-3. In 1987 an MOA was made with the Hawaii State Historic Preservation Office, the Advisory Council on Historic Preservation and the Federal Highways Administration to ensure Section 106 compliance of National Historic Preservation Act for H-3. In 2000, a cooperative agreement was made between OHA and HDOT, tasking OHA with developing an Interpretive Development Plan implementing select projects from the IDP and creating a Stewardship Management Plan.

**Halawa-Luluku IDP – 3 FTE not FUNDED BY CORE BUDGET – Federally Funded**

HLID Project Coordinator  
 HLID Project Planner  
 Administrative Assistant

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review**  
**OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Research Division Sheet – 18 FTE**

The Research Line of Business compiles, gathers, analyzes and reports data in order to identify gaps and important issues related to Native Hawaiians; inform our advocacy efforts; and ensure that OHA's actions and initiatives are based on the best information available.

**Division Executive Team – 2 FTE**

Research Director  
 Executive Assistant

**Land, Culture, and History Program** provides comparative research services to the organization so that informed decisions using credible historical analysis can be made to protect Native Hawaiian physical and intellectual rights. LCH developed and maintains repositories of Hawaiian knowledge that are accessible to the public via the Papakilo and the KIPUKA online databases. Cultural and historical research information sheets are also available on the OHA website.

**Land Culture History Program – 6 FTE**

LCH Manager - frozen  
 GIS Specialist  
 Research Analyst  
 Research Analyst  
 Research Analyst  
 Research Analyst

**Special Projects Program** provides applied research services to the organization that identify issues and trends to inform advocacy, policy, and operational initiatives. The special projects team supports specialized research needs across the organization as it produces Indicator Sheets and Fact Sheets on education and economic self-sufficiency.

**Special Projects Program – 4 FTE**

Manager  
 Research Analyst  
 Research Analyst  
 Research Analyst

**Program Improvement Program** provides administrative and programmatic findings and recommendations to OHA decision makers in order to ensure that contracts, programs, and projects are properly executed and implemented in accordance with the terms and conditions stated in the contract and to identify outputs, outcomes and impact on beneficiaries. Formative and summative evaluations use a systematic method for collecting, analyzing and reporting information.

**Program Improvement Program – 3 FTE**

Manager  
 Program Improvement Specialist  
 Program Improvement Specialist – frozen

**Demography Program** provides population and social demographic information to the organization as well as the public via its Native Hawaiian Data Book. Additionally, the section produces Indicate Sheets and Fact Sheets on Health.

**Demography Program – 3 FTE**

Manager

Research Analyst

Research Analyst

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review**  
**OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Community Engagement Division Sheet – 30 FTE**

The overall kuleana of the Community Engagement Line of Business is to create two-way communication channels that support OHA’s strategic priorities, its mission and vision. The CE Division focuses on sharing information and connecting OHA in meaningful ways with Hawaiian communities and the general public.

**Division Executive Team – 3 FTE**

Community Engagement Director  
 Publications Lead  
 Executive Assistant II

**Community Outreach** is responsible for helping OHA establish and maintain mutually beneficial relationships with beneficiaries and other valued stakeholders. Duties include sharing with beneficiaries how to access OHA’s programs and services, raising public awareness of OHA’s efforts and building collaborative relationships with a wide array of partners to achieve OHA’s strategic goals.

**Community Outreach Program – 20 FTE**

Community Outreach Manager  
 Community Outreach Assistant Manager  
 Administrative Assistant  
 Community Outreach Coordinator – Oahu  
 Community Outreach Coordinator – Oahu  
 Community Outreach Coordinator – Oahu  
 Community Outreach Coordinator – Oahu  
 Community Outreach Coordinator – Hilo  
 Community Outreach Coordinator - Hilo  
 Community Outreach Coordinator – Kona  
 Community Outreach Coordinator - Kona  
 Community Outreach Coordinator – Lanai  
 Community Outreach Coordinator – Maui  
 Community Outreach Coordinator - Maui  
 Community Outreach Coordinator – Molokai  
 Community Outreach Coordinator - Molokai  
 Community Outreach Coordinator – Kauai  
 Community Outreach Coordinator – Kauai  
 Intake and Referral Specialist  
 Intake and Referral Specialist

**The DPM program** connects OHA and the community via digital and print media platforms, applies communications industry best practices to materials it develops and distributes, and aims to inform, education and inspire audiences with its media products. The DPM program manages OHA's digital and print media platforms that include oha.org, kamakakoi.com, mooaupuni.com, social media accounts, a direct e-mail program, short and long format video productions and the monthly Ka Wai Ola newspaper.

**Digital and Print Media – 7 FTE**

Digital and Print Media Manager

Digital Media Specialist

Digital Media Specialist

Communications Specialist

Communications Specialist

Communications Specialist

Public Relations & Media Specialist - frozen

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**



**SCHHA Policy Project to Review**  
**OHA FY2018/2019 Core Budget of \$75.1M over 2 Years**

**OHA Advocacy Division Sheet - 29 FTE**

The Advocacy Division is one of several Divisions in the OHA Administration. Overall, Advocacy exists to fulfill OHA's statutory kuleana to advocate on behalf of our beneficiaries, and to assess policies and practices as they impact our beneficiaries. Each of our programs is tied to one element of that mission.

**Division Executive Team – 3 FTE**

Executive  
 Advocacy Counsel  
 Assistant

**Public Policy** focuses on shaping laws, regulations, rules, guidelines, and in some cases court decisions, as they are still being considered. They're best known for their work during the state legislative session, but they also do a fair amount of analysis and commentary on executive actions. To a limited extent, they work on certain federal policy when there's a strong state-level implementation or nexus. (Think HHCA or ESSA.)

**Public Policy Program – 8 FTE**

Public Policy Manager  
 Administrative Assistant  
 Senior Public Policy Advocate  
 Public Policy Advocate IV  
 Public Policy Advocate III  
 Public Policy Advocate III  
 Public Policy Advocate III  
 Public Policy Advocate III

**Compliance Enforcement** focuses primarily on the implementation of existing state and federal law as it affects Native Hawaiians. Since OHA is named in NAGPRA and NHPA and we are regularly consulted on other matters concerning cultural resources and natural resources, CE's expertise is primarily in those areas. They handle virtually all of OHA's consultation requests, including Section 106, Chapter 343, etc.

**Compliance Enforcement – 6 FTE**

Compliance Enforcement Manager  
 Administrative Assistant  
 Compliance Enforcement Archeologist  
 Compliance Enforcement Specialist III  
 Compliance Enforcement Specialist III  
 Compliance Enforcement Specialist III

**Governance** exists to coordinate OHA's work as it relates to Native Hawaiian self-determination. For the past several years, this meant serving as the liaison to Na'i Aupuni and spearheading OHA's advocacy in support of the rulemaking to reestablish the government-to-government relationship with the United States. More recently, it has shifted to public education on self-determination issues and indigenous rights and expanding OHA's analysis in the international arena. Governance also oversees OHA's Hawaiian Registry Program, which is also a statutorily mandated program.

**Governance – 4 FTE**

Governance Manager  
Governance Specialist  
Hawaiian Registry Specialist  
Genealogy Resource Specialist

**Washington DC Bureau** is our eyes and ears at the federal capitol. They monitor pending federal legislation and executive actions, do a lot of coordinating with stateside parts of OHA on various state/federal issues, and lead our efforts to maintain a pipeline for Native Hawaiians to experience DC and consider federal public service.

**Washington DC Bureau – 3 FTE**

Washington DC Bureau Chief  
Administrative Assistant  
Federal Public Policy Advocate

**Papahānaumokuākea Marine National Monument Management** was established several years ago to handle OHA's responsibilities as a member of the PMNM Monument Management Board, and to advocate for our rightful places as Co-Trustee of the monument. Now that OHA has been elevated to Co-Trustee as of January 10, 2017, this program's role is to continue to conduct analysis and advocacy on behalf of our beneficiaries as it pertains to the monument, but this time with a greater degree of authority.

**Papahānaumokuākea Marine National Monument Management – 2 FTE**

PMNM Manager (Keola)  
PMNM Specialist (Brad)

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**SCHHA Project Team: Comment on what you like/wish about this division, and questions you have.**

Office of Hawaiian Affairs  
FY 20-21 Biennium Budget  
Public Comments Received as of May 28, 2019

Contributor	Comments
1. Anna Peters 5/28/2019 (e-mail)	Unfortunately I won't be able to make this meeting being I will be out of state. I hope that you could include my mana`o on this process. I believe there should be more services around assisting the elderly. Whether it's helping them with legal, financial issues or medical advice on pros & cons on long term care or just providing information on whether to continue to live or let go. Along with that investing in elderly care homes or in early childhood would be even better. Whether through building a community center as a one stop shop for our island or all our islands where people can come and get care, information, workshops, meeting space etc. etc.
2. R N Mansfield 5/24/2019 (e-mail)	<p>Aloha mai,</p> <p>Thank you for distributing this presentation to us, the lahui. My ohana are Pohina of Milolii, Kona, Hema, moku o Keawe, Kama'i of Ale'amai, Hilo, moku o Keawe, Takayama, Akimseu, Iokepa. We are of Obed Uweoulani Nawahine of Olowalu, Maui, of Na'ehu, of Abraham and Margaret Maika'i Dudoit, Lucy Kumaikalani Mansfield, Helen Kalanikauleleiwi Nawahine Wahineokai. Further, I do not claim to speak on their behalf.</p> <p>The presentation is comprehensive and while I am certain that I do not understand all of the details and implications, I trust your effort.</p> <p>The kuleana of education is important and should not be left solely to Kamehameha Schools to carry.</p> <p>In the future please consider TMKs belonging to lahui which have been abandoned and subject to public auction. Is it feasible for OHA to create a lahui land trust to which lahui could transfer title?</p> <p>Also, please be certain legislative proposals are carefully crafted to withstand the test of time.</p> <p>I humbly thank you all for your efforts. Surely your aloha aina motivates your efforts and it has no price tag. Our kupuna gifted that to us. Mahalo ke Akua.</p>
3. Sylvia Krewson-Reck	5-24-2019

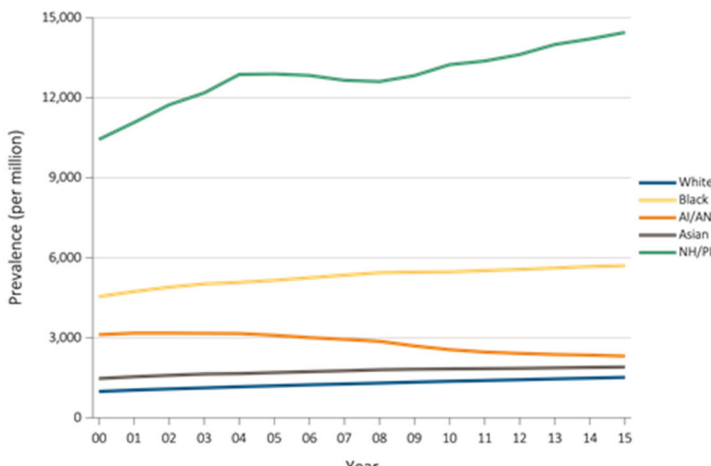
Contributor	Comments
5/24/2019 (e-mail)	<p>Aloha OHA,</p> <p>For many years I have been deeply concerned that the 1906 Inculcation Program for Patriotism given to all first graders - and on and in for about seven generations...that the true original kanaka values and principles have been diminished.</p> <p>Most importantly, is the awareness of the NA'AU...a vital part of our anatomy which guided - by conscience - our behavior. I am old enough to recall among some of my kupuna such an awareness. Unfortunately,</p> <p>I fear that this vital guide is less known by several younger generations and I feel it must be restored.</p> <p>This all came to my attention when at 21 I ventured to California, stayed for a while, married and had three kids so I did stay for a long while. Before that I had only known Hawaiian - and local culture...I knew no ha'ole. After much cogitation about the vast differences between ha'ole culture and that of my Hawaii one, the Na'au stood out...Ha'ole ike na'au ole..Noone was aware of this precious part of our conscience.</p> <p>More and more throughout the years I have been concerned. WE DO ALL NEED OUR CONSCIENCE, don't we?</p> <p>Could OHA set up a kanaka kahiko hie hie kanawai specifically for the purpose of restoring those beautiful pure values once adhered to...for the younger people.</p>

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Contributor	Comments
	<p>Na'auao - knowledge is the balance between the ombination of mind and feelings...Please correct me if not so.</p> <p>Mahalo a nui loa, sylvia</p>
<p>4. Aileen Camello 5/23/2019 (e-mail)</p>	<p>The first Carpenter Training program just completed in Kapolei and my relative is so excited about using the training to help her find a better paying job. I understand there were more than 400 application and only 30-40 were selected. OHA should fund career programs like this to help Hawaiians have an opportunity to get better paying jobs. These programs should be given in the homestead or convenient locations not in downtown . Educational Programs will help Hawaiians get motivated to better themselves.</p> <p>There should be Education funding for all Hawaiian children. Kamehameha can only do so much funding; I think OHA could help close the gap.</p>
<p>5. Julie Kanealii 6. 5/23/2019 (e-mail)</p>	<p>Aloha,</p> <p>Awesome, since you asked....there are too many rules and regulations. Approaching things the same way year after year and expecting a different result is the definition of insanity. It's time to think outside the box, shift the paradigm, please.</p> <p>My husband will never qualify on paper to get a personal or business loan from you folks, why should he have to? You're application process is intimidating to say the least, the people that need it the most are being overlooked and underserved. We were recently houseless for 6 weeks and he knew there was no way he would get any help from OHA, so didn't even bother. He was turned down in 1995/96, another time we really needed help. I've never heard him say - "we're in trouble, I know I can count on OHA to help me." If a Kanaka asks for money, <b>GIVE</b> it to them. Do you know how hard it is to ask for help? It's <b>HARD</b> to ask for help and then to get denied is crushing! We know very few Kanaka that have directly benefitted from OHA money, your outreach needs to reach more people.</p> <p>The city of Stockton, California has a pilot program - Economic Security Project - where a number of residents will be given \$500 a month for 18 months. Here's the link  - <a href="https://money.cnn.com/2018/07/09/technology/stockton-california-basic-income-experiment/index.html">https://money.cnn.com/2018/07/09/technology/stockton-california-basic-income-experiment/index.html</a>. Find a number, any number that will make a</p>

Contributor	Comments
	<p>significant impact, and start there. Put rules in place of course - a Kanaka Maoli (no blood quantum only genealogy) must be 18 years old and earn less than \$60,000 a year for example (this number depends on family size and <b>MUST</b> fully realize the cost of living here), and <b>MUST</b> live in Hawai'i (this keeps the money in Hawai'i). What a huge impact you could have, that extra money could mean stable housing, eating healthy (less reliance on medical services), cover education costs, eliminate credit card debt, the ability to pursue passion employment - not a dead end job - the list goes on. No matter what OHA does as an organization you will never be successful until you pull the ones that need the most help up from the depths; we are experiencing a major crises here in Hawai'i.</p> <p>I'd also say either beef up your grant programs or direct the money elsewhere. I've applied for grants for our civic club through OHA. There are too many applicants for too small a pool of money to make a difference. As a neighbor island nonprofit it seems to us that O'ahu projects are given preference. One year we were told OHA receives very few applications from Kaua'i, please apply, and then we were turned down. Shocking.</p> <p>Another option that I've just discovered is called Living Benefits, a life insurance program that gives you access to benefits while you're living. It offers protection if you die too soon, become ill, or live too long. You can also borrow against it for emergencies. This is a way to level the playing field, and empower people to live well, and with peace of mind (never touch the principal, live off the interest). The highest contributing factor to bankruptcy in the nation is caused by a medical emergency. There's too much to share here, I'd love to get you more information for your employees, as well as beneficiaries.</p> <p>Here's a question - If the Kanaka Maoli are called beneficiaries of OHA, but not all benefit how does that work?</p> <p>I would also like to ask another question - Why does the newspaper Ka Wai Ola use the English version of months, example - April - apelila instead of ka'elo used on the Hawaiian calendar? My sister-in-law Rogelyn Kaneali'i sent in an ad for Ka Wai Ola and asked this question but never got an answer.</p> <p>Mahalo,</p>

Contributor	Comments
<p>7. Earl Carinio 5/23/2019 (e-mail)</p>	<p>Aloha OHA, my name is Earl Kekaulaiwi Carinio and I reside at XXXXXXXX, Kailua-Kona, a DHHL leesee in the Village of Lai O’Pua. I moved here from California after a long and grateful career at the Naval Surface Warfare Center, in Port Hueneme, CA. I am part of the “brain drain” that left the Islands in search of a meaning filled career in Engineering in California. I am blessed to come home and live back in Hawaii. During my hiatus from the Islands I served in the United States Air Force in Europe (USAFE) 1960-64, and California National Guard while pursuing my Engineering Degree at California State University San Jose 1969-1971. I also completed my Master of Science in Systems and Safety Management at The University of Southern California (1978) .</p> <p>During my time in Europe, I took up the sport of Fencing and after 3 years Fencing with my German and Air Force teammates, I competed and won the German Sports District Championship for all military competitors in Germany.</p> <p>Long story short, I came back to the Sport when I come across the Silver Sword Fencers training in the Kona Gymnasium, introduced my self to the Fencing Master Joe Zapatoloiva, who made me his Assistant Coach. Circumstances beyond our control, impacts our stability to establish a stable venue to practice our sport in West Hawaii. We practice at the Kealakehe High School Cafeteria on Tue 3:45pm-6:00Pm and at Halehale Wai Recreation Center 3:45-6:00PM. Hopefully we can find a permanent facility at the West Hawaii Community Center Lai ‘O’Pua 2020 with the approval Bo Kahui.</p> <p>Our lessons are free with the only cost is for the students to pay for the safety equipment which costs \$150. The equipment includes a Mask, padded jacket, chest protector and a practice foil. This costs prohibits many students from participating in this sport. Our students range from 8 yr old and up. I am requesting funds to provide the baseline equipment for 15 students which amounts to \$2,250. This startup fund can ease the financial burden of many of our students in the West Hawaii Community. For further information on our Academy contact Joe Zapatoloiva at <a href="mailto:joezn0329@gmail.com">joezn0329@gmail.com</a> or myself at <a href="mailto:ecarinio@https://urldefense.proofpoint.com/v2/url?u=http-3A_Yahoo.com&amp;d=DwIFaQ&amp;c=euGZstcaTDIlvimEN8b7jXrwqOf-v5A_CdpnVfiiMM&amp;r=rG_5R46Awj9EA-mpEcM3Ghb1xKW97hIo7-">ecarinio@ https://urldefense.proofpoint.com/v2/url?u=http-3A_Yahoo.com&amp;d=DwIFaQ&amp;c=euGZstcaTDIlvimEN8b7jXrwqOf-v5A_CdpnVfiiMM&amp;r=rG_5R46Awj9EA-mpEcM3Ghb1xKW97hIo7-</a></p>

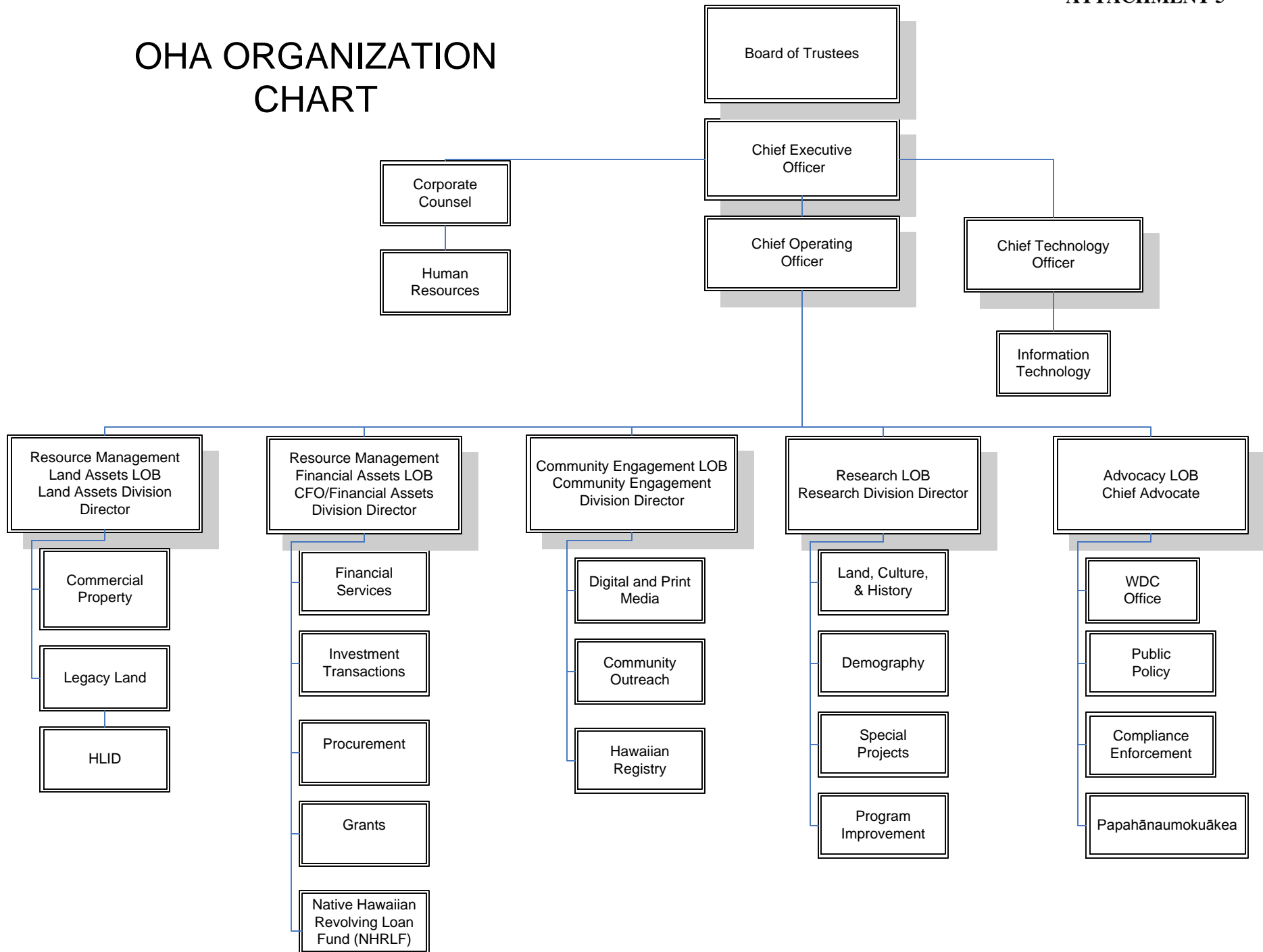
Contributor	Comments
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<p>8. Ramona Wong 5/23/2019 (e-mail)</p>	<p>Just my thoughts, given the highest rate within ethnicity in Hawai'i and apparently the nation (see slide below), I would love to explore what OHA can do to expand awareness of Native Hawaiians and support health education like Aloha Kidney (<a href="http://www.alohakidney.com">www.alohakidney.com</a>) shown to make a difference in people's ability to make choices that nudge them away from or at least slow the progression of chronic disease.</p> <p><b>vol 2 Figure 1.11 Trends in adjusted prevalence of ESRD, by race, in the U.S. population, 2000-2015</b></p>  <p><small>Data Source: Reference Table B.2(2) and special analyses, USRDS ESRD Database. Point prevalence on December 31 of each year. Standardized for age and sex. The standard population was the U.S. population in 2011. Abbreviations NH/PI: Native Hawaiian/Pacific Islander; AI/AN: Americans Indian/Alaska Natives; ESRD, end-stage renal disease.</small></p> <p><b>USRDS</b> 2017 Annual Data Report  Volume 2, Chapter 1 18</p> <p>Mahalo for the opportunity to respond,</p>
<p>9. Ken Hill 5/23/2019 (e-mail)</p>	<p>Sorry I'm not Hawaiian. I'm Republican just like President Lincoln. I believe in freedom!</p> <p>Please consider getting your sovereignty from the US government. True you will never get all your land back because this is the most strategic military base in the entire world.</p>

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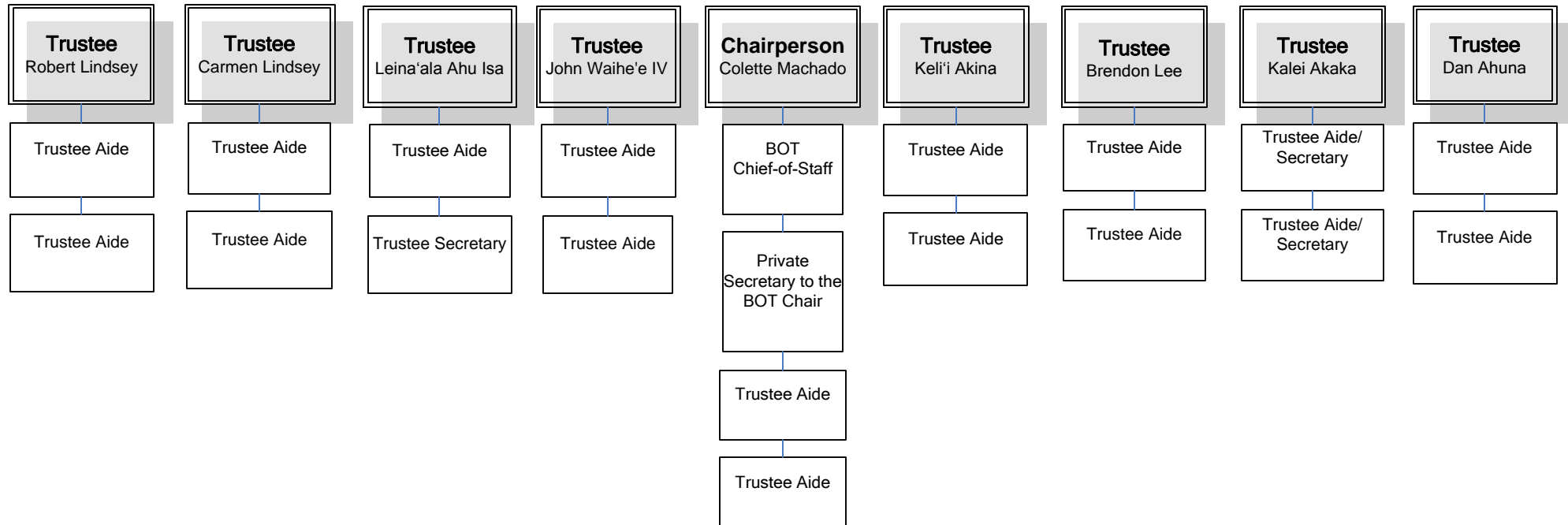
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Contributor	Comments
	<p>For God sakes take what you can get, just like the rest of the American tribes on the mainland.</p> <p>Aloha</p>
<p>10. luciana dupio 5/23/2019 (e-mail)</p>	<p>I feel OHA needs to pay great attention to our kupunas..they need assistance with housing this is not one solution fits all..medical bills overwhelmingly affects our kupuna in every way ..if these two issues are not pono then we are not respecting their life that they spent loving and caring for all of us..</p> <p>To much money and attention is given to small business altho it is important equal attention need to be given to our precious Kupunas. I will soon be there and so will you and I hope when I need help I will not be turned down like my mom was so often did that she stop cslling on OHA. How sad is thst day.</p>
<p>11. Robin Puanani Danner, SCHHA Chairman</p>	<p>Just for everyone's convenience, attached is the last biennium budget analysis we submitted to OHA back in 2017.</p>

# OHA ORGANIZATION CHART



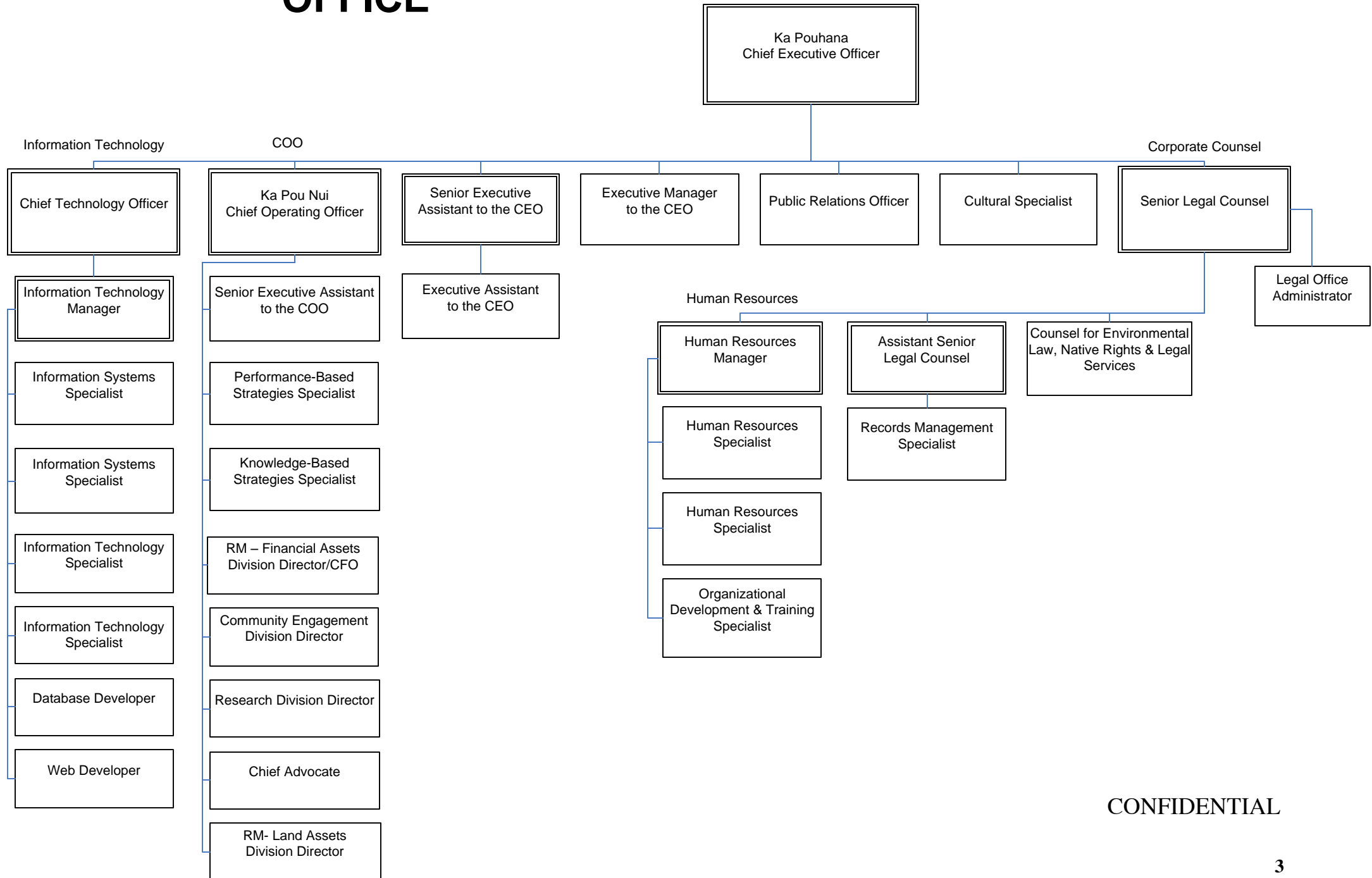
# BOARD OF TRUSTEES



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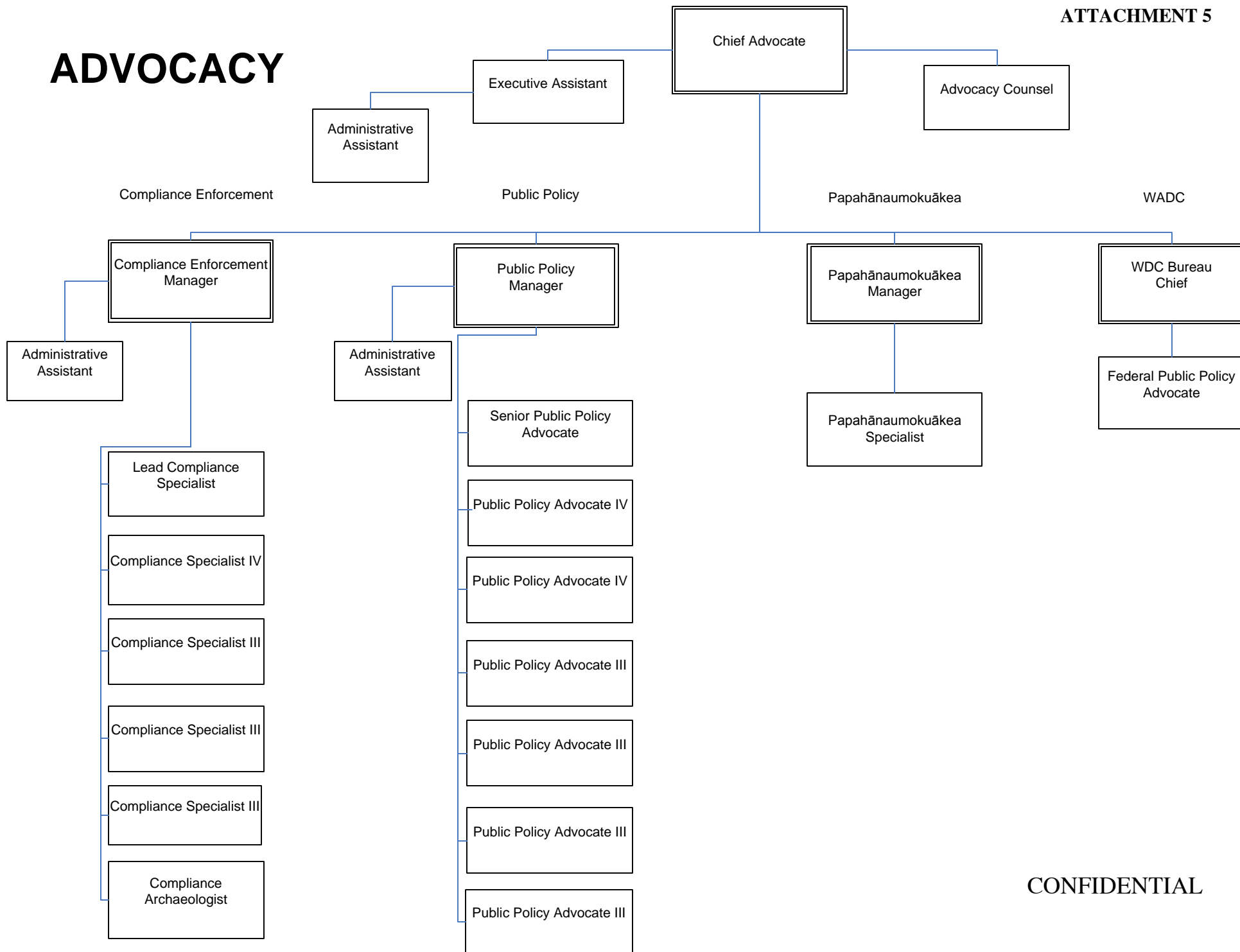
# EXECUTIVE OFFICE

ATTACHMENT 5



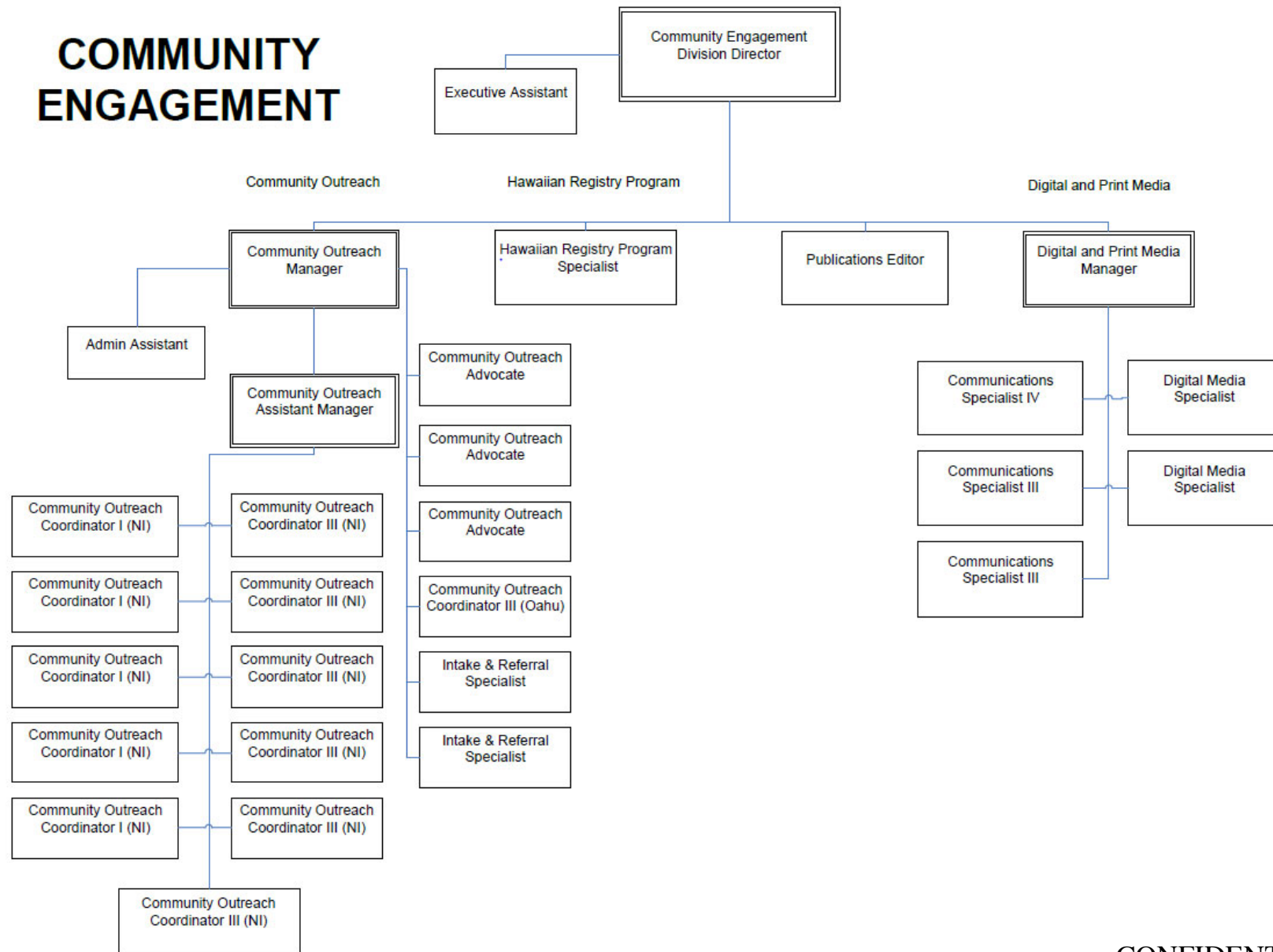
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# ADVOCACY



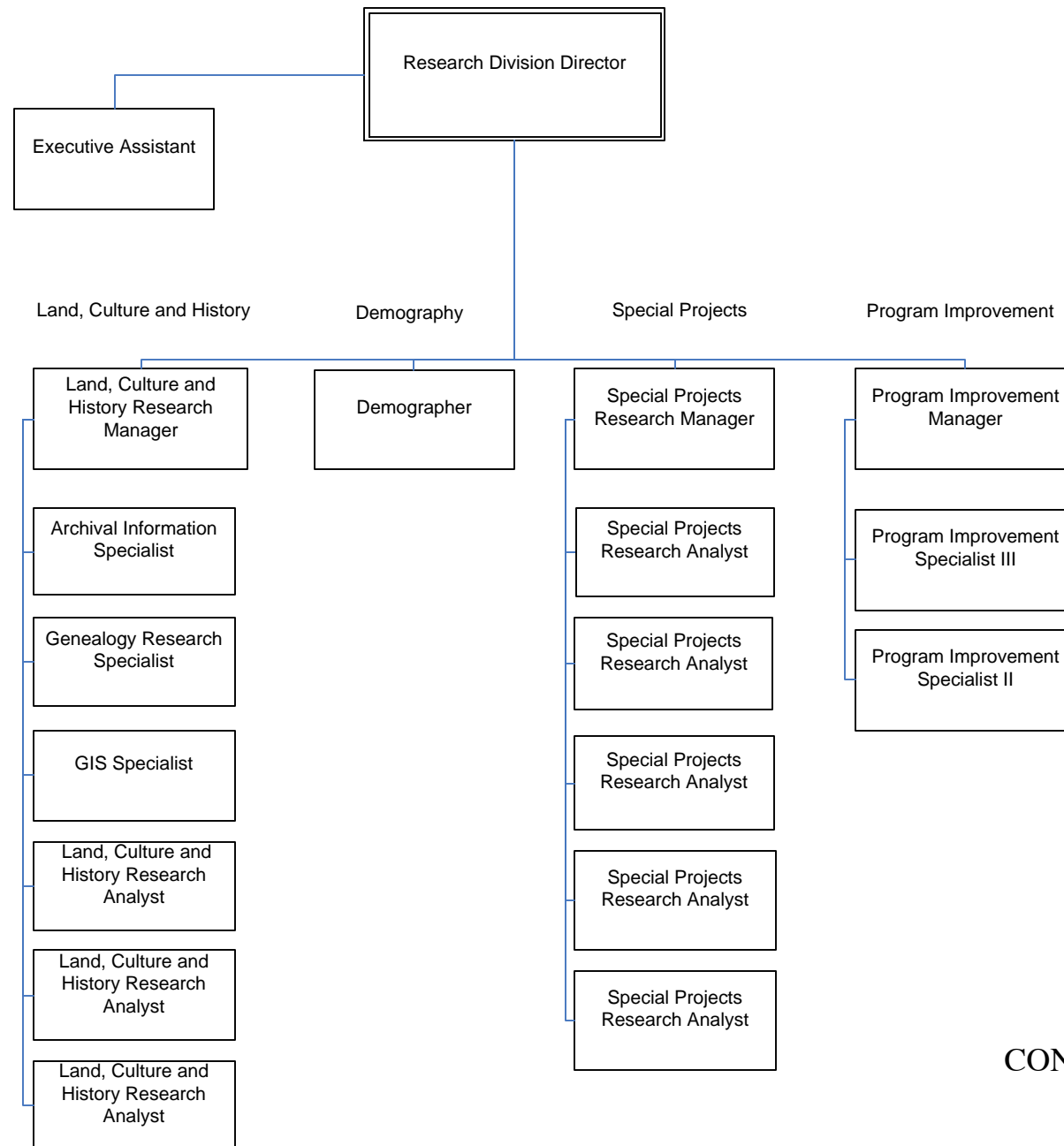
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## COMMUNITY ENGAGEMENT



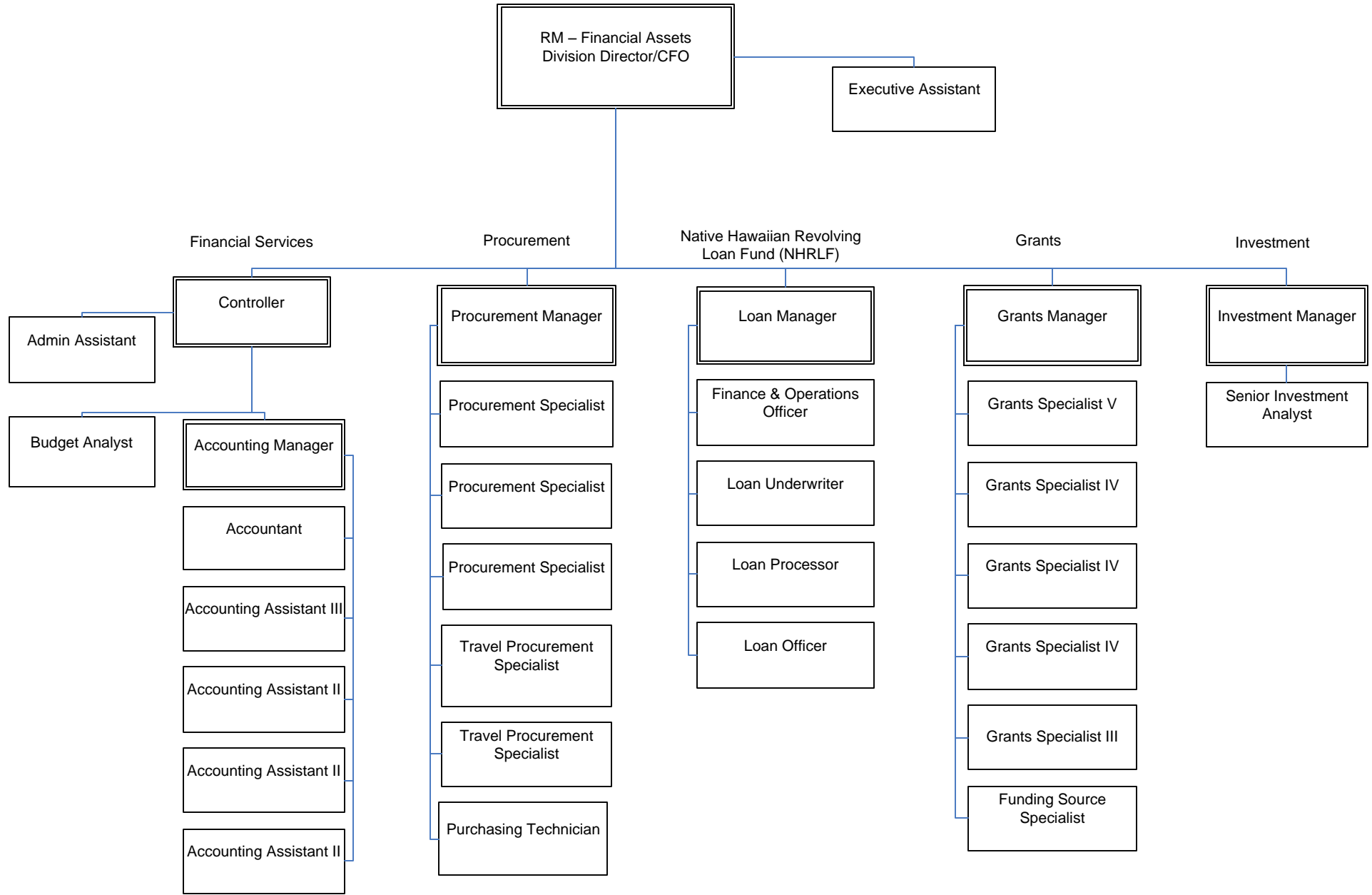
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# RESEARCH



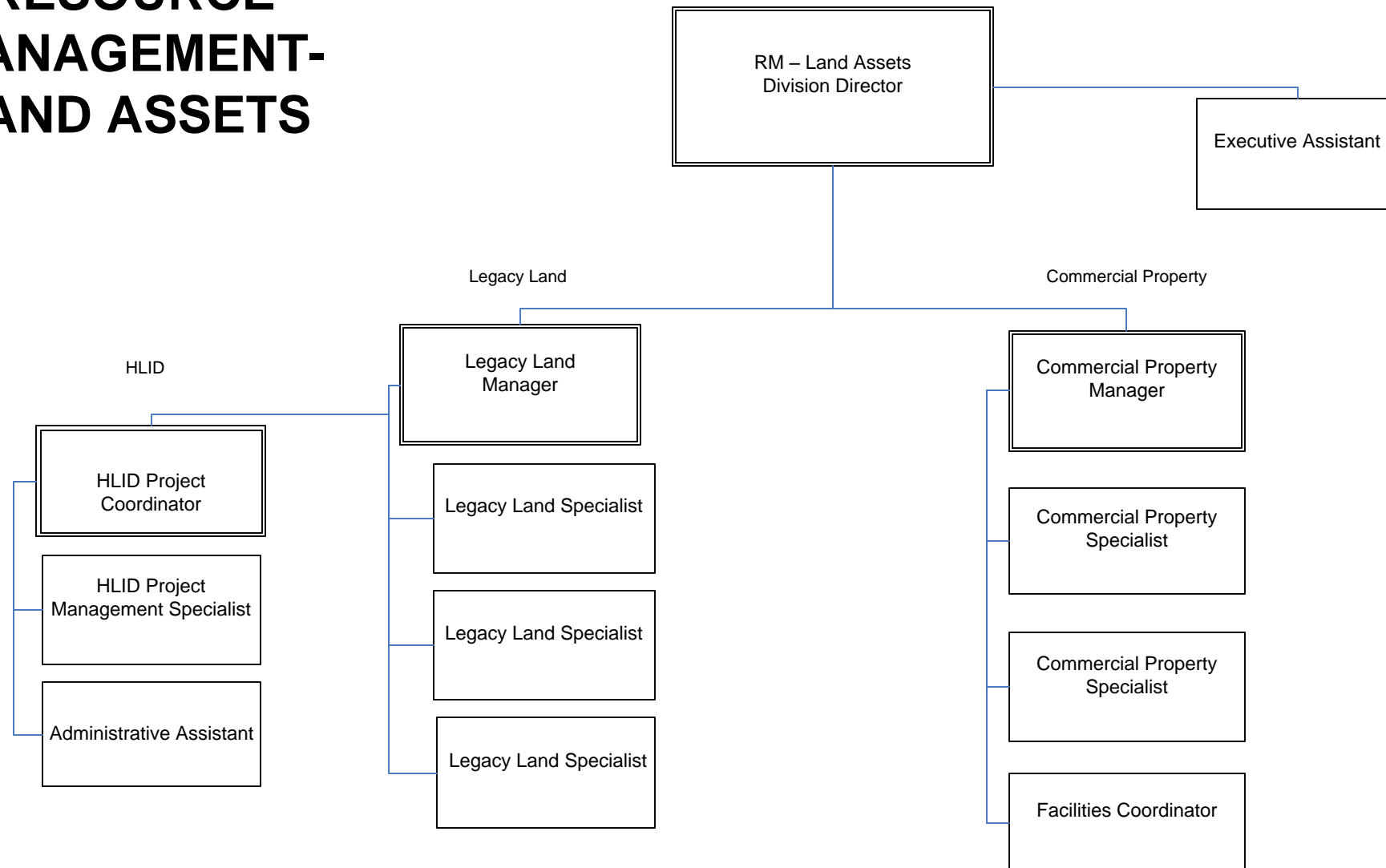
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# RESOURCE MANAGEMENT- FINANCIAL ASSETS



CONFIDENTIAL

# RESOURCE MANAGEMENT- LAND ASSETS



CONFIDENTIAL