

Kaiali'i Kahele - Chairperson  
Keoni Souza - Vice Chairperson  
Dan Ahuna - Trustee, Kaua'i & Ni'ihau  
Kaleihikina Akaka - Trustee, O'ahu  
Keli'i Akina, Ph.D. - Trustee, At-Large  
Luana Alapa - Trustee, Moloka'i & Lāna'i  
Brickwood Galuteria - Trustee, At-Large  
Carmen "Hulu" Lindsey - Trustee, Maui  
John D. Waihee IV - Trustee, At-Large



Phone: (808) 594-1888  
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**OFFICE OF HAWAIIAN AFFAIRS  
BOARD OF TRUSTEES**

560 N. Nimitz Hwy., Suite 200  
Honolulu, HI 96817

**MEETING OF THE BOARD OF TRUSTEES**

**DATE: Thursday, September 4, 2025**

**TIME: 10:00 A.M.**

**PLACE: Remote Meeting via Interactive Conference Technology**

This meeting will be held virtually and may be viewed live via OHA's website at [www.oha.org/livestream](http://www.oha.org/livestream) or listened to by phone by dialing (213) 338-8477 and entering **Webinar ID: 830 6757 1253**. A physical meeting location will be open to the public for those who wish to provide oral testimony or observe the meeting in person at: Office of Hawaiian Affairs, 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817.

**AGENDA**

- I. Call to Order**
- II. Approval of Minutes**
  - A. May 29, 2025
- III. Informational Briefing**
  - A. Jon K. Osorio, Dean, Hawai'i inuiākea School of Hawaiian Knowledge: Dr. Osorio will present on 'Āina Aupuni Hawai'i, an hour-long documentary currently in development that traces the legacy of the 'āina through Hawai'i's complex social and political history, culminating in a proposal to restore these lands as a living trust grounded in Hawaiian values.
- IV. Status of OHA Activities: Ka Pouhana/CEO and Administration's Update on OHA activities.**
  - A. Comprehensive Update on Travel Planning and Preparations for OHA Delegation's Participation in the 2025 Native Hawaiian Convention in Tulalip, WA from October 6-9, 2025, including travel logistics, coordination efforts and programming, and anticipated outcomes.
- V. New Business**
  - A. Committee on Budget and Finance**
    - 1. Action Item BF #25-69:** Approval of revisions to certain staff positions and salary adjustments for filled staff positions approved in the OHA Biennium Budget for Fiscal Biennium Periods 2025-2026 (Fiscal Year 2026) and 2026-2027 and signing bonus budget approval for Fiscal Year 2026. *August 20, 2025*
    - 2. Action Item BF #25-70:** Approval of OHA Staff Temporary Assignment Salary Differentials. *August 20, 2025*
    - 3. Action Item BF #25-71** – Approval to Activate External Hiring Services Budget from Fiscal Year 2026 Biennium Budget to Fill Key OHA Staff Positions. *September 3, 2025*

- B. Action Item BOT #25-10:** Revisions to the Office of Hawaiian Affairs Board of Trustees Executive Policy Manual (Updated as of May 31, 2025), relating to Trustee Duties, Responsibilities, and Conduct—including Delegation of Authority (Signatory, Operational, and Disbursements) and Trustee-Administration Interaction Policy; Administrative Processes—including Work Plans, Planning, Programming, and Budgeting System; Biennium Budget Realignments and Adjustments; Executive Session Briefings on Internal Investigations; and other miscellaneous revisions to ensure consistency and clarity. *(2nd reading)*
- C. Action Item BOT #25-11:** Revisions to the Office of Hawaiian Affairs Board of Trustees Bylaws (Updated as of March 20, 2025) to establish an optional Board Legal Counsel position under Article XIV (Board of Trustees Staff) to serve as a full-time, in-house legal advisor and resource to the Board of Trustees exclusively, and other miscellaneous revisions to ensure consistency and clarity. *(2nd reading)*
- D. Request for approval to waive Action Item BF #25-72:** Approval of Revisions to Designated Staff Salaries in the FY 2026–2027 Biennium Budget, Including Temporary Assignment (TA) Adjustments and Clarifications, Implementation of Ad Hoc Recommendations, and Corrections to Misprinted Salary Ranges from the Committee on Budget and Finance to the Board of Trustees pursuant to the Office of Hawaiian Affairs Board of Trustees Bylaws (March 20, 2025) Article VIII, Section M.
- E. Action Item BF #25-72:** Approval of Revisions to Designated Staff Salaries in the FY 2026–2027 Biennium Budget, Including Temporary Assignment (TA) Adjustments and Clarifications, Implementation of Ad Hoc Recommendations, and Corrections to Misprinted Salary Ranges.

## **VI. Executive Session§**

- A. Discuss and Take Action on Ka Pouhana’s Request to Serve in Volunteer Roles:** The Board anticipates convening in an executive meeting pursuant to HRS § 92-5(a)(2) and (4) to consult with its legal counsel regarding the Board's powers, duties, privileges, immunities, and liabilities with respect to matters relating to its financial affairs, employees, and operations. The consultation will include discussion, deliberation, and action regarding the Ka Pouhana/Administrator’s request to engage in external volunteer service, including participation on the Board of Regents for Chaminade University and as an Honorary Commander for the Hickam Honorary Commanders Program, and to confirm appropriateness of such service under the terms of the Ka Pouhana/Administrator’s employment contract.
- B. Discussion and Status Update on Personnel Related Investigation of Former OHA Staff:** The Board anticipates convening in an executive meeting pursuant to HRS § 92-5(a)(4) to consult with its legal counsel regarding the Board's powers, duties, privileges, immunities, and liabilities with respect to matters relating to its financial affairs, employees, and operations. The consultation will include a preliminary report on the pending personnel-related investigation of a former OHA staffer and related ethical, fiduciary, and agency protocol implications, if any.
- C. Legal Matters.** The Board anticipates convening in an executive meeting pursuant to HRS § 92-5(a)(4) to consult with its legal counsel regarding the Board's powers, duties, privileges, immunities, and liabilities with respect to matters relating to its prior legal counsel.

## **VII. Community Concerns and Celebrations**

## **VIII. Announcements**

## IX. Adjournment

If you need an auxiliary aid/service or other accommodation due to a disability, please contact Everett Ohta at (808) 594-1988 or by email at [everetto@oha.org](mailto:everetto@oha.org) as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled. Upon request, this notice is available in alternate/accessible formats.

In the event that the livestream public broadcast is interrupted and cannot be restored, the meeting may continue as audio-only through the phone number and Webinar ID provided at the beginning of this agenda. Meeting recordings will be made available on OHA's website <https://www.oha.org/about/leadership/board-of-trustees/> as soon as practicable after the meeting.

Public Testimony will be called for each agenda item and must be limited to matters listed on the meeting agenda. Community Concerns and Celebrations is not limited to matters listed on the meeting agenda. Hawai'i Revised Statutes, Chapter 92, prohibits Board members from discussing or taking action on matters not listed on the meeting agenda.

The board packet will be available for the public to inspect at OHA's main office located at 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817, no later than three full business days before the meeting. The board packet will also be made available on Oha's website, <https://www.oha.org/bot> as soon as practicable thereafter.

§ Notice: This portion of the meeting will be closed pursuant to HRS § 92-5.

Testimony can be provided to the Board of Trustees either as: (1) **written testimony** or (2) live, oral testimony online or at the physical meeting location during the remote meeting.

- (1) Persons wishing to provide **written testimony** on items listed on the agenda should submit testimony via **email** to [botmeetings@oha.org](mailto:botmeetings@oha.org) or via **postal mail** to Office of Hawaiian Affairs, Attn: Board of Trustees Meeting Testimony, 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817. Testimony is requested to be received at least twenty-four hours prior to the scheduled meeting to allow board members with sufficient time to review the testimony before the meeting. All written testimony will be posted on OHA's meeting website. Please omit or redact any personal information (e.g., name, email address, phone number, home address, or materials) that you do not want to be disclosed publicly online.
- (2) Persons wishing to provide **oral testimony online** during the remote meeting, please click on the link below: <https://us06web.zoom.us/j/83067571253>

To provide oral testimony online, you will need:

- (1) a computer or mobile device to connect to the remote meeting;
- (2) internet access; and
- (3) a microphone to provide oral testimony.

Persons wishing to provide **oral testimony at the physical meeting location** can sign up the day-of the meeting at the physical meeting location.

Once your oral testimony is completed, you may be asked to disconnect from the meeting. If you willfully disrupt the meeting or do not disconnect on your own, support staff will remove you from the Zoom meeting. You can continue to view the remainder of the meeting on the livestream or by telephone, as provided at the beginning of this agenda.

Oral testimony online or at a physical meeting location will be limited to five (5) minutes. Oral testimony by telephone/landline **will not** be accepted at this time.



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Trustee Kaiali'i Kahele  
Chairperson, Board of Trustee

8/29 /2025  
Date



## II. Approval of Minutes

### A. May 29, 2025

**STATE OF HAWAII**  
OFFICE OF HAWAIIAN AFFAIRS  
560 N. NIMITZ HIGHWAY, SUITE 200  
(In-Person Meeting)

The OHA Board of Trustees meeting can be viewed and observed via livestream on OHA's website at [www.oha.org/livestream](http://www.oha.org/livestream) or listened by phone: (213) 338-8477.

A physical meeting location open to the general public will be available at the  
A physical meeting location open to the general public will be available at 560 N. Nimitz Hwy.,  
Suite 200, Honolulu HI 96817.

This meeting can be viewed at  
<https://www.youtube.com/watch?v=4yhfGbiUO6E&list=PLnklWTIznWSBUkQe0c6gSQvUAZaxHbFRy&index=3>

**Minutes of the  
BOARD OF TRUSTEES MEETING  
MINUTES  
May 15, 2025  
10:00 a.m.**

**ATTENDANCE:**

Chairperson Kaiali'i Kahele  
Trustee Dan Ahuna  
Trustee Kalei Akaka  
Trustee Keli'i Akina  
Trustee Luana Alapa  
Trustee Brickwood Galuteria  
Chair Emerita Carmen Lindsey  
Trustee Keoni Souza  
Trustee John Waihe'e IV

**ADMINISTRATION:**

Stacy Ferreira, CEO  
Kēhau Pu'u, COO  
Ramona Hink, CFO  
Everett Ohta, Interim General Counsel  
Corey Nakamoto, Director of Human Resources  
Carla Hostetter, Dir. of Research & Evaluation  
Chantelle Belay, Strategy Consultant  
Naiwi Wurdeman, Board Counsel  
Corey Nakamoto, HR Director  
Bill Brennan, Director of COMMS  
Kamakana Ferreira, Compliance Archaeologist  
Michelle McCoy, Interim Public Policy Manager  
Luci Meyer, Genealogy Ancestry Specialist  
Keith Gutierrez, Research Manager  
LeAnn Gentry, Commercial Property Agent

**BOT STAFF:**

Summer Sylva, Chief of Staff (COS)  
Alena Auyoung, Deputy COS  
Lehua Itokazu, Board Secretary  
Anuheia Diamond, Trustee Aide  
Kauikeaolani Wailehua, Trustee Aide  
Kanani Iaea, Trustee Aide  
Richelle Kim, Trustee Aide  
Remy Keli'ihō'omalū, Trustee Aide  
Kyla Hee, Trustee Secretary  
LeiAnn Durrant, Trustee Aide  
Mark Watanabe, Trustee Aide  
Melissa Wennihan, Trustee Aide  
Sommer Soares, Trustee Secretary  
Pohai Ryan, Trustee Aide  
Yvonne Mahelona, Trustee Aide

**ADMINISTRATION CONTINUED:**

Ryan Lee, Dir. Endowment  
Royce Cambell, Operations Manager  
Daniel Santos, IT  
Kevin Chak, IT  
Ahia Dye, Grants Officer  
Keone Oldroyd, Legacy Land Agent  
Alison Roney, Procurement Agent  
Ardena Saarinen, Interim HLID Proj. Coordinator  
Edna Johnson, Grants Supervisor  
Elena Farden, Senior Dir. of Strategy &  
1 Implementation

**ADMINISTRATION CONTINUED:**

Elise Dela Cruz-Talbert, Research Analyst  
Grace Chen, Financial Analyst  
Jason Lees, Multi Media Designer  
Kahalelani Keawekane, Admin Assistant  
Kaimo Muhlestein, BSA  
Kalai Castro, Strategy Consultant  
Kale Hannahs, Research Systems Administrator  
Kamaile Puluole-Mitchell, Public Policy Advocate-Hilo  
Karina Macklin, Procurement Agent  
Kaweni Ibarra, Compliance Advocate  
Kristin Anderson, Strategy Management Analyst  
Lauwae Clayton, Executive Assistant  
Lindsay Kukona Pakele, Strategy Consultant

Lori Walker, Integrated Assets Manager  
Makiilei Ishihara, Strategy Consultant  
McKenna Woodward, Public Policy Advocate  
Nietzschae Ozawa, Interim Sr. Legal Counsel  
Sheralyn Youart, Startegy Consultant-Econ  
Kealoha Pisciotta

**Call to Order**

**Chair Kaiali'i Kahele** Calls the Board of Trustees meeting to order for Thursday, May 15, 2025 at 9:09 a.m. Board Secretary, please do a roll call.

MEMBERS			Present	Notes
TRUSTEE	DAN	AHUNA	X	
TRUSTEE	KALEI	AKAKA	X	
TRUSTEE	KELI'I	AKINA	X	
TRUSTEE	LUANA	ALAPA	X	
TRUSTEE	BRICKWOOD	GALUTERIA	X	
TRUSTEE	CARMEN "HULU"	LINDSEY	X	
TRUSTEE	KEONI	SOUZA	X	
TRUSTEE	JOHN	WAIHE'E		Joins at 9:46 AM
CHAIRPERSON	KAIALI'I	KAHELE	X	
			8	

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

**Chair Kaiali'i Kahele** This meeting can be viewed via live stream on all his website at [www.oha.org/livestream](http://www.oha.org/livestream). For those joining us on Zoom to testify or listen, please note that we are using the webinar platform rather than the standard Zoom meeting format. As an attendee, you will be able to watch and listen to the proceedings. If you wish to testify on a specific agenda item, please follow these steps:

1. Raise your hand to indicate that you would like to speak.
2. We will change your status from attendee to panelist when it is your turn. This may take a few seconds, so we appreciate your patience.
3. As a panelist, you will have the option to turn on your camera and unmute yourself to provide testimony.
4. Once you have finished testifying, please mute yourself, and you will be returned to attendee status.

Today, we have various staff members and our Ka Pouhana, Stacy Ferreira, she will introduce our administrative team with us today.

**Stacy Ferreira, CEO** We have our COO – Kēhau Pu‘u, Financial Analyst – Grace Chen, Interim Corporation Counsel - Everett Ohta, Interim Senior Legal Counsel – Nietzsche Ozawa, Lead Compliance Specialist – Kamakana Ferreira, Human Resource Director – Corey Nakamoto, Director of Research and Evaluation – Carla Hostetter, Interim Director of Land Assets – Lori Walker, Director of Communications – Bill Brennan, Interim IT Director – Kevin Chak

## **New Business**

### **A. Status of OHA Activities: Ka Pouhana/CEO and Administration’s Update on OHA’s activities**

**Stacy Ferreira, CEO** recently returned from a two-week trip sponsored by the Omidyar Fellows program, of which she is a fellow. The purpose of the trip was to visit Palau and Aotearoa to research and document successful models of Indigenous governance. She met with both democratic government officials and Indigenous leaders to gather insights and best practices. She is enthusiastic about bringing this knowledge back to the Board of Trustees, emphasizing the importance of applying these lessons to support Native Hawaiian self-governance both individually and collectively as a Lāhui. A robust and comprehensive report will be presented, tentatively within two weeks, and asked for grace should that timeline shift. She concluded by expressing gratitude and excitement for the work ahead.

**Chair Kaiali‘i Kahele** expressed strong encouragement for OHA staff participation in the meeting, especially regarding two key agenda items. With the support of the Ka Pouhana, staff were assured that their input is valued and welcomed. The 130+ employees across the state, most of whom are based on O‘ahu, are OHA’s most valuable assets, working daily on behalf of the Lāhui and beneficiaries. The agenda was intentionally streamlined to prioritize these two important matters, allowing full focus and engagement. Staff were reminded that they do not need supervisor approval to attend or testify; the Ka Pouhana’s memo clearly authorizes participation and creates a safe and respectful space for open dialogue. Employees present in the room or watching online were encouraged to share their mana‘o, whether in-person or virtually. The Board affirms their readiness to listen with open hearts and minds.

The first Action Item is BOT #25-07, which seeks Board approval to accept the Ad Hoc Committee’s report summarizing its review of OHA staff salaries, dated May 2, 2025. The item also includes adopting the committee’s salary recommendations and preliminary personnel budgets for fiscal years 2026 and 2027.

Before the meeting moves on, do we have anyone is signed up to offer testimony on this item?

### **B. Action Item BOT #25-07: Accept the Report Summary from the Ad Hoc Committee to Examine OHA Staff Salaries dated May 2, 2025, and Adopt the Ad Hoc Committee’s Staff Salary Recommendations and Preliminary Personnel Budgets for the Fiscal Year 2026 and Fiscal Year 2027 Biennium Budget\***

*Testimony starts at 9:34 AM. To view full testimony, view here:*

<https://www.youtube.com/watch?v=4yhfGbiUO6E&t=16s>

*Testimony is offered by the following individuals:*



**Germaine Meyers** raised a concern regarding compliance with Sunshine Law, noting that the Ad Hoc Committee is a Permitted Interaction Group (PIG). According to Sunshine Law procedures, the findings and recommendations of a PIG may not be both presented and adopted at the same meeting. As this is the second meeting involving the Committee's work, the findings and recommendations should be made available for the Board and public review only. Formal action should take place at a future third meeting when it can be properly agendized. She references three proposed actions outlined in Attachment A:

- Address existing pay inequities for similar work, duties, and positions across OHA.
- Raise wages for staff to better meet Hawai'i's high cost of living, help address the outmigration of Native Hawaiians and residents, and reduce the pay gap between executive leadership and frontline staff.
- Position OHA as an employer of choice to attract and retain top local talent capable of protecting trust assets and serving beneficiaries effectively.

However, she notes that Attachment A was not included in the meeting materials and requested a copy through the UIPA process. The Ad Hoc Committee's proposed salary increase structure recommends tiered raises for positions earning between \$60,000 and \$99,999, with increases ranging from 12% to 22%. A discrepancy was identified: some lower-paid employees would receive larger raises than those earning slightly more, resulting in potential inequities where a lower-paid position surpasses a higher-paid one post-adjustment. She recommends reevaluating the proposed percentage increases, expanding the current pay range, or adjusting the raise percentages to ensure salary progression remains logical and equitable.

**Chair Kaiali'i Kahele** recognizes Vice Chair and Chair of the Ad Hoc Committee to explain the committee's work on how you came to the conclusions you did along with the help of Chair Emerita and Corey Nakamoto.

**Trustee Souza** expressed appreciation to the Board for supporting the effort to review and improve OHA staff salaries. The committee approached this work with care, focusing on the value of positions rather than individuals, with consideration for current employees, future hires, and the overall mission of OHA. The process was challenging, involving research, disagreements, compromise, and collaboration; but ultimately served as a productive and educational experience. Gratitude was extended to committee members, staff, and contributors, including Vice Chair Trustee Lindsey, HR Director Corey Nakamoto, Chief of Staff Summer Sylva, Kauai Robello, Richelle Kim, and Chair [Emerita] Hulu's staff.

The committee was originally established to address pay disparities across the organization and to make OHA a more competitive employer. Its recommendations aim to support employees, recruit new talent, and ultimately better serve Native Hawaiian beneficiaries. The work of the committee aligns with the mission to close the pay gap between executive leadership and frontline workers and to respond to the high cost of living in Hawai'i and the ongoing diaspora of Native Hawaiians. The report outlines a strategy to increase staff salaries based on the example set by the State Salary Commission's adjustment of trustee compensation. The committee recommended increasing salaries for 69% of OHA's current workforce. The proposal also includes a 3% inflation adjustment for all staff in fiscal year 2027, pending budget availability.

The committee reviewed OHA's reorganization since 2021, changes under past and current leadership, and existing wage bands. They consulted data from the State Department of Human Resources and other sources. Although OHA is semi-autonomous and not required to follow State standards, the committee recommended using State wage bands—particularly for bargaining units 3 and 4—as a benchmark, excluding executive leadership.

Key recommendations include:

1. Adopting State salary schedules as a minimum, with the aim to meet or exceed them.
2. Matching or exceeding starting salaries from other State agencies in equivalent bargaining units.
3. Ensuring all positions are placed on salary schedules with step increases.
4. Applying percentage-based increases, as outlined in the report.
5. Using a projected budget based on all 152 positions being filled (though the current fiscal year anticipates 30 vacancies). The resulting estimated increase is approximately 11% for total personnel and fringe benefits.

The report emphasizes that these salary adjustments are contingent on budget availability and that a new Ad Hoc Committee should be formed every three years to review compensation and ensure no one waits too long for equitable pay adjustments. Finally, the Chair expressed confidence in OHA staff and urged all employees to meet the high expectations that come with this investment. He asked for Board support of the committee's recommendations and expressed gratitude for the opportunity to serve.

9:38 AM Testimony Continues: View full Testimony <https://www.youtube.com/watch?v=4yhfGbiUO6E&t=16s>

**Kale Hannahs** summarized. A legacy staff member with 18 years of service overseeing key databases expressed strong support for the proposed compensation reforms and organizational culture changes. They emphasized the need to value staff as individuals, not just positions, and called for standard operating procedures to support non-leadership roles. Highlighting a lack of pay raises since 2016, they urged the Board to prioritize equity, retention, and recognition of staff contributions in advancing OHA's mission. The testimony underscored that mission-driven work should be measured not only by outputs, but by the broader impact on the lāhui. They urged the Board to build a workplace that fosters professional growth, financial sustainability, and long-term employee commitment.

**Carla Hostetter** The Director of OHA's Research & Evaluation Division testified in strong support of wage band adjustments and reassessment of specific positions, particularly the Research Systems Administrator roles. These positions oversee critical public-facing platforms, including Papa Kilo, the Digital Archive, the Kīpuka GIS system, and the Native Hawaiian Data Book—each essential for preserving and sharing Hawaiian history, land knowledge, and data access. The work requires a rare combination of technical expertise, GIS mapping, Hawaiian historical knowledge, database management, and contract oversight, which are not adequately reflected in current compensation. The testimony highlighted a GIS position left vacant for over three years and praised staff who continued the work despite pay inequities. The Director urged the Board to adjust salaries to attract and retain qualified professionals and ensure beneficiaries have access to high-quality cultural and historical data.

**Keith Gutierrez** expressed deep appreciation for the transparent and thoughtful approach to addressing compensation, noting that the last adjustment lacked clarity and equity. They urged the Board to consider three key concepts moving forward: (1) establishing clear pathways to management with fair, motivating pay transitions that recognize increased responsibilities; (2) ensuring compensation reflects the actual scope and strategic complexity of each role, including differences in program size and team oversight; and (3) applying role-specific flexibility within pay bands to account for market competitiveness, unique qualifications, and supervisory duties. The testimony emphasized that uniformity alone does not ensure fairness—true equity requires nuance. Concerns were raised about employees affected by the 2021 reorganization who took on significantly more responsibility without appropriate compensation adjustments. The speaker recommended reviewing these cases before implementing blanket raises and encouraged ongoing dialogue between staff and

leadership. The feedback was intended to help OHA build a compensation structure that is fair, equitable, and sustainable over time.

**Kaimo Muhlestein** supports the Ad Hoc Committee's recommendations to address salary inequities within OHA. They commended the committee's diligent work and urged the Board to bring compensation up to par so that staff who give their "blood, sweat, and tears" are treated with fairness and equity. The speaker shared concerns over the ongoing loss of talented employees due to better pay and opportunities elsewhere, citing personal sadness at seeing dedicated staff leave. They shared a personal story of their son, a qualified engineer, choosing to move to Tennessee for better compensation, illustrating the cost of inequity. The testimony highlighted the high cost of living in Hawai'i and the difficulty even degree-holders face in staying home. They emphasized that although staff contribute significantly, compensation does not reflect the value of their work. The speaker closed by expressing deep love for the organization and a desire to see OHA thrive by supporting and retaining its dedicated 'ohana.

**Kevin Chak** expressed gratitude to the Board Chair, Ad Hoc Committee, Trustees, and Executive Leadership for the opportunity to testify. They supported the proposed salary increase system, highlighting its equity by offering larger increases to lower-paid employees and smaller increases to higher-paid staff. The Director noted this approach could improve overall staff morale and reinforce a culture of recognition and value. Additional comments will be shared during the next action item.

**Elise Dela Cruz-Talbert** shared a deep passion for research and commitment to addressing Native Hawaiian health disparities, motivated by personal experiences and a strong desire to give back to the lāhui. Despite this dedication, they expressed difficulty remaining at OHA and living in Hawai'i due to the high cost of living, citing data showing Hawai'i as the most expensive state to maintain a home. They emphasized that many employees, including themselves, are struggling financially while remaining devoted to the mission. The Research and Evaluation division has remained short-staffed for over two years, partly due to compensation and workplace culture. The speaker highlighted the need for adequate support so employees can thrive, not just survive, and continue to serve the community effectively. They closed by expressing gratitude for the ongoing discussions about these challenges and for the opportunities made possible by generations of Native Hawaiian advocates.

**Nietzsche Ozawa** urged the Board to approve the action item addressing longstanding pay inequities. They emphasized that fair and competitive compensation is essential to recognizing staff contributions, retaining experienced personnel, and attracting new talent committed to OHA's mission. The current pay structure leaves staff undervalued and struggling, despite their dedication to serving beneficiaries. The testifier highlighted the importance of advocating not only for external beneficiaries but also for the staff who are beneficiaries themselves. They thanked the Ad Hoc Committee and Board for their leadership and urged continued advocacy for equitable and sustainable workforce policies.

**Edna Johnson** expressed appreciation for being heard and for the Board's consideration of salary compensation and telework policies. They believe these actions will support current dedicated staff and help recruit high-quality personnel. The testifier emphasized the importance of uplifting the OHA 'ohana and those committed to serving the lāhui now and into the future. They concluded by thanking the Board for the opportunity to share their mana'o.

**Kahelelani Keawekane** acknowledges the dedication of OHA employees who continue to serve despite challenges and limited recognition. While she does not personally qualify for the increase due to their recent start date, they emphasized that those who do are truly deserving. Drawing from their own journey as a former

trustee aide and now Administrative Assistant in the Land Division, they highlighted the temporary and uncertain nature of some OHA positions. The testifier underscored the importance of cultivating Mana i Maui Ola within OHA to inspire both staff and the community. They praised the efforts of the Ad Hoc Committee, leadership, and fellow employees, and expressed deep aloha and prayers for all in the organization. The testimony concluded with a plea for full Board support of the proposed salary adjustments.

**Chair Kaiali'i Kahele** recognizes Stacy Ferreira, CEO.

**Stacy Ferreira, CEO** thanked staff for showing up in person or virtually, expressing appreciation for their dedication and concern regarding salary and workplace issues. Thank you to the Board Chair for visiting staff and listening to employee concerns, acknowledging unresolved issues like pay inequities that have long been voiced. The one-time COLA payments last year were recognized as interim relief, with today's action item viewed as a step toward a permanent solution. The testimony also highlighted the importance of implementing a performance management system that supports annual merit-based increases, not just market re-leveling. Additionally, we advocated for budget support of professional development, training, and leadership pathways to ensure staff can grow alongside evolving organizational needs. There is a need to invest in staff as part of a broader commitment to uplifting OHA's workforce.

**Chair Kaiali'i Kahele** recognizes one more speaker.

**Kealoha Pisciotta** expressed gratitude to the Board of Trustees for supporting the Ad Hoc Committee's work on salary adjustments. They advocated for a small group of employees currently excluded from the increase, urging their inclusion and emphasizing that all staff contribute meaningfully. Although the testifier acknowledged they may not personally benefit, they fully support the action because it uplifts the entire organization. They also echoed support for previous testimonies and commended the trustees for taking bold steps to strengthen OHA.

**Chair Kaiali'i Kahele** recognizes Vice Chair, Trustee Souza.

**Vice Chair Souza** The importance of implementing the performance evaluation program, aligning with previous testimony and discussions within the Ad Hoc Committee. This program was considered a critical component while reviewing the Ad Hoc report and is expected to complement the compensation adjustments moving forward. This effort is only a baseline to meet and exceed expectations. If the proposal is approved, the responsibility to carry it out will shift to the Administration, including the HR team and leadership.

*Motion:*

**Mr. Chair, I'd like to move to accept the report summary of the ad hoc Committee to examine OHA staff salaries, dated May 2, 2025, and adopt the Ad Hoc committee staff salary recommendations of preliminary personnel budgets for the fiscal year 2026 and fiscal year 2027 biennium budget as set forth in attachment. A.**

**Trustee Alapa seconds the motion.**

*Discussion takes place*

**Trustee Akina** The speaker thanked the Chair, committee members, and administration for presenting a strong proposal. They stated, "The first thing I want to say, in fact, I'll just limit it to this—is I'd like to hear some

response to a point brought up by one of our testifiers today that we have to look at some protocol issues as to what we can vote on today.” They requested that the matter be referred to counsel for clarification.

**Naiwi Wurdeman, Board Counsel** The Ad Hoc Committee was formed as such and not as a permitted interaction group under HRS §92-2.5(b)(1). The committee included two board members and the HR Director. They stated the current matter before the Board may be considered under HRS §92-2.5(a). While the Board may choose to err on the side of caution and defer a vote to a future meeting, the speaker affirmed that a valid argument exists for taking action today under the same provision.

**Everett Ohta, Interim General Counsel** concurred with Board Counsel’s opinion and had nothing further to add. They clarified that the Ad Hoc Committee was established in accordance with the action item and applicable bylaws. The statute, HRS §92-2.5, distinguishes this Ad Hoc Committee from a permitted interaction group, making it exempt from associated restrictions. This committee represents a different form of permitted interaction specifically, communication between two board members which is allowed under a separate provision of the same statute.

**Trustee Akina** “I understand that we can go forward and vote on the action item that's raised.” They expressed support for the second part of the proposal but added, “I would feel more comfortable with more time to research that.” They acknowledged the value in aligning with state salary models but noted, as Ka Pouhana pointed out, that “there are some other factors, non-salary in particular,” which contribute to attracting and retaining employees. They affirmed, “The 1st part of today's action item is a Kuleana of the board,” and expressed pride in the board “stepping in and standing up for our Ohana here at OHA.” They concluded that wage administration falls under the Administration’s kuleana.

**Trustee Ahuna** acknowledged that today the board is voting on the issue but expressed discomfort due to a lot of new information that came out, including the need for clear pathways and addressing equities based on scope. He emphasized the importance of long-serving staff, stating that these people are important to not just them, but to the OHA family, and referenced the 2021 leadership responsibilities where some people got lost in the process. The concern that some employees have been working at OHA for over 10 years and are still at the lowest pay, urging the board to follow through with addressing these inequities. He praised the committee for its hard work, calling it massive lifting, and stressed that OHA is only as good as its people. He is requesting clarification on whether the board would vote on the matter today or hold off a little bit.

**Vice Chair Souza** The issue at hand is to adopt the ad hoc committee’s recommended staff salary adjustments and preliminary personnel budgets for fiscal years 2026 and 2027. They highlighted that this serves as a baseline, with opportunities for administration to provide input. Trustee noted that as the budget process continues over the next few weeks, there will be many chances for further discussion and adjustments, and wants to ensure everyone understands this is just the starting point.

**Trustee Akaka** seeks clarity on whether the vote to accept the recommendation could include other considerations or if those would be addressed later. They referenced a previous question about health benefits and requested information on the laws and rules regarding expanding or maintaining benefits for current and new employees at OHA. Trustee seeks to understand the scope of what can be offered within legal guidelines.

**Corey Nakamoto, HR Director** It was clarified that as State employees, OHA staff are eligible for State benefits through EUTF and ERS. They also participate in flexible spending benefit programs and have their own TDI insurance coverage. OHA is currently exploring the addition of a paid family leave benefit. While

changes to State-administered benefits cannot be made unilaterally due to negotiation and administration by the State, there appears to be some flexibility in establishing additional internal policies.

**Trustee Akaka** The qualities of an employer of choice – emphasizing the importance of strong health benefits and incentives that encourage people to stay or apply. Noted that in the past, civil service jobs were desirable due to reliable retirement and health benefits. However, they expressed concern that current health benefits may not meet those same standards. Trustee questioned what flexibilities exist to expand benefits so OHA can truly be seen as an employer of choice, where employees feel secure and valued through both compensation and care.

**Corey Nakamoto, HR Director** clarified that while OHA cannot change State-provided benefits, there may be opportunities to explore additional or voluntary benefits. Examples include supplemental insurance options like Aflac, which offers extra coverage. These benefits could potentially be offered on a pre-tax basis, providing value for employees. The speaker stated that this is something the organization could look into further.

**Trustee Akaka** The importance of OHA becoming an employer of choice by exploring how other government agencies, both in and out of Hawai‘i; maintain happy and healthy employees. The concern that current health benefits may not be competitive, noting that some employees choose a spouse's private plan instead. Trustee advocates for creativity within legal limits to improve employee wellness and retention, including examining years of service and honoring long-time staff. They supported exploring benefits like kupuna care and supplemental insurance, urging a cost-benefit analysis. Additionally, calling for efforts to re-attract high-performing former employees and ensure equity for roles that may not be included in the proposed increases. These efforts to OHA’s mission and strategic plan, emphasizing internal consistency with external advocacy.

**Vice Chair Souza** clarifies that the 24 positions not included in the report were newer director-level roles created by the CEO and already aligned to market rates. The committee based its recommendations on market data and internal equity, focusing solely on budget and salaries, not benefits. Trustee acknowledged the valuable input from Trustee Akaka and emphasized that those testifying today were not involved in the committee’s process. This report is a baseline version intended to be adopted now, with flexibility to amend or revise as the budget process continues.

**Trustee Akaka** clarified that the positions in question were newly created and newly hired and confirmed that those positions are aligned with the market rate.

**Vice Chair Souza** confirmed the positions were newly created and hired around a year ago at market rate at that time. They also acknowledged the need to revisit these positions to determine if adjustments or increases are appropriate and noted this can be addressed as implementation moves forward.

**Trustee Akaka** suggested examining organizations with high retention rates to understand the factors contributing to their success. Trustee proposed using those examples as models to help guide improvements within the organization.

**Summer Sylva, COS** The Ad Hoc Committee was formed primarily to correct existing pay inequities and ensure no further disparities would persist or worsen. The recommendation was developed with guidance from HR professionals and consideration of fiscal responsibility within the upcoming biennium budget. Positions excluded from this recommendation were recently created and assumed to have already been set at competitive market rates. The salary increases target employees whose compensation had remained flat or had not been reviewed since 2021 or earlier. The committee, made up of individuals with diverse backgrounds and perspectives, prioritized fairness, equity, and urgency in their approach. Testimonies were considered, and while

not everyone could be present, their voices informed the committee’s decisions. The final recommendation reflects a balanced consensus among members considering internal values and external economic conditions.

**Chair Kaiali’i Kahele** The average medium income to live on Oahu is \$65,868.00. The average median home price on this island is \$1.1 million dollars. It's impossible to live on \$50,016, and it is unacceptable for the Office of Hawaiian Affairs to have any staff salary below \$60,000.00. The committee’s recommendations establishes a floor, not a ceiling, for employee salaries. This is why 3% increases are planned for the next year, and why the committee, like the OHA Salary Commission, should be reformed and reconvened in three years. The Legislature approved trustee salaries in early May, and now attention must turn to addressing salaries for over 120 employees. Many OHA employees struggle to meet basic needs such as housing, healthcare, and childcare. This step is a move toward equitable pay increases for frontline and legacy employees, reflecting dignity and fairness. The committee’s work is commendable, and the impact of these changes is expected to be significant throughout OHA this year.

**Trustee Akaka** wants OHA to carefully review every position, job description, and duty within the organization, keeping in mind upcoming considerations and input. This thorough review is essential to balance pay, benefits, and the overall health and happiness of our employees. Many staff work long hours, including evenings, weekends, and early mornings, often sacrificing personal time with ‘ohana and community. It’s important to find a balance that supports employee well-being and retention. This could be addressed through HR policies and management practices to ensure employees remain happy and healthy both at work and in their personal lives.

**Trustee Galuteria** I am proud to be part of this ‘ohana today. This truly reflects what family is about, and we must bring our aloha to the table. Everyone has a role, including each of us. I am ready to move forward with enthusiasm. I also want to express my sincere gratitude to the committee for their great work.

<b>10:21 AM Trustee Souza moves</b>  to accept the report. Summary of the Ad Hoc Committee to examine OHA staff salaries, dated May 2, 2025, and adopt the Ad Hoc Committee staff salary recommendations of preliminary personnel budgets for the Fiscal Year 2026, and Fiscal Year 2027 biennium budget as set forth in attachment. A.						
<b>Trustee Alapa seconds the motion</b>						
Vote: 10:56 AM	<b>1</b>	<b>2</b>	<b>‘AE (YES)</b>	<b>‘A‘OLE (NO)</b>	<b>KANALUA (ABSTAIN)</b>	<b>EXCUSED</b>
<b>TRUSTEE DAN AHUNA</b>			<b>X</b>			
<b>TRUSTEE KALEI AKAKA</b>			<b>X</b>			
<b>TRUSTEE KELI‘I AKINA</b>			<b>X</b>			
<b>TRUSTEE LUANA ALAPA</b>		<b>X</b>	<b>X</b>			
<b>TRUSTEE BRICKWOOD GALUTERIA</b>			<b>X</b>			
<b>CHAIRPERSON HULU LINDSEY</b>			<b>X</b>			

<b>TRUSTEE J. KEONI SOUZA</b>	<b>X</b>		<b>X</b>			
<b>TRUSTEE JOHN WAIHE'E</b>			<b>X</b>			
<b>CHAIR KAIALI'I KAHELE</b>			<b>X</b>			
<b>TOTAL VOTE COUNT</b>			<b>9</b>			
<b>MOTION: [X] UNANIMOUS [ ] PASSED [ ] DEFERRED [ ] FAILED</b>						
<b>Motion passes with NINE (9) Yes votes, Zero (0) No votes</b>						

*Recess is taken at 10:56 AM*

*Meeting reconvenes at 11:07 AM*

**C. Action Item BOT #25-08: Approval of a Telework Policy for the Office of Hawaiian Affairs.\***  
**1st reading**

**Chair Kaiali'i Kahele** calls upon any testifiers.

*Testimony starts at 11:08 AM*

**Germaine Meyers summarized.** A request was made for the approval of OHA's telework policy (first reading). The proposed action directs the administrator to develop a telework program for positions with duties compatible with telework. However, concerns were raised about the lack of critical details in the May 12, 2025 draft, including the absence of clearly defined positions eligible for telework and how such arrangements benefit OHA, its employees, partners, and, most importantly, its beneficiaries. The policy clarifies that telework is not an entitlement or agency-wide benefit, and participation is subject to eligibility and OHA's discretion. Further clarification and a report from Administration are anticipated.

**Kristen Anderson** expressed strong support for the proposed telework policy, citing its alignment with employee well-being and OHA's mission. They described the toll of a daily two-hour commute from Ewa Beach equating to 480 hours annually, or 12 full work weeks—on their physical, mental, and financial health. With nearly 15 years at OHA, they emphasized that telework would enhance work-life balance, productivity, and retention. They praised the IT team's efforts in equipping staff with tools like Microsoft Teams and 365, enabling efficient remote collaboration. She urges OHA to lead by example, modeling culturally grounded systems that reflect its strategic priorities in housing, health, and economics. They concluded by encouraging visual support from fellow staff to highlight the policy's potential impact, reinforcing that telework is not a luxury but a practical solution rooted in aloha.

**Keoni Oldroyd** shared both personal and professional support for OHA's proposed telework policy. They recounted how their highly qualified spouse chose not to apply for a relevant OHA position due to a non-competitive salary and lack of telework flexibility, two key components of employee well-being. Instead, she accepted a role with a sister organization, CNHA, which offered both higher pay and a hybrid work model. The speaker emphasized that without a formal telework program, OHA risks losing talented candidates even to partner agencies. They acknowledged the shortcomings of early pandemic-era telework but affirmed that the proposed policy addresses those gaps, including accountability, collaboration, safety, and job advertising. They also noted the policy's built-in flexibility for adjustments if needed. Concluding, they urged support for the



policy, highlighting that even trustees benefit from remote participation—a practice aligned with OHA's statewide responsibilities.

**Kaimo Muhlestein** expressed support for teleworking, noting that while it may not impact their own role, it significantly benefits others. Reflecting on past staff experiences, they shared that former OHA employees, especially in communications and *Kai Wai Ola*, thrived and even achieved award-winning performance while working remotely. They emphasized that today's advanced technology enables flexible work environments that support productivity and employee well-being. The speaker acknowledged that post-COVID telework policies need to be updated to align with current tools and conditions. They also highlighted environmental benefits, such as reduced traffic and fewer cars on the road, aligning with mālama 'āina values. While valuing in-person connection (pilina), they believe telework should be an available option to help advance OHA's mission.

**Angela Lopes** supports the proposed telework program outlined in Section 3.10.Z, emphasizing that it honors OHA's cultural values while promoting modern workforce practices. They drew inspiration from ali'i, such as King Kalākaua and Queen Lili'uokalani, who balanced tradition with innovation, much like telework balances flexibility with service. The testimony highlighted that telework supports employee wellness, strengthens 'ohana, and reduces environmental impact, all in alignment with OHA's mission to improve conditions in education, health, housing, and economic stability. While acknowledging that not all positions are suited for teleworking, the policy includes accountability and administrative oversight to ensure fair and effective implementation. Ultimately, she urges approval as a reflection of OHA's commitment to adaptive leadership and compassionate service to the lāhui.

**Kevin Chak** offers support for the long-anticipated telework policy, emphasizing its potential to significantly improve the work environment at OHA. By reducing long commutes—often tripling in time during peak hours—staff could reclaim valuable time for family and personal well-being, leading to increased efficiency and job satisfaction. The IT team has experienced frequent turnover, which the speaker attributes in part to lack of flexibility and support. They highlighted the importance of retaining current staff, including temporary hires, noting that they have already demonstrated loyalty and engagement. Implementing telework could help reduce staff attrition, strengthen team cohesion, and reinforce OHA's commitment to its employees. The testimony concluded with a call for trustees to support the policy as a way to sustain morale and extend positive impact from OHA to the broader Native Hawaiian community.

**Makiilei Ishihara** expressed strong support for the proposed telework policy, emphasizing its alignment with the hard-working values instilled by their family and demonstrated throughout their career. Since joining the organization, they have observed and deeply appreciated the dedication and relationships formed among staff. She views telework not just as a benefit but as a tool to help employees thrive and, in turn, better serve Hawai'i and its beneficiaries. As a Native Hawaiian beneficiary, the testifier shared a vision of OHA as a place where young Kanaka feel welcomed and valued. They encouraged leadership to trust staff to fulfill their responsibilities with integrity, noting that flexible policies—grounded in trust—can enhance both morale and productivity. The testimony concluded with a plea for mutual respect and unity, reaffirming the belief that OHA's mission can only be fulfilled through collective trust and shared commitment.

**Alison Roney** supports the telework policy, having experienced its effectiveness during the COVID-19 period at OHA. They commended the IT staff for enabling remote work and noted that the necessary tools remain in place. They emphasized that telework allows staff to meet organizational goals while also potentially reducing operational costs for OHA. Additionally, the testifier raised safety concerns for employees walking between OHA and Dole parking, suggesting that telework could mitigate these risks. They also mentioned that providing

shuttle services takes time away from other work responsibilities. Overall, they urged decision-makers to consider these benefits in support of the policy.

**Nietzsche Ozawa** urged the Board to adopt the permanent telework policy for the Office of Hawaiian Affairs, emphasizing its potential to enhance employee well-being while providing organizational benefits. These include reduced overhead and facility costs, improved productivity, decreased sick leave, and positive environmental impacts. They described telework as a strategic tool, not merely a convenience, supporting both efficiency and sustainability. As a member of the telework policy project during COVID-19, the testifier highlighted the effort and thought put into the policy's development. They noted the alignment of this initiative with practices in other states and private sectors. Ultimately, they encouraged the Board to prioritize staff wellness and recognize the high-quality work that can result from a supportive, flexible environment.

**Kaweni Ibarra** strongly supports the proposed telework policy, citing both personal and organizational benefits. Commuting over 100 miles daily from Ka'ū to the Hilo office, they highlighted how telework would increase accessibility to underserved rural communities. They noted that this policy could help address staffing challenges at OHA and align with the State's telework goals, including improved morale, recruitment, retention, reduced office space, and enhanced disaster resilience. The policy also supports better use of available technology. The testifier believes this initiative will improve service delivery to beneficiaries and strengthen OHA's effectiveness across the pae 'āina.

**Lori Walker** expressed strong and heartfelt support for the telework policy, speaking on behalf of their team and fellow employees who adapted quickly and effectively during COVID-19 and continue to manage multiple roles amid ongoing staff shortages. They emphasized that flexible work options significantly improve both employee well-being and organizational productivity, particularly for those carrying heavy workloads. As a supervisor, they acknowledged the added responsibility of ensuring team performance but are fully committed to that kuleana. The flexibility provided by telework cannot be replaced by salary increases alone and directly contributes to a healthier, more balanced work ethic. The testifier urged the Board to continue fostering collaborative leadership by approving the policy, noting its potential to uplift employee morale and enhance service to beneficiaries.

**Ahia Dye** supports the telework policy, emphasizing that it enhances their ability to meet the needs of OHA's grantees while also helping offset travel costs. Requesting both a physical office space and the option to telework, noting that having a home base is convenient, but the flexibility to work from home increases efficiency. With just a few steps, they can quickly attend to their responsibilities, especially given the current understaffing in the Grants Department. She acknowledged and appreciated the administrative support provided to help address the workload. She believes they can contribute even more effectively with a formal telework policy in place.

**Ardena Saarinen** a nearly six-year full-time OHA employee and former intern, voiced strong support for adopting a telework policy. She emphasized that the high cost of living in Hawai'i, including time and well-being, can be partially alleviated through telework. She urged decision-makers to take seriously the collective mana'o of staff, highlighting that retaining dedicated, mission-driven employees requires supportive policies. The policy is not only practical but also as part of a broader effort to decolonize the workplace and honor the legacy of kūpuna. She sees telework as essential to creating a future rooted in Maui Ola and collective well-being.

**Kealoha Pisciotta** strongly supports the telework policy, emphasizing the unique challenges faced by Hawai'i Island staff due to long commutes and traffic. They highlighted the environmental benefits of reducing the

organization's footprint and stressed that implementing telework reflects OHA's progressiveness and care for employee well-being. Drawing from personal experience as a former federal liaison with early morning meetings aligned to Washington, D.C. time, they noted how telework enabled productivity that office-only structures could not. They endorsed greater flexibility as a means to increase organizational effectiveness and echoed previous testimony supporting workplace decolonization, calling for shifts in both mindset and operations.

**Kamaile Puluole-Mitchell** expressed strong support for adopting a flexible telework policy, highlighting its proven value in maintaining productivity and operational efficiency. Key benefits identified include higher productivity due to reduced commute times, improved employee retention and engagement—especially for outer island staff and significant cost savings in office space and utilities. The testimony emphasized telework as a solution to serve dispersed communities like West Hawai'i more effectively while also enhancing work-life balance and reducing burnout. Additional points included environmental benefits from reduced commuting, better use of technology for communication, and strengthened emergency preparedness, as shown during the COVID-19 pandemic. She also noted the success of virtual workshops and community outreach efforts during crises as examples of telework's effectiveness and adaptability.

**Chantelle Belay** shared her professional journey with OHA and voiced strong support for a telework policy. They noted that advancements in technology since their earlier employment at OHA (2003–2010) have made telework both feasible and effective. Upon returning to OHA in 2022 as a Grants Officer, they were successfully trained remotely and remained responsive to grantees, many of whom require after-hours support. She later transitioned to Public Policy Manager, highlighting the valuable contributions of teleworking advocates on Hawai'i Island and the consistent productivity of O'ahu-based staff. Emphasized flexibility for community-facing roles that don't align strictly with 8-to-5 schedules and affirmed that telework supports both employee needs and beneficiary services.

**Arlene Aguinaldo** respectfully urged the Board to support a telework policy, emphasizing its positive impact on employees like them who live far from the office in this case, Makakilo with long commute times and financial strain from high gas prices. As an IT employee, they confirmed telework has already been proven effective, particularly during the COVID-19 pandemic when their team successfully enabled staff to work from home. The ability to telework has supported their productivity while also allowing more time with their young child and managing household responsibilities. They emphasized that flexibility enhances both employee wellness and organizational appeal, helping to attract talent and address ongoing vacancies. The testifier concluded that telework benefits staff, families, and organization alike.

**Jason Lees** expressed strong support for the teleworking policy, especially on behalf of employees with mobility challenges. Despite multiple knee surgeries and ongoing treatment, they remain fully committed to representing OHA at public events across the state but asks for flexibility to perform desk-based duties like editing photos, videos, and website content from home. They shared frustrations with the medical accommodation process, which restricted their participation in events they value deeply, such as Merrie Monarch and FestPAC. The testifier emphasized their dedication to the organization and highlighted that full-time, in-office requirements can be physically taxing and unnecessary, particularly during periods like print week when work is mostly computer-based. They asked for continued trust from leadership and a balanced approach that values both in-person and remote contributions.

**Stacy Ferreira, CEO** expressed deep gratitude to the working group for thoughtfully developing telework policy safeguards that balance productivity with the protection of trust resources. They commended the team for updating the document for board consideration and emphasized that true excellence comes from values rooted

in kuleana to the Lāhui, not just procedures. She noted that many employees are already teleworking informally starting early, ending late, and working weekends demonstrating existing dedication. Formalizing teleworking is a necessary step, but it should not overshadow the quality work already being done remotely. They highlighted that this policy, along with discussions on compensation, reflects a positive shift in workplace culture. Finally, she acknowledged the collaborative efforts between the Board and Administration, stressing that shared values and teamwork ultimately strengthen how OHA serves the Lāhui.

**Chair Kaiali‘i Kahele** recognizes Vice Chair Souza.

**Vice Chair Souza** I would like to move to approve a telework policy for the Office of Hawaiian Affairs as follows, telework.

**Trustee Akina** seconds the motion.

*Discussion – Chair Kahele calls upon Everett Ohta and Summer Sylva to the table to speak on this action item.*

**Everett Ohta, Interim General Counsel** The action item presented seeks Board approval of a telework policy for the Office of Hawaiian Affairs. This policy, outlined in Section One, sets the direction for the Administration to implement and will be incorporated into OHA’s Executive Policy Manual. In addition to the core policy, proposed telework program guidelines are included for further explanation by staff. The intent is to empower the Administrator to implement and adjust the policy as needed without requiring repeated Board approval for changes. This approach ensures flexibility and responsiveness during the rollout and ongoing management of the telework program.

**Chair Kaiali‘i Kahele** clarifies if the Board moves past the first reading, the action item would authorize the Administration to implement and refine the proposed telework policy. The Board is not voting to adopt the full 18-page guideline document as-is, since it may require further adjustments. If approved, the telework policy will be incorporated into the Executive Policy Manual and the employee handbook, both of which will need to be updated in the coming months.

**Everett Ohta, Interim General Counsel** The policy also establishes a review period, ensuring that the Board maintains oversight of the telework program's implementation. The Administration will be required to report back to the Board, allowing for continued evaluation and accountability. This structure ensures that concerns such as those that led to the initial return-to-office directive remain subject to Board review and possible revisions, in alignment with the Board’s policymaking authority.

**Chair Kaiali‘i Kahele** In response to the COVID-19 pandemic, the State of Hawai‘i developed an overarching telework policy in 2023, allowing each department flexibility to create its own tailored policy. Under prior leadership, OHA formed a Telework Task Force that spent nearly two years crafting a policy based on state best practices. Kehau and Summer, with Everett's support, were tasked with reviewing and updating that work to meet current 2025 standards. Their revisions form the basis of the telework policy presented to the Board today, reflecting nearly all core elements with only minor suggested adjustments. The goal is to provide a foundation for informed Board discussion and possible action on the proposed policy.

**Kēhau Pu‘u, COO** Mahalo was extended to the original telework project team for their foundational work, which allowed for refinement rather than starting from scratch. The revised telework program guidelines draw from multiple sources, including the State of Hawai‘i, University of Hawai‘i, and federal agencies like OPM and USDA, to ensure a comprehensive, best-practice approach. These guidelines will likely be consolidated

with standard operating procedures (SOPs) to create a single reference point for staff. The proposed hybrid model would allow eligible employees to telework 1–3 days per week, with at least one required in-office day for collaboration. Eligibility is based on current performance reviews, with determinations made by HR and supervisors. OHA will provide necessary equipment (approx. \$400 per staff), while utility and internet costs remain the employee's responsibility. Safety assessments of home workspaces will be required, and training and agreement forms will be part of the program rollout if approved by the Board. We would not create a separate evaluation specifically for telework, as telework performance should be integrated into the overall performance evaluation process.

**Summer Sylva, COS** An additional point was shared highlighting the effort to proactively address past challenges with telework, including concerns around trust and accountability. To strengthen implementation, the telework policy is intentionally tied to the performance management review process. It was emphasized that the telework policy should not be conflated with managerial accountability, which is being addressed separately through increased management training and oversight. The policy aims to support a productive work environment while ensuring staff are held to appropriate standards. Additionally, the decision not to fund internet or tech accommodation was influenced by recent salary increases, intended to help staff manage such costs independently.

**Vice Chair Souza** I would like to clarify that the motion made earlier and seconded by Trustee Akina also does include section [3.10. z]:

- The Administrator shall develop a telework program that is available for positions with duties that are compatible with regular telework. Not all positions may be appropriate for telework and telework should only be considered if it is mutually beneficial for OHA, the employee, and OHA's partners and beneficiaries. Telework is not an entitlement or an agency-wide benefit. Each employee must meet eligibility criteria to participate in the telework program and approval of a request to telework shall be at the sole discretion of OHA.
- Teleworking employees must continue to abide by all policies and procedures, including, but not limited to confidentiality of information, use of equipment and IT systems, ethics, performance, general travel, standards of conduct, communication records, management work, rules and discipline, payroll work, schedules, leaves of absence and health and safety policies.
- Also, any change to the telework program should require the approval of the Administrator. The Administrator shall provide the Board of Trustees with an annual update on the Telework program and the Board of Trustees reserve the right to modify, suspend, or discontinue the telework program at any time. Should it no longer serve the best interests of the organization.

**Trustee Galuteria** expressed that the work being undertaken is significant, especially when integrating major existing policies. He inquired about the model being used – whether it reflects governmental, private sector, or a hybrid approach and emphasized the importance of aligning it with the organization's indigenous identity. The Trustee asked whether there are existing models that incorporate indigenous perspectives and practices, such as Alaskan Native or Native American approaches. They suggested exploring ways to embed Native Hawaiian concepts, even as simple as defining a Hawaiian term for "telework," into the overall framework and expressed interest in revisiting this idea further. Hawaiians in Hawai'i have a unique opportunity to lead by example. That even creating terminology specific to this effort could reflect a Hawaiian perspective. While noting that the

concept may seem simple, they emphasized the importance of recognizing and incorporating cultural viewpoints, using the canoe as a metaphor for continuous, collective effort.

**Kēhau Pu‘u, COO** While the guidelines and procedures are technical, the program should be grounded in Hawaiian values such as aloha and laulima. They emphasized the importance of framing the program in a way that reflects the organization's cultural identity and aligns with the intent shared by staff. The trustee affirmed the importance of modeling what it means to be a Hawaiian organization.

**Chair Kaiali‘i Kahele** The challenge of balancing a Western concept with a Hawaiian worldview and way of thinking – maybe it is the possibility of creating a new word and suggested engaging ‘Ōlelo Hawai‘i experts, such as Larry Kimura, to help develop a culturally grounded process as part of the program.

**Trustee Ahuna** expressed appreciation to the Chair, committee leads, and administrative staff for their work. They shared that hearing directly from staff was the most meaningful part of the day and reaffirmed their commitment to supporting employees. He supports the program, emphasizing that, like project-based learning in charter schools, work does not have to be confined to a single space. They stressed the importance of allowing staff flexibility in how they achieve their goals. Noted the evolving landscape including advancements like AI. He appreciated this effort as a positive step forward, particularly the opportunity to listen to staff perspectives.

**Trustee Akina** Shares today was probably their favorite board meeting in nine years of service because, for the first time, they could hear the hearts and minds of OHA’s people - today was ‘ohana. “We saw that we can trust you. You are more than trustworthy.” The Trustee acknowledged that staff look to the Board for support and empowerment to do the work that is on their hearts—the betterment of the Native Hawaiian people. I affirmed the staff's commitment to serve the mission of Mana I Maui Ola “with all your heart, mind, and soul” in ways that are efficient, convenient, and effective, what we now call telework. He apologized that staff had to repeat themselves, noting many had already spoken or contributed to the two-year effort to develop guidelines. This discussion was not just about teleworking, but about the importance of working together in our proper roles. The June 1, 2023 Board action to prohibit telework as “heavy-handed,” acknowledging it hurt many and reflected a lack of trust in staff. The new CEO immediately worked to implement the policy and praised the Board’s current effort to restore trust. The Board is called to govern, while the CEO and staff are called to manage, and when each honors their kuleana, all are empowered. Trustee supports to rescind the June 1 directive and empower the CEO to lead in service to the Native Hawaiian people.

**Trustee Alapa** asked about the potential cost savings to OHA related to telework. They noted that while employees may save on gas, transportation, parking fees, and office supplies, they wanted to know if OHA has identified its own estimated savings. They inquired whether a specific number has been calculated or if that data is still pending.

**Chair Kaiali‘i Kahele** OHA has approximately 125–135 employees statewide, with around 107 commuting daily to Nā Lama Kukui or other O‘ahu offices. The complex has only 75 parking stalls, as the remaining are shared with tenants. Currently, 32 employees park at the Dole Cannery garage, costing OHA \$8,000 per month, or \$96,000 annually, not including shuttle and security expenses. Implementing a telework plan, in coordination with HR, could reduce the number of employees commuting daily and allow OHA to end the Dole Cannery parking contract, resulting in immediate cost savings. Additional benefits would include fewer safety risks and reduced operational burdens. Allison, Chase, and Leanne Gentry were recognized for raising this issue in recent discussions. Further potential cost savings may exist, but were not detailed by the Administration at this time.

**Trustee Ahuna** does not think that any employees of OHA should be paying for parking.

**Stacy Ferreira, CEO** Since the return to office was instituted, all parking fees have been waived.

**Trustee Akaka** expressed gratitude for the years of work, testimony, and thoughtful consideration put into the telework policy. They suggested the importance of including guidance on maintaining a professional and culturally sensitive background when appearing on camera, aligning with previous comments on cultural representation. The Trustee emphasized blending productivity with flexibility, noting that many roles at OHA extend beyond physical office spaces and traditional Western work hours. Their own kuleana includes meetings in the community, with government officials, and late or early hour engagements. Public policy work often happens behind the scenes and involves reviewing, typing, and adjusting documents collaboratively and individually. The work is sometimes 24/7, requiring responsiveness whenever called upon. They stressed that this heavy kuleana, or kaumaha, must be carried with joy and moments of celebration to maintain balance and well-being.

**Stacy Ferreira, CEO** There will be a few tweaks that need to happen and some required training. Documentation dissemination is necessary to ensure everyone is aligned before implementation. The target date for rollout is July 1st.

**Trustee Akaka** Concerns have arisen over accessibility to various members of the Office of Hawaiian Affairs, especially when the kāhea is unavailable repeatedly. There is a need for a semi-formal or formal method to address urgent matters or ongoing delays in reaching staff in a timely manner. For example, during meetings with important agenda items, we may need to refer questions to specific positions capable of responding. Those designated individuals should be made available, whether virtually or in person. This availability ensures that trustees and the OHA organization can fulfill their fiduciary kuleana effectively.

**Chair Kaiali‘i Kahele** I took many notes from staff testimonies today. A couple of things stood out: a forward-thinking, strategic tool that allows for advancement and opens positions statewide. It directly addresses our recruitment ability and our ability to retain employees. I truly believe it will help us address the vacancy rates at OHA. We hope to achieve 152 fully filled positions by the end of fiscal year 2027. The Board wants to see that outcome. I think this is another strategic tool in our OHA ‘Ohana toolbox to achieve that goal.

**Vice Chair Souza** supports telework and agrees with Trustee Akina’s point. We reviewed this a couple of years ago when the trustees made the return-to-work policy. At that time, we wanted everyone to come back in person, and personally, as someone new to the organization, I wanted to see everyone face-to-face. That was a decision I supported then. However, now I fully support this telework policy. The work of our organization does not change with telework. I appreciate what Hannahs mentioned earlier about trust—I trust our employees to continue doing the work and to get it done in a timely manner. I already see this happening, benefiting our beneficiaries, which remains our ultimate goal.

*Chair Kaiali‘i Kahele tables discussion and moves to vote on the 1<sup>st</sup> reading of this action item.*

12:15 motion made by Trustee Souza						
moves to approve a telework policy for the Office of Hawaiian Affairs as follows, telework. (1st reading)						
Trustee Akaka seconds the motion						
Vote: 1:00 PM	1	2	‘AE (YES)	‘A‘OLE (NO)	KANALUA (ABSTAIN)	EXCUSED

TRUSTEE DAN AHUNA			X			
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI'I AKINA		X	X			
TRUSTEE LUANA ALAPA			X			
TRUSTEE BRICKWOOD GALUTERIA			X			
CHAIRPERSON HULU LINDSEY					X	
TRUSTEE J. KEONI SOUZA	X		X			
TRUSTEE JOHN WAIHE'E			X			
CHAIR KAIALI'I KAHELE			X			
TOTAL VOTE COUNT			8		1	
MOTION: <input type="checkbox"/> UNANIMOUS <input checked="" type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED						
Motion passes with Eight (8) Yes votes, One Abstention, and Zero (1) No votes						

**Chair Kaiali'i Kahele** Mahalo to all our OHA staff that came out today. To echo Trustee Akina, I've only been here a few months, but [this] may possibly be the most amazing board of trustee meeting I've ever had a chance to preside over, and I hope we can have more of these. So, thank you so much for answering and having the courage and the strength to come in front of the board and testify – it made it made a big difference. Mahalo

### **Community Concerns and Celebrations** 1:00 PM

Full testimony can be found here: <https://www.youtube.com/watch?v=4yhfGbiUO6E&t=16s>

**Germaine Meyers summarized.** Mahalo to Chair Kahele for supporting OHA's engagement with our Lāhui, especially with Native Hawaiians elected to serve on O'ahu neighborhood boards. As a member of the Nānākuli-Mā'ili Neighborhood Board, where 8 out of 9 members are Hawaiian homestead lessees, I mahalo Trustee Akaka and staff for attending meetings and sharing information that affects our Lāhui. I look forward to OHA engaging with our board this Tuesday and appreciate my fellow board members who serve without compensation. Mahalo to OHA for submitting testimony on the final EIS for the Pōhakuloa Training Area and for your advocacy related to upcoming military lease renewals. The military has contaminated our drinking water at Red Hill and has failed to clean up Kaho'olawe, while continuing to damage conservation lands like Wao Kele o Puna in Puna. I support trustee and staff salary increases, and believe institutional knowledge and years of service should be valued. I acknowledge the need for time off to care for 'ohana, but emphasize that existing policies like FMLA, HFLL, and generous State benefits already allow nearly six months of time off annually. Many in our community continue to serve the Lāhui without pay, and this should remain a grounding reminder.



**Keali'i Makekau summarized.** Expressed gratitude for being able to speak during community concerns, choosing to step aside during employee testimony to let their voices shine. They reflected on their engagement with OHA since 1999 and acknowledged a history of micromanagement within the agency. They observed that the true value of the meeting was the openness and honesty expressed, noting the Administration's comment about how the sins of the past still weigh heavily in the Hawaiian community. The testifier shared that their phone was blowing up with community concerns and confusion about what was happening at OHA. They suggested that OHA host an open house and job fair to promote transparency, attract new talent, and rebuild public trust. The testifier highlighted the need to simplify job postings to make them more accessible and easier to understand. They called for a community-centered approach to recruitment and emphasized that OHA should be seen not as damaged goods but as a place of hope and opportunity. They urged the Board to embrace and implement the positive energy and alignment felt in the meeting.

**Shoshannah Shanwakee Lee Thomas** appeared by special invitation from Matthew Marshall Kaho'opi'i and expressed their purpose to serve, listen, and learn. They shared their intention to do their best in supporting the beautiful nation of Hawai'i. They closed by offering thanks for the opportunity to be present and extended blessings to all in attendance.

**Matthew Marshlo Kaho'opi'i** expressed full support for the work being done, emphasizing the importance of research, knowledge, and rightful compensation. They referenced historical agreements involving Sanford B. Dole and land payments, questioning why rightful beneficiaries are not receiving what they deserve. The testimony stressed that the Kingdom of Hawai'i still exists and that lands from 1848 are still under its domain, urging OHA to collect proper leases and ransoms. The speaker also mentioned significant land reservations on Mauna Kea and across the Big Island for Kanaka Maoli, emphasizing land rights at 50 cents per acre. They noted the historical importance of the telecom system for communication and spoke of meetings held prior to the Maui fires. The speaker criticized the practice of paying taxes to another government as a quiet relinquishment of rights. They called for patience, respect, and unity, stating that the people in leadership are chosen by the Creator and advocating for a united nation under shared blood and heritage.

**Thomas Lenchanko** urged the raising of the Hawaiian national flag as a symbolic and unifying action to address current issues. They expressed that such an act would represent freedom and a deeper understanding of Hawaiian identity. Emphasizing unity, they described Hawaiians as one family, one 'ohana, and affirmed pride in being the best. The testimony closed with gratitude to the Board for the opportunity to speak.

### **Announcements**

**Trustee Akaka** shares that she and her team member, Mark Watanabe, and Michelle McCoy from the Public Policy Group, attended the Kahalu'u Neighborhood Board meeting last night. Tonight, there will be the Kāne'ohe and Makiki-Tantalus meetings. Due to overlapping schedules, different administration members, including Hailama and Elena, will attend the respective meetings. The approach is to assign staff to meetings near their residence when possible, though not always feasible. Recent attendance included Waianae Coast, Kuli'o'o-Kalani'iki, Ko'olaupia, and Waimānalo meetings. Staff members Bill Brennan and Parker Spencer, who serve in administrative roles, also participated in these meetings, with Spencer serving as Vice Chair of the Waimānalo Neighborhood Board. The administrator noted the appreciation expressed by the boards for OHA's consistent participation and the desire to have a regular presence for sharing announcements. However, she acknowledged the challenge of sustainability, especially with frequent in-person attendance. She emphasized the commitment of her team, especially recognizing Mark Watanabe for his continued support at every meeting.

**Chair Kaiali'i Kahele** shared his belief that approaching an organization with the intent of servant leadership, to leave it better than it was found, will pave the way for the Lāhui and OHA for generations to come. Nietzsche Ozawa, during her time at the Office of Hawaiian Affairs, has exemplified this.

*Chair Kahele recognizes Nietzsche Ozawa with a certificate and everyone stands to perform oli mahalo.*

### **Adjournment**

**Chair Kaiali'i Kahele** asks for a motion to adjourn.

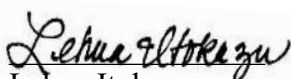
**Chair Emerita Lindsey Moves to adjourn.**

**Trustee Alapa Seconds the motion.**


Adjournment – vote at 1:27 PM							
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						
KALEI	AKAKA			X			
KELI'I	AKINA			X			
LUANA	ALAPA		X	X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY	X		X			
KEONI	SOUZA						
JOHN	WAIHE'E						
CHAIR KAIALI'I	KAHELE			X			
<b>TOTAL VOTE COUNT</b>				<b>6</b>			

**Chair Kahele** adjourns the Board of Trustees meeting at 1:27 PM

Respectfully submitted,

  
Lehua Itokazu  
Board Secretary

As approved by the Board of Trustees on August 21, 2025

  
Kaiali'i Kahele  
Chairperson, Board of Trustees

Attachments: (all handouts will be attached once the minutes are approved)



### III. Informational Briefing

A. Jon K. Osorio, Dean, Hawaiʻi inuiākea School of Hawaiian Knowledge: Dr. Osorio will present on 'Āina Aupuni Hawaiʻi, an hour-long documentary currently in development that traces the legacy of the 'āina through Hawaiʻi's complex social and political history, culminating in a proposal to restore these lands as a living trust grounded in Hawaiian values.

- Any handouts for this presentation will be shared at the Board Meeting.



- IV. Status of OHA Activities: Ka Pouhana/CEO and Administration's Update on OHA activities.
- A. Comprehensive Update on Travel Planning and Preparations for OHA Delegation's Participation in the 2025 Native Hawaiian Convention in Tulalip, WA from October 6-9, 2025, including travel logistics, coordination efforts and programming, and anticipated outcomes.
- Any handouts for this presentation will be shared at the Board Meeting.



V. New Business

A. Committee on Budget and Finance

1. Action Item BF #25-69: Approval of revisions to certain staff positions and salary adjustments for filled staff positions approved in the OHA Biennium Budget for Fiscal Biennium Periods 2025-2026 (Fiscal Year 2026) and 2026-2027 and signing bonus budget approval for Fiscal Year 2026. *August 20, 2025*
  2. Action Item BF #25-70: Approval of OHA Staff Temporary Assignment Salary Differentials. *August 20, 2025*
  3. Action Item BF #25-71 – Approval to Activate External Hiring Services Budget from Fiscal Year 2026 Biennium Budget to Fill Key OHA Staff Positions. *September 3, 2025*
- A final Committee Report will be distributed once recieved by the Budget and Finance Committee.

**OFFICE OF HAWAIIAN AFFAIRS**  
**Board of Trustees Committee on Budget & Finance**  
**COMMITTEE REPORT**

August 20 2025

The Honorable Kaiali'i Kahele, Chair  
Board of Trustees  
Office of Hawaiian Affairs

Your Committee on Budget and Finance, having met on August 20, 2025 and after full and free discussion, recommends approval of the following motions to the Board of Trustees:

**II. NEW BUSINESS**

**ACTION ITEMS**

**A. Action Item BF #25-69: Approval of revisions to certain staff positions and salary adjustments for filled staff positions approved in the OHA Biennium Budget for Fiscal Biennium Periods 2025-2026 (Fiscal Year 2026) and 2026-2027 and signing bonus budget approval for Fiscal Year 2026.**

**B. Action Item BF #25-70: Approval of OHA Staff Temporary Assignment Salary Differentials.**

**Action Items as noticed on (BF) Committee Agenda of August 20, 2025.**

**MOTIONS**

**A. Action Item BF #25-69: Approval of revisions to certain staff positions and salary adjustments for filled staff positions approved in the OHA Biennium Budget for Fiscal Biennium Periods 2025-2026 (Fiscal Year 2026) and 2026-2027 and signing bonus budget approval for Fiscal Year 2026.”**

Approve revisions to the following position titles from those approved in Action Item BOT #25-51, Attachment 2, on June 30, 2025:

**MOTION 1**

1. Change “GIS Analyst” to “Geographic Information System Administrator”;
2. Change “Papakilo and Kipuka Systems Administrator” to “Digital Archive System Administrator”;
3. Change “NH Data Book Systems Administrator” to “Native Hawaiian Data System Administrator”; and
4. Change “Commercial Property Agent” to “Investment Land Asset Manager”.

**PASS YES 8 NO 0 VOTE 8**

**MOTION 2:**

Approve salary budget adjustments and corresponding fringe and FY27 merit-based salary adjustment amounts, effective July 1, 2025, for FY 2026 and FY 2027 for identified positions below from those approved in Action Item BOT #25-51, Attachment 4, on June 30, 2025:

1. Change the salary for “Beneficiary Services Agent – \$66,876 to \$62,904;
2. Change the salary for “Director of Technology Services” from \$113,736 to \$139,656; and
3. Change the salary for “Grants Officer 3” from \$78,312 to \$69,600.

**PASS YES 8 NO 0 VOTE 8**

**MOTION 4**

Approve \$155,000 for signing bonuses in the amount of \$5,000 each for thirty-one vacancies for Fiscal Year 2026, as set forth in Attachment A, subject to final approval by the OHA Administrator

**PASS YES 8 NO 0 VOTE 8**

**ACTION ITEM**

**B. Action Item BF #25-70: Approval of OHA Staff Temporary Assignment Salary Differentials.**

Temporary Assignments – Amendment

1. Certification of Need

A Temporary Assignment (TA) may be made when the PAIA Director or Manager position is vacant, or, if the vacancy is at the Director/Manager level, the next level up on the Executive Leadership Team certifies that:

- the need for the services is immediate,
- the assignment is essential to operations, and
- the assignment is in the best interest of OHA and its beneficiaries.

2. Duration

- A Temporary Assignment shall not exceed 90 calendar days per calendar year.

3. Eligibility and Priority

- Priority for Temporary Assignments shall be given to OHA staff within the PAIA where the vacancy exists.
- Only OHA employees who are one tier below the vacant position may be considered for a Temporary Assignment.
- Employees two or more tiers below the vacant position are not eligible for Temporary Assignment to that role.

4. TA Salary Increase Cap

- The Temporarily Assigned Employee shall receive a ten percent (10%) salary increase for those assuming duties and responsibilities of a vacant position in a higher wage band position one level higher for the duration of the temporary assignment.
- The Temporarily Assigned Employee shall receive a five percent (5%) salary increase for those assuming duties and responsibilities of a vacant position in the same wage band for the duration of the temporary assignment.

**Respectfully submitted:**

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**Trustee Luana Alapa, BF Chair**

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**Trustee John Waihe'e, IV, BF Vice Chair**

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**Trustee Dan Ahuna, Member**

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**Trustee Kaleihikina Akaka, Member**

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**Trustee Keli'i Akina, Member**

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**Trustee Brickwood Galuteria, Member**

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**Trustee Kaiali'i Kahele, Member**

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**Trustee Carmen Hulu Lindsey, Member**



**ATTACHMENT ITEMS: ROLL CALL VOTE SHEETS**

Attachment(s): ROLL CALL VOTE SHEET-ACTION ITEMS  
 II. A. New Business BF#25-69

ATTACHMENT 1

**BF ROLL CALL VOTE SHEET-A. Action Item #BF25-69 -MOTION 1**

Attachment(s): ROLL CALL VOTE SHEET -ACTION ITEMS II. A. New Business BF#25-69

**II. A. NEW BUSINESS- APPROVAL OF ACTION ITEM BF#25-69-MOTION1****MAIN MOTION**

**A. Action Item BF #25-69: Approval of revisions to certain staff positions and salary adjustments for filled staff positions approved in the OHA Biennium Budget for Fiscal Biennium Periods 2025-2026 (Fiscal Year 2026) and 2026-2027 and signing bonus budget approval for Fiscal Year 2026.**

**MOTION 1 (amended)**

Approve revisions to the following position titles from those approved in Action Item BOT #25-51, Attachment 2, on June 30, 2025:

1. Change "GIS Analyst" to "Geographic Information System Administrator";
2. Change "Papakilo and Kipuka Systems Administrator" to "Digital Archive System Administrator";
3. Change "NH Data Book Systems Administrator" to "Native Hawaiian Data System Administrator"; and
4. Change "Commercial Property Agent" to "Investment Land Asset Manager".

**BF ROLL CALL VOTE SHEET**  
**ACTION ITEM #BF25-69 -MOTION1(amended)**

**VOTE: 8 YES: 8 NO: 0 PASS: YES**

TRUSTEE	YES	NO	KANALUA	EXCUSED
TRUSTEE DAN AHUNA	X			
TRUSTEE KALEIHIKINA AKAKA	X			
TRUSTEE KELI'I AKINA	X			
CHAIR TRUSTEE LUANA ALAPA	X			
TRUSTEE BRICKWOOD GALUTERIA	X			
TRUSTEE KAIALI'I KAHELE	X			VIRTUAL
TRUSTEE CARMEN HULU LINDSEY	X			
TRUSTEE KEONI SOUZA	X			
VICE CHAIR				EXCUSED
TRUSTEE JOHN WAIHEE IV				
TOTAL VOTES	8			

YES 8 NO 0 VOTE:8

MOTION PASSES TO APPROVE ACTION ITEM A. #BF 25-69-MOTION 1

**BF ROLL CALL VOTE SHEET-A. Action Item #BF25-69 -MOTION 2**

Attachment(s): ROLL CALL VOTE SHEET -ACTION ITEMS II. A. New Business BF#25-69

**II. A. NEW BUSINESS- APPROVAL OF ACTION ITEM BF#25-69-MOTION 2****MAIN MOTION:**

**A. Action Item BF #25-69: Approval of revisions to certain staff positions and salary adjustments for filled staff positions approved in the OHA Biennium Budget for Fiscal Biennium Periods 2025-2026 (Fiscal Year 2026) and 2026-2027 and signing bonus budget approval for Fiscal Year 2026.**

**MOTION 2:**

Approve salary budget adjustments and corresponding fringe and FY27 merit-based salary adjustment amounts, effective July 1, 2025, for FY 2026 and FY 2027 for identified positions below from those approved in Action Item BOT #25-51, Attachment 4, on June 30, 2025:

1. Change the salary for "Beneficiary Services Agent – \$66,876 to \$62,904;
2. Change the salary for "Director of Technology Services" from \$113,736 to \$139,656; and
3. Change the salary for "Grants Officer 3" from \$78,312 to \$69,600.

**ROLL CALL VOTE SHEET****ACTION ITEM BF#25-69-MOTION 2(amended)**

**VOTE: YES 8 NO 0 PASS YES**

<b>TRUSTEE</b>	<b>YES</b>	<b>NO</b>	<b>KANALUA</b>	<b>EXCUSED</b>
TRUSTEE DAN AHUNA	X			
TRUSTEE KALEIHIKINA AKAKA	X			
TRUSTEE KELI'I AKINA	X			
CHAIR TRUSTEE LUANA ALAPA	X			
TRUSTEE BRICKWOOD GALUTERIA	X			
TRUSTEE KAIALI'I KAHELE	X			VIRTUAL
TRUSTEE CARMEN HULU LINDSEY	X			
TRUSTEE KEONI SOUZA	X			
VICE CHAIR				EXCUSED
TRUSTEE JOHN WAIHEE IV				
	8			

**YES 8 NO 0 VOTE:8**

**MOTION PASSES TO APPROVE ACTION ITEM A. #BF 25-69-MOTION 2**

**BF ROLL CALL VOTE SHEET-A. Action Item #BF25-69 -MOTION 3**

Attachment(s): ROLL CALL VOTE SHEET-ACTION ITEMS II. A.New Business BF#25-69

**II. A. NEW BUSINESS- APPROVAL OF ACTION ITEM BF#25-69-MOTION 3****MAIN MOTION:**

**A. Action Item BF #25-69: Approval of revisions to certain staff positions and salary adjustments for filled staff positions approved in the OHA Biennium Budget for**

**Fiscal Biennium Periods 2025-2026 (Fiscal Year 2026) and 2026-2027 and signing bonus budget approval for Fiscal Year 2026**

**MOTION 3:**

Approve \$155,000 for signing bonuses in the amount of \$5,000 each for thirty-one vacancies for Fiscal Year 2026, as set forth in Attachment A, subject to final approval by the OHA Administrator

**ROLL CALL VOTE SHEET**

**ACTION ITEM BF#25-69-MOTION 3(amended)**

**VOTE: YES 8 NO 0 PASS YES**

TRUSTEE	YES	NO	KANALUA	EXCUSED
TRUSTEE DAN AHUNA	X			
TRUSTEE KALEIHIKINA AKAKA	X			
TRUSTEE KELI'I AKINA	X			
CHAIR TRUSTEE LUANA ALAPA	X			
TRUSTEE BRICKWOOD GALUTERIA	X			
TRUSTEE KAIALI'I KAHELE	X			VIRTUAL
TRUSTEE CARMEN HULU LINDSEY	X			
TRUSTEE KEONI SOUZA	X			
VICE CHAIR				EXCUSED
TRUSTEE JOHN WAIHEE IV				
	8			

**YES 8 NO 0 VOTE:8**

**MOTION PASSES TO APPROVE ACTION ITEM A. #BF 25-69-MOTION 3**

**ATTACHMENT 4**

**BF ROLL CALL VOTE SHEET-B. Action Item #BF25-70-MOTION 4  
AMMENDMENT APPROVED**

**Attachment(s): ROLL CALL VOTE SHEET -ACTION ITEM II. B. New Business  
BF#25-70-**

**MOTION 4**

**II. B. NEW BUSINESS- APPROVAL OF ACTION ITEM BF#25-70**

**MAIN MOTION:**

**B. Action Item BF #25-70: Approval of OHA Staff Temporary Assignment  
Salary Differentials.**

*\*see next page*

## Temporary Assignments – Amendment

1. Certification of Need  
A Temporary Assignment (TA) may be made when the PAIA Director or Manager position is vacant, or, if the vacancy is at the Director/Manager level, the next level up on the Executive Leadership Team certifies that:
  - o the need for the services is immediate,
  - o the assignment is essential to operations, and
  - o the assignment is in the best interest of OHA and its beneficiaries.
2. Duration
  - o A Temporary Assignment shall not exceed 90 calendar days per calendar year.
3. Eligibility and Priority
  - o Priority for Temporary Assignments shall be given to OHA staff within the PAIA where the vacancy exists.
  - o Only OHA employees who are one tier below the vacant position may be considered for a Temporary Assignment.
  - o Employees two or more tiers below the vacant position are not eligible for Temporary Assignment to that role.
4. TA Salary Increase Cap
  - o The Temporarily Assigned Employee shall receive a ten percent (10%) salary increase for those assuming duties and responsibilities of a vacant position in a higher wage band position one level higher for the duration of the temporary assignment.
  - o The Temporarily Assigned Employee shall receive a five percent (5%) salary increase for those assuming duties and responsibilities of a vacant position in the same wage band for the duration of the temporary assignment.

## MOTION 4:

### ROLL CALL VOTE SHEET ACTION ITEM BF#25-70-MOTION 4 (amended)

VOTE: YES 8 NO 0 PASS YES

TRUSTEE	YES	NO	KANALUA	EXCUSED
TRUSTEE DAN AHUNA	X			
TRUSTEE KALEIHIKINA AKAKA	X			
TRUSTEE KELI'I AKINA	X			
CHAIR TRUSTEE LUANA ALAPA	X			
TRUSTEE BRICKWOOD GALUTERIA	X			
TRUSTEE KAIALI'I KAHELE	X			VIRTUAL
TRUSTEE CARMEN HULU LINDSEY	X			
TRUSTEE KEONI SOUZA	X			
VICE CHAIR				EXCUSED
TRUSTEE JOHN WAIHEE IV				
	8			

YES 8 NO 0 VOTE:8

MOTION PASSES TO APPROVE ACTION ITEM B. #BF 25-70-MOTION 4



#### V. Unfinished Business

A . Action Item BOT #25-10: Revisions to the Office of Hawaiian Affairs Board of Trustees Executive Policy Manual (Updated as of May 31, 2025), relating to Trustee Duties, Responsibilities, and Conduct—including Delegation of Authority (Signatory, Operational, and Disbursements) and Trustee-Administration Interaction Policy; Administrative Processes—including Work Plans, Planning, Programming, and Budgeting System; Biennium Budget Realignments and Adjustments; Executive Session Briefings on Internal Investigations; and other miscellaneous revisions to ensure consistency and clarity.  
(2nd reading)



**OFFICE OF HAWAIIAN AFFAIRS**  
Action Item

**BOARD OF TRUSTEES**

*August 18, 2025*

**BOT #25-10**

**Action Item Issue:** Revisions to the Office of Hawaiian Affairs Board of Trustees Executive Policy Manual (Updated as of May 31, 2025), relating to Trustee Duties, Responsibilities, and Conduct—including Delegation of Authority (Signatory, Operational, and Disbursements) and Trustee-Administration Interaction Policy; Administrative Processes—including Work Plans, Planning, Programming, and Budgeting System; Biennium Budget Realignments and Adjustments; Executive Session Briefings on Internal Investigations; and other miscellaneous revisions to ensure consistency and clarity.

**Prepared by:**  
(By request)

08/18/2025

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Summer Sylva  
Board of Trustees Chief of Staff

Date

**Reviewed by:**

08/18/2025

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Paul D. Alston  
Board Legal Counsel

Date

**Reviewed by:**

08/18/2025

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Kaiali'i Kahele  
Chairperson, Board of Trustees

Date

## I. PROPOSED ACTION

Approve revisions to the Office of Hawaiian Affairs Board of Trustees Executive Policy Manual (Updated as of May 31, 2025), relating to Trustee Duties, Responsibilities, and Conduct—including Delegation of Authority (Signatory, Operational, and Disbursements) and Trustee-Administration Interaction Policy; Administrative Processes—including Work Plans, Planning, Programming, and Budgeting System; Biennium Budget Realignment and Adjustments; Executive Session Briefings on Internal Investigations; and other miscellaneous revisions to ensure consistency and clarity, as set forth in Attachment A.

## II. ISSUE

Whether the Office of Hawaiian Affairs Board of Trustees will approve revisions to the Office of Hawaiian Affairs Board of Trustees Executive Policy Manual (Updated as of May 31, 2025), relating to Trustee Duties, Responsibilities, and Conduct—including Delegation of Authority (Signatory, Operational, Procurement and Disbursements) and Trustee-Administration Interaction Policy; Administrative Processes—including Work Plans, Planning, Programming, and Budgeting System; Biennium Budget Realignment and Adjustments; Executive Session Briefings on Internal Investigations; and other miscellaneous revisions to ensure consistency and clarity, as set forth in Attachment A.

## III. BACKGROUND & DISCUSSION

At the request of the BOT Chairperson, proposed revisions to the OHA BOT Executive Policy Manual were drafted to incorporate changes recommended by the Chair.

The current Office of Hawaiian Affairs (OHA) Board of Trustees Executive Policy Manual (updated as of May 31, 2025) requires revisions to improve clarity, consistency, and alignment with operational needs. Key areas for update include Trustee duties, responsibilities, and conduct; delegation of authority (including signatory, operational, and disbursement authority); Trustee-administration interaction protocols; administrative processes such as work plans and the planning, programming, and budgeting system; biennium budget realignments and adjustments; executive session procedures for internal investigations; and other necessary updates.

On August 13, 2025, initial proposed revisions to the Executive Policy Manual were presented to the Administration for their feedback and input. Revisions were updated to reflect input received and in alignment with the BOT Chairperson’s objectives for requesting proposed revisions to the OHA BOT Executive Policy Manual.

The revisions (identified as “[NEW]” and “[AMENDMENT]”) are identified and described below in more detail:

- A. **[AMENDMENT] Trustee Delegation of Signatory Authority to the Chief Executive Officer (Series 1000 Board of Trustees - 1030 Trustee Duties, Responsibilities and Conduct)** — This amendment to subsection 1.3.I. clarifies that the Board of Trustees may delegate signatory authority to the CEO for routine and budgeted agency operations, while retaining the sole discretion to limit or revoke that authority at any time. It reinforces that all delegated actions must align with Board-approved policies and budgets, ensuring that

the Administration's work remains grounded in the Trustees' fiduciary oversight and strategic direction.

- B. **[NEW] Delegation of Chief Procurement Officer (CPO) Authority (Series 1000 Board of Trustees - 1030 Trustee Duties, Responsibilities and Conduct)** — This new section, designated as **subsection 1.3.n.**, requires that any delegation of full procurement authority by the Board Chairperson, in their capacity as Chief Procurement Officer, receive prior approval from the Board of Trustees. It reinforces the Trustees' shared fiduciary kuleana to actively oversee trust assets with transparency and prudent governance on behalf of OHA beneficiaries.
- C. **[NEW] Trustee-Administration Staff Interaction Policy (Series 1000 Board of Trustees - 1030 Trustee Duties, Responsibilities and Conduct)** — This new section, designated as **subsection 1.3.q.**, clarifies that Trustees, as elected officials, may contact Administration staff directly for minor, routine, or time-sensitive matters, without having to route all requests exclusively through the CEO/Administrator. By establishing clear guidelines for when and how such direct outreach may occur, the policy balances Trustees' need for access with accountability, resource management, and respect for agency operations.
- D. **[AMENDMENT] Administrative Work Plans (Series 3000 Administration - 3010 Planning)** — This amendment to **subsection 3.1.d.** requires the Administration to develop two-year business and work plans aligned with the BOT-approved biennium budget and Strategic Plan priorities, subject to Board review and approval. By reinforcing the Board's oversight of planning and implementation, the policy ensures that administrative activities remain accountable to the Trustees' fiduciary authority and strategic direction.
- E. **[AMENDMENT] Biennium Budget Preparations and Responsibilities (Series 3000 Administration - 3040 Planning, Programming, Budgeting System (PPBS))** — This amendment to **subsection 3.4.c.** reaffirms that the Administration is responsible for developing a proposed Biennium Budget and Multi-Year Financial Plan in consultation with the Board of Trustees, ensuring alignment with Board-approved policies and priorities. It clearly establishes that the Board retains full authority to amend, reject, or substitute budget proposals, initiate new programs, and direct their implementation and oversight in accordance with its fiduciary responsibilities.
- F. **[AMENDMENT] Biennium Budget Realignment and Adjustments (Series 3000 Administration - 3045 Budget Management Policy)** — This amendment to **subsection 3.4.5.d.** establishes clear thresholds and procedures for budget adjustments, distinguishing between minor adjustments that the Administration may approve under specific conditions and major adjustments that require prior approval by the Board of Trustees. It reinforces the Board's fiscal oversight role by requiring quarterly reporting on all adjustments and prohibiting any changes to grant and sponsorship appropriations without Board approval, ensuring that all budget changes remain aligned with Board-approved priorities and fiduciary responsibilities.



- G. [NEW] Executive Session Briefings on OHA Internal Investigations (Series 3000 Administration – 3110 Legal)** — This new section, designated as **subsection 3.11.k**, affirms the Board of Trustees’ right to receive timely and substantive briefings on internal or external investigations related to OHA operations, recognizing the Board’s fiduciary duty to exercise oversight over legal compliance, governance, and internal controls. While preserving the Administration’s operational authority, the policy ensures that investigative findings—whether or not initiated by the Board—are disclosed to Trustees under appropriate confidentiality protections, reflecting the Board’s exclusive holder status of attorney-client privilege and its ultimate authority to access all necessary information to fulfill its fiduciary and governance responsibilities effectively.
- H. [AMENDMENT] Delegation of Authority (Appendix 1: Policy Guidelines, Policy of Policies - Article IV. Scope and Delegation of Authority)** — This amendment to **subsection D** titled, “**Delegation of Authority**” clarifies that the Board of Trustees may delegate certain policy-related responsibilities to the Administrator, who may in turn delegate to operational staff, with all delegations clearly documented and communicated. It affirms that any delegated authority must be used solely to support the effective implementation of Board-approved budgets, policies, and programs.
- I. [AMENDMENT] Section 8. Hawai‘i Direct Investment Policy (HDIP) (Appendix 4: Native Hawaiian Trust Fund Investment Policy Statement)** — This amendment to **subsection “8.1. Delegation of Authority”** introduces permissive language confirming that the Board of Trustees **may** delegate certain investment-related authorities to the CEO, such as administering the Hawai‘i Direct Investment Policy (HDIP), conducting due diligence, and managing operational aspects of investments. While enabling administrative flexibility, the amendment preserves the Board’s exclusive authority over final investment decisions and affirms that all delegations remain at the Board’s discretion.
- J. [AMENDMENT] Delegation of Authority (Appendix 2: Operational Delegation of Authority)** — This amendment establishes an updated Operational Delegation of Authority, detailing the specific signatory authorities delegated by the Board of Trustees to designated personnel for conducting key agency functions. While enabling efficient and compliant execution of OHA’s operations, the hierarchy affirms that all delegated actions must align with Board-approved policies and remain subject to the Trustees’ overarching authority.
- K. [AMENDMENT] Duty of Loyalty to and Duty of Compliance with Board Decisions (Appendix 7: Code of Conduct and Sanctions for Violation of the Code of Conduct Policy – Part I. Board of Trustees’ Code of Conduct – B. Standards of Conduct - Subpart 1A. Standards of Fiduciary Duties and Responsibilities)** — This amendment to **subsection 5** titled, “**Duty of Loyalty to and Duty of Compliance with Board Decisions**” affirms the fiduciary duties of loyalty and compliance by requiring Trustees to support and adhere to duly enacted Board decisions and policies, even if they previously held dissenting views. It balances the right to independent expression during deliberation with the collective responsibility to uphold the integrity and unity of Board governance in service to OHA and its beneficiaries.

The proposed revisions are presented in clean (Attachment A) and redline (Attachment B) versions, along with the current, unamended OHA BOT Executive Policy Manual (May 31, 2025).

#### **IV. TIMEFRAME**

If adopted, the proposed amendments to the OHA BOT Executive Policy Manual will take effect immediately following the second reading and affirmative approval vote of the Board of Trustees.

In accordance with the *Introduction* section of the OHA BOT Executive Policy Manual, under “Policy Format” and the subsection titled “Amendments in Current Policy,” the Manual provides the following direction:

Changes to current policy are to be made by presenting the proposed change(s), noting its location in the Policy Manual, to the BOT for consideration and approval.

Further procedural guidance is outlined in Section 1020 – Policy Formulation, under the subsection titled “Adoption and Amendment of Policies,” which states:

OHA policy may be adopted by an affirmative majority (5) vote of all the members to which the BOT is entitled at any regular duly convened meeting of the BOT, provided the proposed policy shall have been presented in writing using the OHA Action Item format for a first reading at a previous regular meeting of the BOT. Such policy shall become effective on the date stated therein (or the date determined by the BOT) upon approval by the BOT at its second reading and approval by a majority (5) vote of all the members to which the BOT is entitled.

The current action item follows these established procedures and is presented for the Board’s consideration and approval in accordance with the required policy amendment process.

#### **V. BUDGET AUTHORIZATION**

No funding is required.

#### **VI. RECOMMENDATION**

Approve revisions to the Office of Hawaiian Affairs Board of Trustees Executive Policy Manual (Updated as of May 31, 2025), relating to Trustee Duties, Responsibilities, and Conduct—including Delegation of Authority (Signatory, Operational, and Disbursements) and Trustee-Administration Interaction Policy; Administrative Processes—including Work Plans, Planning, Programming, and Budgeting System; Biennium Budget Realignments and Adjustments; Executive Session Briefings on Internal Investigations; and other miscellaneous revisions to ensure consistency and clarity, as set forth in Attachment A.

#### **VII. ALTERNATIVES**

A. Take no action.

B. Approve only certain revisions to the OHA BOT Executive Policy Manual.

**VIII. ATTACHMENTS**

- A. Updated BOT Executive Policy Manual (clean version containing proposed amendments)
- B. Updated BOT Executive Policy Manual (redline version containing proposed amendments)
- C. Current OHA BOT Executive Policy Manual (May 31, 2025)



# OFFICE OF HAWAIIAN AFFAIRS

## BOARD OF TRUSTEES

### EXECUTIVE POLICY MANUAL

#### Legend

- Markups presented on Thursday, August 21, 2025 during the BOT meeting:  
NEW or INSERTED text will be in black font and underscored  
DELETED text will be in ~~black font with strikethrough~~
- Markups made after the Thursday, August 21, 2025 BOT meeting:  
NEW or INSERTED text will be in red font and underscored  
DELETED text will be in ~~red font with strikethrough~~
- Markups made after the Thursday, August 28, 2025 BOT meeting:  
NEW or INSERTED text will be in blue font and underscored  
DELETED text will be in ~~blue font with strikethrough~~

Updated as of ~~May 31, 2025~~ September 4, 2025

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### INTRODUCTION

The legal basis for the Board of Trustees (BOT) authority is derived from Article XII, Section 5 of the Constitution of the State of Hawai‘i. Article XII established the Office of Hawaiian Affairs (OHA) and provided that there shall be a BOT who shall have the power to exercise control over OHA through its chief executive officer, the ~~Chief Executive Officer (CEO)~~ Administrator<sup>1</sup> of OHA, who shall be appointed by the BOT.

Further, Section 10-4, Hawai‘i Revised Statutes (“HRS”), as amended, statutorily established OHA to be constituted as a body corporate that shall have the exclusive power to manage and govern OHA as an entity separate and independent of the Executive branch of government.

In discharging its duties, the BOT shall function in accordance with applicable state and federal statutes, controlling court decisions, and applicable regulations promulgated pursuant to statute by state and federal agencies. Opinions of the Attorney General shall be used for guidance in interpretation of applicable law. The BOT shall constitute a body corporate and each Trustee shall have the legal responsibility of a fiduciary in the management of OHA funds subject to the BOT's control and management.

### Purpose of the Executive Policy Manual

The Executive Policy Manual has been prepared as a reference document for OHA’s BOT, ~~(CEO)~~ Administrator, staff, and for working Councils and Committees. It is a management tool designed to provide quick and easy access to OHA ~~Bylaws and policies. The manual is divided into two main sections to include the OHA Bylaws and OHA~~ BOT-approved policies.

### Guiding Principles

OHA policies are established by the BOT to provide the wider framework within which the organization operates. The policies ensure the OHA mandate of the betterment of conditions of native Hawaiians and Hawaiians is pursued in an efficient and effective manner. In the development of policies, the BOT is guided by its vision, mission, and values outlined in the following section.

<sup>1</sup> BOT Bylaws art. II (March 20, 2025).

### *Nu‘ukia (Vision)*<sup>2</sup>

Ho‘oulu Lāhui Aloha: To Raise a Beloved Lāhui<sup>2-3</sup>

### *Ala Nu‘ukia (Mission)*

To mālama (protect) Hawai‘i’s people and environmental resources and OHA’s assets, toward ensuring the perpetuation of the culture, the enhancement of lifestyle and the protection of entitlements of Native Hawaiians, while enabling the building of a strong and healthy Hawaiian people and Lāhui, recognized nationally and internationally.

### *Values and Principles*

#### **“Envision Pu‘uhonua”**

The Office of Hawaiian Affairs, a place of refuge, in which we shall  
live our values and principles.

#### Kākou

E alu like mai kākou i ka ho‘okō ‘ana i ko kākou mikiona.

We work together, unified to accomplish our mission.

#### Aloha Kekahi I Kekahi

‘Olu‘olu a maika‘i kākou i nā kānaka a pau.

We are kind and compassionate to all whose lives we touch.

#### Pono Pau‘ole

E hana kūpono kākou me ka ‘oia‘i‘o.

We act with integrity and truthfulness.

#### Mālama Kekahi I Kekahi

E hō‘ihi a mālama kākou i nā po‘e a pau a me nā mea ‘ē a‘e a pua.

We respect and care for others and all that surround us.

#### **Kuleana**

<sup>2</sup> BOT 01-22: BOT adopted the vision and mission statement; May 3, 2001.

<sup>3</sup> BOT 19-02: Approval of the 'Ōlelo Hawai‘i Version of the OHA Mission and Vision Statements as well as Replacing the Term "Nation" to "Lāhui" in the Mission and Vision Statements; Adopted: March 21, 2019.

### Kuleana

E ho‘okō kākou i ko kākou kuleana hana.

We carry out our individual and collective responsibilities.

### Kūlia

E ho‘okumu kākou i ka hana e pili ana i nā kuleana Hawai‘i me ka ho‘oholu.

We take initiative and are resilient in advocating for Hawaiian rights.

### Po‘okela

E hana kākou me ka ‘oi a e ho‘omaika‘i iā kākou iho.

We do our absolute best and continuously seek improvement.

### Ho‘omau

E ho‘omau kākou i ke ea o ka āina, nā mea e ho‘opuni ana,

ka mo‘omeheu a me ka po‘e Hawai‘i.

Together, steadfast we preserve and perpetuate our culture, people,

land and environment.

## OHA Policy Framework<sup>~~3~~4</sup>

1. ~~L~~-Laāhui-level policies
2. ~~T~~-Trustee-level policies
3. ~~C~~-CEO Administrator<sup>5</sup>-level policies
4. Inventory of policies
5. Business ~~P~~processes (listed within each policy)
6. Standard ~~O~~operating ~~P~~procedures for each business process; and
7. Systems, documentation, desktop procedures, manuals-

See also Appendix 1 – Policy Guidelines, Policy of Policies.

## Policy Formulation<sup>~~4~~6</sup>

Proposals for policy formulation may originate from any level of OHA, but it is the responsibility of the BOT to consider and set policies for OHA. The BOT Chair will submit approved policies to the ~~CEO~~ Administrator who shall be responsible for incorporating these policies into the BOT Executive Policy

<sup>4</sup> **BOT 21-18:** OHA Policy Framework, Policy Guidelines, Policy of Policies; First reading: December 9, 2021; Second reading: December 29, 2021.

<sup>5</sup> Formerly “C-CEO” level policies.

<sup>6</sup> **BF 01-02-20:** OHA Policy Formulation; February 20, 2001.

## Introduction

Manual in a timely manner. The BOT is responsible for approving all policies and policy changes to the Executive Policy Manual. No policy shall be included in the Executive Policy Manual if it has not been approved by the BOT.

## Policy Format

**New Policy:** Each policy statement should be concise, give the scope of the policy, its objective, to whom it is applicable, and the effective date of the policy. A rationale for the policy may be needed in some circumstances. The rationale may include procedures for implementation and other clarifying details.

**Amendments in Current Policy:** Changes to current policy are to be made by presenting the proposed change(s), noting its location in the Executive Policy Manual, to the BOT for consideration and approval.

## Update and Maintenance of the Executive Policy Manual

The ~~CEO~~ Administrator has the responsibility for maintaining and updating the Executive Policy Manual to ensure that approved policies are included in a timely manner. The Trustees and ~~CEO~~ Administrator will make the Executive Policy Manuals available to all personnel under their jurisdiction and provide staff with opportunity to access and utilize the Executive Policy Manual.

Brackets indicate ministerial changes (e.g., section renumbering) made by Administration during the Executive Policy Manual updating process.

## Applicability

These policies shall apply to the work and conduct of Trustees, staff, and associated Councils and Committees of OHA and shall be considered in the hiring of contractors using OHA funds.

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### 1020 Policy Formulation

#### *Adoption and Amendment of Policies*

1.2.a. OHA policy may be adopted by an affirmative majority (5) vote of all ~~the~~ BOT members ~~to which the BOT is entitled~~ at any regular duly convened meeting of the BOT, provided the proposed policy shall have been presented in writing using the OHA Action Item format for a first reading at a previous regular meeting of the BOT. Such policy shall become effective on the date stated therein (or the date determined by the BOT) upon approval by the BOT at its second reading and approval by a majority (5) vote of all ~~the~~ BOT members ~~to which the BOT is entitled~~.

#### *BOT Governance Policy Principles*

1.2.b. The BOT governs primarily through written policies that are developed and implemented using the following guiding principles:

1. The BOT shall lead OHA through its policy formulation and exercise control over OHA through its chief executive officer, the ~~CEO~~ Administrator;
2. Policies formulated by the BOT shall not diminish or limit the benefits of native Hawaiians under Section 4 of Article XII of the State Constitution, and shall be designed to serve the needs of the Hawaiian community as a whole;
3. Policies formulated or amended by the BOT shall be presented for discussion at BOT meetings in the OHA Action Item format and shall require a minimum of two readings;
4. The ~~CEO~~ Administrator shall cause all OHA ~~lines of business divisions and programs~~ to be informed of the BOT policies relevant to their activities and shall ensure the compliance of OHA's activities with BOT policies;
5. The ~~CEO~~ Administrator may set additional administrative directives and procedures, as long as they are consistent with and supportive of any BOT policies to which they are related;

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6. The BOT may use resolutions rather than policies for limited-term decisions or directives. Resolutions are limited in effect to the specific items and time periods they address, or for one (1) year if no period is stated;
7. There shall be no unwritten BOT directives;
8. The only policies, decisions, authorizations, or limitations in effect at the BOT level are those explicitly listed as policies or active resolutions in the BOT minutes. Individual or collective statements by Trustees in any other form have no authority in OHA's operations; and
9. BOT policies are to be used only to directly express the decisions of the BOT; they are not to be used to repeat, affirm, or ratify administrative directives (which do not require BOT approval).

### *Maintenance of BOT Executive Policy Manual*

**1.2.c.** The policies of the OHA BOT shall be maintained in book form known as the "Office of Hawaiian Affairs Board of Trustees Executive Policy Manual of" or the ~~Board of Trustees of the Office of Hawaiian Affairs~~ "Executive Policy Manual". The Executive Policy Manual is a living document that will be kept current as and when the BOT adopts a policy, amends, or abolishes existing policy. The manual will be updated as needed, but no less than annually, by adding new or amended policies and deleting abolished policies.

**1.2.d.** The custodian of the official Executive Policy Manual for OHA shall be the ~~CEO~~ Administrator or ~~his~~ the Administrator's designee.

### *Stand Alone Policies*

**1.2.e.** The BOT may from time to time approve stand-alone policies to address major areas of operation or importance. Stand-alone policies shall be distinct from the general policies in the ~~BOT~~ Executive Policy Manual in that they will address a major area of operation or importance and will have a distinct review and maintenance schedule.

*Systematic Bylaws Review*

**1.2.f.** OHA shall review and update the OHA Bylaws on a regular basis. The updated Bylaws will be published and distributed to the Trustees, staff, government officials, and other relevant stakeholders.

**1030 Trustee Duties, Responsibilities and Conduct**

*Administration of Trust Assets*

**1.3.a.** The BOT shall oversee the overall management of the Trust Fund's assets, including but not limited to, monitoring the management of trust assets, approving the Investment Policy Statement and any changes thereto, and selecting investment advisors. In the administration of trust assets, the BOT shall act in a fiduciarily reasonable and prudent manner pursuant to the ~~Hawaii~~-Uniform Prudent Investor Act, Chapter 554ED, Hawai'i Revised Statutes, as amended.

*Duty of Care and Loyalty to OHA*

**1.3.b.** Each Trustee has a fiduciary duty and obligation to perform all duties with the highest standard of care, obedience, and undivided loyalty to OHA and its beneficiaries by exercising his or her best reasoned skill and judgment and by acting in the best interests of OHA and its beneficiaries consistent with OHA's mission, vision, strategic goals and priorities.

1. The duty of care requires that each Trustee fiduciarily and diligently act within his or her authority in good faith and with due care, on a fully informed basis, and in a deliberative manner. This generally requires each Trustee to exercise the duty of care and the same standards of due diligence arising from that duty of care which an ordinarily prudent person would exercise in similar circumstances in the honest belief that the action taken was in the best interests of the beneficiaries.
2. The duty of loyalty requires that each trustee be dedicated and faithful to OHA's mission, vision, strategic goals and priorities and exercise his or her power in the best interest of the organization. Each Trustee must disclose any conflicts of interest, refrain from the disclosure of any confidential information, proprietary, or



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privileged information about OHA acquired by virtue of his or her position as a trustee which by law or practice is not available to the public and place the interests of OHA above personal gain and benefit or professional self-interest.

3. The duty of obedience requires that each Trustee act in fidelity and adhere to OHA's mission, purpose, Bylaws and other governing documents, abide by OHA's existing policies and procedures, and comply with all applicable federal, state, and local laws and regulations.

### *Fiduciary Duty of Confidentiality*

**1.3.c.** Matters of a confidential nature frequently arise in BOT meetings and in the BOT's relations with the administration. It is imperative that discussions and documents received by Trustees maintain a level of confidentiality which might otherwise compromise a situation.

**1.3.d.** Each Trustee owes a fiduciary duty of confidentiality to the BOT and shall avoid the disclosure and/or dissemination of confidential, proprietary, or privileged information acquired by virtue of his or her position for his or her personal gain or for the benefit of anyone else pursuant to Chapter 84, Standards of Conduct, Hawai'i Revised Statutes, as amended:

1. Internal Information. Trustees shall not disclose or use information nor allow others to disclose or use confidential information acquired by virtue of their BOT position;
2. Executive Session Confidential Materials. Matters discussed in Executive Session are confidential and shall not be discussed outside of the Executive Session. Disclosure of Executive Session confidential material shall comply with the requirements of OHA Bylaws ~~Article XVI(B)~~;
3. Privileged Materials. Any matter discussed with the BOT's attorneys is privileged. Only the affirmative vote of the full BOT may waive the privilege; and
4. Federal and State Law Requirements for Confidentiality. Trustees shall also maintain all confidences required under federal and state law.

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**1.3.e.** Actions to disclose confidential, proprietary or privileged information without the affirmative vote of the full BOT shall be considered a breach of a Trustee's fiduciary obligation and shall be subject to censure imposed by the remaining Trustees as outlined in ~~Article [XVIII] of the OHA~~ Bylaws **art. XVIII**.

### *Public Hearings*

**1.3.f.** Pursuant to Chapter 92, Hawai'i Revised Statutes, as amended, the BOT may decide by majority **(5)** vote to hold a public hearing. The purpose of any such hearing is to enable the BOT to obtain information necessary or helpful in the determination of OHA's policies or in the carrying out of its duties, or both, and to enable all Hawaiians to have input into matters affecting them. The BOT shall take the findings from these public hearings into consideration in its decision-making process. The BOT may authorize a Standing Committee to hold a public hearing.

### *Protection of Legal Entitlement from Public Land Trust*

**1.3.g.** The BOT shall pursue and protect full legal entitlement to its pro rata share of revenues and lands from the public land trust. Article XII, Section 4 of the Hawai'i Constitution defines the public land trust as "The lands granted to the State of Hawai'i by Section 5(b) of the Admission Act and pursuant to Article XVI, Section 7, of the State Constitution, excluding there from lands defined as "available lands" by Section 203 of the Hawaiian Homes Commission Act, 1920, as amended, shall be held by the State as a public trust for native Hawaiians and the general public."

### *Standards, Policy, and Procedures for Trustee Recognition*

**1.3.h.** All former OHA Trustees, living or deceased, and all present and future trustees who leave elected office will be recognized for their honorable service to OHA and the community by a Board Resolution of Appreciation.

**1.3.i.** The ~~CEO~~ **Administrator** will establish standards and operating procedures to ensure that such a resolution, fully executed by the sitting Trustees, is issued in a timely manner upon a Trustee's departure from OHA or to the families of the departed Trustees.

## SERIES 1000 BOARD OF TRUSTEES

### *Trustee Authority*

**1.3.j.** Trustees have decision-making authority only when acting as a Trustee in a duly called and agendaed meeting. The BOT shall not be bound in any way by any action or statement on the part of any individual Trustee or employee, except when such statement or action is directly related to a specific action of the BOT.

**1.3.k.** Individual Trustees are charged with the responsibility of attending all regular and officially called meetings. Trustees shall recognize that, in discharging the enumerated responsibilities and duties of their office as set forth in Chapter 10, Hawai'i Revised Statutes, as amended, the BOT is a policy-making or legislative body, and the ~~CEO~~ Administrator is the ~~Chief Executive Officer~~ for the BOT.

### *Trustee Delegation of Signatory Authority to the ~~Chief Executive Officer~~ Administrator*

**1.3.l** The BOT may ~~delegates~~ authority to the ~~CEO~~ Administrator to negotiate, approve, award and execute contracts, agreements, grants, warrants and other binding legal documents and instruments on behalf of OHA which are usual, necessary and appropriate to the normal operation of the agency and within the budgeted expenditures as approved by the BOT. The ~~CEO~~ Administrator may, in writing, further delegate certain signatory authorities to the Chief Operating Officer ("COO") or Chief Financial Officer ("CFO"). The BOT may, at any time upon a simple majority vote, limit or withdraw all or part of the delegated authority in its sole discretion. In all events, the Administrator~~CEO~~ shall use the delegated authority over (a) planning and preparation of proposed budgets and (b) implementing the approved budgets with the objective of most efficiently and effectively implementing programs and policies approved by the BOT. The Administrator~~CEO~~ will have no authority to approve agreements or actions inconsistent with the BOT's directions.

**1.3.m.** Any contracts, agreements, grants, warrants and other binding legal documents and instruments not properly executed shall be deemed as being null and void and no public or trust monies should be paid under such documents. Those who sign agreements in violation of this policy shall run the risk of personal liability in the event that problems arise under such agreements.

## SERIES 1000 BOARD OF TRUSTEES

### BOT Chairperson's Delegation of Chief Procurement Officer (CPO) Authority

1.3.n. Pursuant to section 103D-203(a)(4), Hawai'i Revised Statutes, the Chairperson of the Board of Trustees serves as the Chief Procurement Officer (CPO) for the Office of Hawaiian Affairs. While the CPO may delegate procurement authority or responsibility to a designee in accordance with HRS § 103D-208 and HAR § 3-121-16(d), any delegation that conveys full procurement authority—as opposed to limited or task-specific authority—shall require the prior approval of the BOT.

This additional safeguard is intended to uphold the Board's fiduciary duties and ensure that such delegations are transparent, properly documented, and aligned with the principles of prudent governance and oversight. All requests for full delegation must clearly describe the scope, justification, duration, and any conditions or limitations, and must be submitted for Board review and approval in an open session, unless subject to legal confidentiality.

### *Transactions Involving the Acquisition or Conveyance of Land*<sup>5-7</sup>

**1.3.no.** All transactions involving the acquisition or conveyance of land and interest in land to OHA shall be fully reviewed and assessed by the Committee on ~~Resource Management Investment & Land Management~~<sup>6-8</sup> in a joint meeting chaired by the Chair of the Committee from which the matter originated. Administration in coordination with and the express approval of the Committee Chairperson shall prepare and submit Action Items to the Committees and provide other necessary support. Any referral to the Board of Trustees by the Committee on ~~Resource Management Investment & Land Management~~ involving the acquisition or conveyance of land and interest in land to OHA shall require a majority of the members present at the Committee meeting, provided that a quorum is present at the time of the vote. At the Board of Trustees meeting, OHA shall require ~~the concurrence of~~ a majority (5) vote of all Board members ~~to which the Board of Trustees is entitled~~. In the acquisition of property, real, personal, or mixed, tangible or intangible, or any interest therein, the BOT shall act according to the highest fiduciary standards applicable to Trustees and in compliance with all applicable laws, regulations, and existing OHA policies, including the ~~Land Acquisition and Management Policy~~ Hawai'i Real Estate Strategic Plan.

<sup>5-7</sup> **BOT 14-01:** Approve amendment to the OHA BOT Bylaws to create a Committee on Land and Property as a third Standing Committee of the Board; First reading: January 23, 2014; Second reading: February 6, 2014.

<sup>6-8</sup> **BOT 15-03 and RM 24-44:** Reorganization of Standing Committee Structure of the OHA Board of Trustees; (First reading: July 30, 2015; Second reading: August 27, 2015;) and Revision to the Office of Hawaiian Affairs Board of Trustees Bylaws - Standing Committees Change – Splitting of the Committee on Resource Management (RM) into the Committee on Budget and Finance (B&F) and the Committee on Investment and Land Management (ILM) (First reading: October 24, 2024; Second reading: October 31, 2024).

## SERIES 1000 BOARD OF TRUSTEES

### *Trustees Ethics*

**1.3.øp.** All Trustees shall abide by the Standards of Conduct of the State of Hawai‘i, Chapter 84, Hawai‘i Revised Statutes, as amended, and shall attend ethics training as required by law.

### Trustee-Administration Staff Interaction Policy

**1.3.q.** To promote coordination, accountability, and effective governance, all Trustees are encouraged to route work requests, including written materials or meetings with Administration personnel that require staff time, or deliverables, through the Administrator or Board Chairperson whenever practicable. This practice supports transparency, alignment across offices, and responsible management of agency resources.

Recognizing the unique responsibilities of elected officials, Trustees may—when necessary—contact Administration staff directly, with a copy to the Administrator and Board Chairperson or Chief of Staff, for minor, routine, or time-sensitive matters that do not require significant staff time, policy interpretation, or operational decision-making. Trustees who choose to exercise this discretion do so with the understanding that they are individually accountable for the professionalism, scope, and appropriateness of such interactions. Administration staff shall elevate or refer Trustees’ inquiries to the Administrator or appropriate supervisor. This discretion applies solely to elected Trustees and does not extend to Trustee Aides or Secretaries. ~~Trustee staff must continue to coordinate through their respective Trustee or Chief of Staff, who shall then contact the Administrator.~~ Trustee staff must continue to coordinate through their respective Trustee or Chief of Staff, who shall then contact the Administrator.

~~Nothing in this section alters the statutory authority of the Administrator with respect to agency operations or personnel, nor does it supersede relevant provisions of the Board of Trustees Executive Policy Manual, including article III, sections 3.10(d) and 3.10(e). This policy supersedes all prior memoranda and policies regarding Administration Staff Interaction.~~

## **1040 Board and Committee Meetings**

### *Absence of Chair Notification*

**1.4.a.** The Chair shall inform the Vice Chair and the ~~CEO~~ Administrator of the Chair's scheduled absence via a memorandum. A copy of the memorandum shall be sent to all Trustees.

### *Action Items*

**1.4.b.** All actions and resolutions presented to the BOT for consideration shall be in written standard format as prescribed by the BOT as an "Action Item". The process and procedures for preparing an Action Item will be made available to all appropriate staff members by the Administrator~~CEO~~.

### *Action Item Numbering System*

**1.4.c.** Action items are to be sorted and identified by committee purview, date of enactment, and sequence of enactment.

### *Ad Hoc Committee Extension Request*

**1.4.d.** If an Ad Hoc Committee has not been able to complete an assigned task by the end of the specified term, the Committee may request of the BOT under Article VIII ~~(E)~~, an extension to complete its task. Such request shall include a report of the progress of the Committee in completing the task and an estimate of the amount of time needed to complete the assigned task. The BOT shall decide on the extension at the BOT meeting at which the request is made.

**1.4.e.** The term of the Ad Hoc Committee shall expire with the completion of the assigned task or at the discretion of the Standing Committee Chair.

## SERIES 1000 BOARD OF TRUSTEES

### *Trustee Meeting Attendance*

**1.4.f.** Trustees are expected to attend all regularly scheduled BOT meetings and BOT Committee meetings as applicable. If attendance is not possible, the Trustee ~~should~~ **shall** contact the Chair of the BOT or Committee Chair prior to the meeting. Notification shall be provided at least twenty-four (24) hours prior to the scheduled meeting to be considered an excused absence.

Any notification of absence made less than twenty-four (24) hours prior to the agendaized meeting will not constitute an excused absence, except where the Chair of the BOT or Committee Chair finds at the meeting that the absence was caused by an emergency or an unusual circumstance. Three (3) unexcused absences will result in censure imposed by other Trustees as appropriate.

### *Chair Referral of Board Matters to Committee for Review*

**1.4.g.** The Chair of the BOT may refer matters brought before the BOT to the appropriate Committee(s) for review and recommendation prior to any BOT action being taken. Such referrals shall have priority over other Committee matters.

### *Referral of Board Matters to Committee for Review*

**1.4.h.** Referrals to a Committee, Council, Commission, or Permitted Interaction Group by a simple majority (5) vote of all Board members shall be placed on an agenda by the chairperson of the Committee, Council, Commission, or Permitted Interaction Group no later than thirty (30) calendar days after receipt of the referral.<sup>9</sup>

### *Committee Recommendations ~~Agenda Item~~*

**1.4.hi.** The Chair of the BOT is required to place a committee recommendation on a ~~full~~ BOT agenda no later than thirty (30) calendar days after the receipt of the recommendation. ~~All standing committees are required to do the same with respect to action items referred to the committee by a Trustee.~~

<sup>9</sup> BOT By-Laws, Article VIII, Section L (March 20, 2025).

*Community Informational Meetings*

**1.4.ii.** The BOT may, from time to time, conduct community informational meetings or BOT workshops for the sole purpose of sharing general information with the public on a specific topic. OHA could provide or collect information from the general public at these meetings. The meetings must avoid discussion on action to be taken as a result of the information sharing or the meeting would be considered a "regular OHA business meeting" and fall under the requirements of HRS Chapter 92, as amended. Informational meetings and BOT workshops must be agendized. Community members wishing to share information must sign-up just prior to the meeting using the OHA sign-up sheet. These meetings do not require official minutes, but a synopsis or report of the meeting or workshop discussion must be prepared.

*Notice of Meetings to the Office of the Lt. Governor*

**1.4.jk.** ~~Six~~ No less than (6) calendar days prior to any Committee or BOT meeting, ~~two copies~~ a copy of the agenda shall be ~~hand-delivered to~~ filed with the Office of the Lieutenant Governor, ~~one copy to the Deputy Attorney General, and one copy to the State Information Desk.~~

*Executive Session*

**1.4.l.** The BOT may, from time to time, hold an executive meeting (aka executive session) that is closed to the public, pursuant to HRS sections 92-4 and 92-5. The minutes of the executive session portion for the meeting shall be prepared by the Board Secretary or the staff of the Chairperson of the BOT or Committee, to include Board Legal Counsel, and shall be held in a way that protects the confidentiality of the information, communications, and decisions of the executive meeting. Executive session minutes shall be distributed and approved at an executive session of the BOT or respective Committee held after the meeting to which the executive session minutes pertain and, following approval, shall be transmitted to the General Counsel for secure storage and maintenance. Requests to access executive session minutes shall comply with HRS section 92-9(b); provided, however, that minutes cannot be breached without the consent of Board Counsel. OHA Trustees, absent a conflict of interest, will have access to the executive session minutes through a request to the Board Counsel, and OHA staff may request to review executive session minutes through the General Counsel and the Board Counsel but will not be granted access without the consent of the Board Counsel.



## **SERIES 2000 BENEFICIARY SUPPORT AND SERVICES**

### **SERIES 2000 BENEFICIARY SUPPORT AND SERVICES**

#### **2010 Advocacy**

##### *Preservation and Protection of Legal Entitlements*

**2.1.a.** OHA shall preserve and protect full legal entitlement and enjoyable benefits of Native Hawaiians through advocacy efforts which may include provisions of advice and information, legislation, litigation, and negotiation.

##### *Native Hawaiian and Hawaiian Rights and Entitlements*

**2.1.b.** OHA shall advocate for Native Hawaiian rights and entitlements including:

1. Educational opportunities, economic development services, health and human services, and housing services; and
2. The protection of and access to natural resources that are an important part of the culture and lifestyle of Native Hawaiians.

##### *Hawaiian Culture*

**2.1.c.** Consistent with its fiduciary responsibility, OHA shall pursue, protect, and promote:

1. The cultural practices of Native Hawaiians;
2. The integrity of the Native Hawaiian culture and cultural sites; and
3. The understanding of the Native Hawaiian culture, practices, and traditions to ensure that the activities, values, beliefs, ideas, and heritage of the Native Hawaiian people continue to be preserved, promoted, and perpetuated.

**2.1.d.** In its endeavor to pursue, protect and promote Native Hawaiian culture, OHA shall be committed to living and practicing the values, traditions, and protocols of the Native Hawaiian culture in the conduct of its operations.

## SERIES 2000 BENEFICIARY SUPPORT AND SERVICES

### *Position on Certain Proposed Legislative Measures*

**2.1.e.** The BOT shall take a position of Oppose on any legislative measure that places an entity into OHA, or that requires an OHA funding allocation, without prior consultation with, and approval by, the BOT.<sup>10</sup>

### *Ceded Lands*<sup>7 11</sup>

**2.1.f.** OHA reaffirms its policy to protect the ceded lands corpus until the unrelinquished claims of Native Hawaiians are resolved, and OHA shall oppose the alienation of any ceded lands by the State of Hawai‘i, except in the following limited situations:

1. OHA shall not oppose a resolution submitted to the Hawai‘i State Legislature pursuant to Act 176 (2009) and Act 169 (2011) for the sale of the fee simple interest of apartments, townhouses, and houses for home ownership, where:~~+~~
  - ~~a)~~ there is already an agreement in an existing contract with the state agency allowing the homeowner to purchase the fee simple interest for home ownership,
  - ~~b)~~ ~~2)~~ there have been prior sales in the same development to the extent that the units have previously been substantially sold;~~;~~ or
2. ~~3)~~ sales of the fee simple interest were approved by the responsible state housing agency prior to the filing of the lawsuit *OHA v. Hawaii Finance and Development Corporation*, Civil No. 94-4207-11, First Circuit Court, State of Hawai‘i, November 4, 1994.
- ~~3. 2-~~ OHA shall not oppose the sale or transfer of remnants by the Department of Land and Natural Resources, State of Hawai‘i, so long as OHA determines that the land proposed by DLNR as a remnant meets OHA’s understanding of the definition of remnant or that the land does not have competing, more important values to the Native Hawaiian community.
- ~~4. 3-~~ By not opposing the sales of any ceded lands, OHA does not waive any right or claim that it has to a pro rata share of the proceeds of the sale.

<sup>7 10</sup> **BAE 12-01:** Amendment; First reading: February 8, 2012; Second reading: February 16, 2012.

<sup>8 11</sup> **BAE 13-02:** Policy to protect the ceded lands corpus; First reading: February 6, 2013; Second reading: February 21, 2013.

## SERIES 2000 BENEFICIARY SUPPORT AND SERVICES

~~5. 4.~~ By not opposing the sales of any ceded lands, OHA does not directly or indirectly release or limit the claims of the Native Hawaiian people or a Native Hawaiian governing entity.

### 2020 Grants

**2.2.a.** OHA implements grant programs, in compliance with Section 10-17, Hawai'i Revised Statutes, as amended, to provide support and resources to organizations, and individuals working to address the needs and promote the well-being of the Native Hawaiian community as follows:

1. A for-profit subsidiary of a nonprofit organization incorporated under the law of the State of Hawai'i;
2. A nonprofit community-based organization determined to be exempt from federal income taxation by the Internal Revenue Service;
3. A cooperative association; or
4. An individual, who in the BOT's determination, can provide the services or activities proposed in the application for a grant.

**2.2.b.** The ~~CEO~~ Administrator is responsible for developing procedures and guidelines for the grant programs in accordance with all applicable statutes and BOT policies.

[2.2.c. Reserved]

[2.2.d. Reserved]

**2.2.e.** Grants funding requests shall be submitted by Administration in an established Grants Action Item format ~~and will contain all items included on the Grants Action Item Checklist as approved by the CEO.~~ Grant Action Items shall be submitted to the Chair(s) of the Standing Committee(s) with purview over grant making for their review no less than one (1)-week prior to formal consideration. If more than one Standing Committee is deemed

## SERIES 2000 BENEFICIARY SUPPORT AND SERVICES

to have purview over a grant related matter, a joint Standing Committee meeting shall be held to consider the issue.

[2.2.f. Reserved]

### 2030 Ka Wai Ola

**2.3.a.** The *Ka Wai Ola* is the official publication of OHA. The mission of *Ka Wai Ola* ~~OHA~~ is:

- 1) to cover issues important to Native Hawaiians so they can make informed decisions on matters that affect their lives and communities; and
- 2) to communicate OHA's actions, programs, and plans to its beneficiaries and constituents.

**2.3.b.** All material published in *Ka Wai Ola* ~~OHA~~ shall be written responsibly and meet Associated Press standards of publication. All material, including but not limited to, articles, pictures, and letters to the editor shall contain a representative cross-section of topics pertaining to the Native Hawaiian community.

**2.3.c.** Although articles expressing the personal views of Trustees are encouraged, such articles shall avoid inflammatory attacks on the character of any individual or organization and shall not include matters that are confidential, such as items appropriate for Executive Sessions or of possible conflict with OHA's internal operating procedures and policies.

**2.3.d.** Editorial space of 600 words will be given to each trustee in each issue. Trustees are encouraged to focus on issues. Although differing viewpoints are to be expected, attacks on individuals, which may be construed to be libelous or defamatory must be avoided. No libelous or defamatory materials will be published. Questions on libel and/or defamation will be resolved in consultation with the editor of the *Ka Wai Ola* ~~OHA~~ (~~Communications Program Manager Publications Editor~~), the Communications Director ~~of Community Relations~~, and OHA's in-house counsel (General Counsel). Trustees that do not submit an article will forfeit their space in the *Ka Wai Ola* ~~OHA~~. There shall be no sharing or assignment of space between Trustees. Each Trustee will be held to the 600-word limit. Articles that exceed the word limit will not be published unless amended to conform prior to the publishing deadline.

**2.3.e.** In accordance with state ethic guidelines, (Chapter 84, HRS, as amended) Trustees may not campaign in their column nor may they offer another candidate an express

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endorsement. Any Trustee that is running for re-election, is suspended from publishing their regular, editorial column until the elections are complete, if there is another candidate running for the same office. Such Trustees, however, may pay for advertising space as a candidate. Advertising rates for *Ka Wai Ola Oo OHA* will be the same for all candidates and all political advertisements will be paid at the time of space reservation. Trustees that are running unopposed may continue to publish their regular column.

**2.3.f.** In cases of a possible violation of this policy, the matter may be resolved by the ~~CEO~~ Administrator in consultation with the author of the article and the ~~E~~editor. Regarding Trustee submissions, a negative resolution by the ~~CEO~~ Administrator may be appealed to the Chair of the BOT for a final decision.

### 2040 Repatriation

**2.4.a.** OHA believes that repatriation issues are of extreme importance to all Native Hawaiians and issues relating to the disposition and care of our iwi kupuna and cultural objects must be addressed in the most sensitive and equitable manner possible.

**2.4.b.** OHA is committed to encourage wider and more effective participation by Hawaiian communities, families, and individuals in repatriation matters – especially by those with a traditional attachment, lineal descendancy, and special knowledge relating to the affected iwi kupuna and/or cultural objects. Once individuals and/or organizations with a close affinity to the iwi kupuna and/or objects come forward as participants in the consultation process, OHA may ultimately step back and serve in a support role. To bring about increased awareness and understanding of these important issues and activities, OHA will publish in the *Ka Wai Ola Oo OHA* (whenever possible) repatriation related information to notify and inform the Hawaiian community as well as conduct educational outreach activities.

**2.4.c.** OHA will support and uphold the integrity and repatriation processes of the Native American Graves Protection and Repatriation Act (NAGPRA). Of utmost importance is that the process be based on respect and an understanding of Hawaiian interests and cultural values. It is essential to consult traditional sources such as nā kūpuna as well as ethnographic research to clarify Hawaiian views concerning such complex issues as the

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meaning of lineal descent, funerary, and sacred objects as well as the nature and rights of our ancestors. This information must be ascertained to produce broader agreement and understanding between parties concerning culturally appropriate interpretations of the NAGPRA and repatriation process.

**2.4.d.** Understanding that repatriation decisions are numerous, complex, and may involve considerable time commitments, OHA will seek to facilitate the process including, but not limited to, the following:

1. Taking an active role in pursuing broader agreement and understanding amongst all parties;
2. Formulating consistent responses in the planning, consultation, and decision making regarding the care of our iwi kupuna and cultural objects; and
3. Recommending appropriate dispute resolution processes.

**2.4.e.** This policy does not require OHA to be involved in all repatriation matters, only that OHA will consider and respect Hawaiian interests and cultural values in planning, consultation, and decision making and see that affected Hawaiian individuals, families, and organizations are informed whenever possible.

### **2050 Housing**

**2.5.a.** The purpose of OHA's Housing Policies is to provide overall guidance for the allocation of OHA fiscal and personnel resources to Housing Initiatives that will benefit Native Hawaiians.

**2.5.b.** To further clarify the Housing Policies, the following definitions of terms are provided:

Housing Initiatives – Housing related actions that may include Housing Assistance Programs, Housing Development Projects, advocacy, regulatory or legislative proposals and other actions that are intended to provide better affordable housing opportunities for Native Hawaiians.

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Housing Assistance Program – Programs that provide various kinds of assistance to home buyers or renters, including programs that provide home ownership training, financial literacy training, best practices for renters, rent payment assistance, down payment assistance, or assistance to prevent mortgage foreclosures.

Housing Development Projects – Site specific projects that involve the planning, design, construction, and sale or rental of residential units. OHA's role would be to provide assistance in the development process rather than to develop a project on its own. [Assistance may include technical support, financial support, or advocacy.](#)

Guiding Principles – Standards that provide guidance for courses of action. These are articulated in section 4 of the OHA Housing Plan and Strategy dated March 2009.

Maximize Benefits to Native Hawaiians – Maximize benefits to Native Hawaiians by allocating resources to Housing Initiatives that provide the greatest benefit with the lowest cost per households with at least one (1) Native Hawaiian person.

**2.5.c.** OHA-sponsored Housing Initiatives shall be integrated with the priorities and strategies of the OHA Strategic Plan and be guided by the overall Goal and Guiding Principles articulated in the OHA Housing Plan and Strategy dated March 2009.

**2.5.d.** Before OHA commits funds to a Housing Initiative, all such programs or projects shall be carefully planned and shall be analyzed in terms of costs to OHA and potential benefits to Native Hawaiians. Funding provided shall maximize benefits to Native Hawaiians. [This planning and analysis shall be documented in a staff report prior to the spending of funds.](#)

**2.5.e.** The Housing Policies shall be reviewed periodically or as recommended by the Chair of the BOT. Any substantive modifications or exceptions to the OHA Housing Policies may require that due diligence analysis be conducted.

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### **2060 Collaboration with Other Agencies and Organizations**

#### *Inter-Agency Collaboration*

**2.6.a.** As the principal public agency for Native Hawaiians, OHA shall perform, develop, and coordinate programs and services for Native Hawaiians using among other things, memoranda of understanding or memoranda of agreement with other state, county, and private agencies where appropriate, and maintaining membership in inter-agency organizations and associations.

#### *Inter-Agency Monitoring*

**2.6.b.** Pursuant to Chapter 10, Hawai'i Revised Statutes, as amended, OHA shall foster good relations and collaborate with other agencies that impact Native Hawaiians.

#### *Inventory of Native Hawaiian Programs and Services*

**2.6.c.** OHA shall maintain an inventory of government and private programs and services for Native Hawaiians, which shall be updated biannually, and act as a clearinghouse and referral agency.

#### *State Clearing House Program*

**2.6.d.** OHA shall avail itself of the State Clearinghouse Program of the Office of State Planning in order to monitor the activities of other agencies and provide information and referral services for its beneficiaries.

#### *Technical and Advisory Assistance to other Organizations Serving Hawaiians*

**2.6.e.** OHA may provide technical or advisory assistance to any individual, government agency, or private organization for Native Hawaiian programs, and for other functions pertinent to the purpose of OHA. All requests for technical or advisory assistance shall be approved by the ~~CEO~~ Administrator and documented in, among other things, contracts or memoranda of understanding.



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### *Use of Office Equipment by Other Agencies and Individuals*

**2.6.f.** OHA shall make its equipment available to Hawaiian community organizations and individuals whenever such use would benefit Hawaiians without impeding the work of the OHA Trustees or staff. All organizations or individuals using OHA's offices or equipment shall be required to sign an agreement form consenting to the conditions of use. Noncompliance with these conditions will result in payment for damages and/or the exclusion from future use of the facilities or equipment.

## **2070 Wai**<sup>9 12</sup>

### *Wai Vision and Mission*

**2.7.a.** OHA's vision is that Hawai'i will be a 21<sup>st</sup> -century model for protection and stewardship of wai, based on Native Hawaiian culture, best practices, and the public trust. OHA will continue to maintain and improve upon its kuleana as a leader in protecting Hawai'i's wai resources, redressing ongoing injustices, promoting a living and thriving Native Hawaiian culture and nation, and setting an example in pono management practices.

OHA's wai efforts and mission will advance in four major areas: Research, Advocacy, Community Engagement, and Asset Management. Through focus on these roles and in collaboration with our community, OHA will advocate for, promote, and demonstrate appropriate, responsible, and just wai stewardship practices and values throughout Ka Pae Āina o Hawai'i, allowing the 'āina and wai and the interdependent Native Hawaiian culture and people to thrive, and mutually empowering OHA and communities to 'auamo (carry) the shared responsibility of protecting and ensuring the proper management of our water resources.

### *Basic Principles of Wai*

**2.7.b.** OHA's basic principles of wai shall be:

1. Begin with the fundamental truth that wai gives life ma ka honua nei.

<sup>9 12</sup> **BAE 15-06:** Adopted policy on Wai and Water Backgrounder; First reading: November 5, 2015; Second reading: November 19, 2015.

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2. Revere wai as a kinolau of Akua Kāne.
3. Respect wai in all its individual forms (including clouds, rains, mist, fog drip, rainbows, rivers, streams, aquifers, springs, and coastal seeps), and as a unified whole and natural, living cycle.
4. Recognize that wai is central to the Native Hawaiian worldview and who we are as a people, connecting past, present, and future generations.
5. Understand that wai is critical to ho‘oululāhui and to provide for our nation’s lands, people, and culture.
6. Acknowledge the vital importance of wai to all people, yet also its unique significance to Native Hawaiians, including pre-existing Native Hawaiian rights to wai.
7. Value the law of wai in Hawai‘i as a living legacy from ka wā kahiko, including ancestral traditions and sovereign prerogatives.
8. Uphold the principle of water as a public trust, which never can be reduced to private property or a commodity.
9. Advance Native Hawaiians’ fundamental needs and rights to water for all lands (including but not limited to homesteads, kuleana, and a land base for the lāhui) as well as for robust traditional and customary practices throughout Ka Pae ‘Āina o Hawai‘i.
10. Promote “ahupua‘a” principles of place-based stewardship, sustainability, and self-sufficiency.
11. Embrace OHA’s kuleana, its rights and responsibilities, including its fiduciary obligations under the public trust with respect to wai.
12. Support mo‘omeheu, ‘āina, ea, ho‘okahua waiwai, ho‘ona‘auao, and mauli ola for OHA’s beneficiaries and the lāhui by protecting and restoring wai.

## **SERIES 2000 BENEFICIARY SUPPORT AND SERVICES**

13. Evaluate and develop necessary capacity on wai in OHA's various divisions and recognize that effective coordination between divisions is necessary to fulfill OHA's wai mission and constitutional and statutory mandates.

### *Research Policies on Wai*

#### **2.7.c.** OHA's research policies as they relate to wai shall be:

1. Understand and proactively plan for the beneficiaries' and lāhui's fresh water needs, including reasonable access to wai, water quantity (supply and allocation), and water quality.
2. Support research efforts strategically to enhance the body of information and understanding related to wai, including but not limited to hydrology, biology, agronomy, economics, engineering, management, and law, all grounded in Native Hawaiian culture and history. (*See, e.g.,* USGS kalo water needs study; Ola I Ka Wai water primer.)
3. Build and maintain strategic alliances and partnerships, leverage resources, and pursue other opportunities to maximize the existence and availability of essential research and data.
4. Gather, develop, and deploy the best information to inform advocacy and asset management, co-power (mutually empower) communities to mutually and collaboratively mālama Hawai'i's natural and cultural resources ā mau loa, and educate OHA beneficiaries and the general public.
5. Recognize that research is not an end in itself, but part of a larger obligation to fulfill public trust responsibilities based on the best available information and the precautionary principle.

### *Advocacy Policies on Wai*

#### **2.7.d.** OHA's advocacy policies as they relate to wai shall be:

1. Take the lead initiative to protect, restore, and ensure that proactive management of wai for OHA beneficiaries and the lāhui.

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2. ‘Auamo (shoulder) OHA’s kuleana to mālama Hawai‘i’s wai as a public trust for present and future generations, by supporting the restoration of rivers and streams wherever practicable, the protection of ground water resources for the long term, the restoration of functional watersheds, and utilization of all practicable mitigation and alternative sources.
3. Uphold and defend Hawai‘i’s constitution, Water Code, and public trust doctrine, especially with regard to protections for water resources and traditional and customary Native Hawaiian practices and rights.
4. Invest in and support community efforts to protect and restore wai, including advocacy and litigation before the State Commission on Water Resource Management and other agencies, and in the courts.
5. Build and maintain an active presence and working relationship with the Commission on Water Resource Management, serving as a “go-to” source for consultation especially on Native Hawaiian issues, and providing resources and support where appropriate, to promote intergovernmental synergies and help maximize the Commission’s effectiveness.
6. Further develop in-house scientific, cultural, and legal capacity and expertise to support OHA and community advocacy work.
7. Proactively consult with experts and community leaders to identify potential legislative, policy, litigation, or other actions necessary to effectuate this water policy or otherwise improve conditions for Native Hawaiians with respect to wai.
8. Align the positions and work of other OHA divisions on both individual and larger policy issues.
9. Build and maintain strategic alliances and partnerships to maximize the potential for protection, restoration, and proactive management of wai.
10. Acknowledge that effective advocacy is necessary to fulfill OHA’s constitutional mandates, including those imposed by the public trust and precautionary principle.

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11. Integrate into OHA's advocacy an understanding of our responsibility to steward wai to meet the needs and preserve the rights of a future Native Hawaiian governing entity.

### *Community Engagement Policies on Wai*

**2.7.e.** OHA's community engagement policies as they relate to wai shall be:

1. Partner with an mobilize communities to protect and restore wai, especially those resources necessary to perpetuate traditional and customary Native Hawaiian rights and practices.
2. Provide strategic support and resources to enable beneficiaries to protect, restore, or more proactively manage their wai.
3. Work with **the** Advocacy division to ensure that its policies, positions, and initiatives reflect region-specific, community-based Native Hawaiian knowledge and practices.
4. Inform communities about research, community engagement, advocacy, and resource management efforts to leverage resources, promote buy-in, and mobilize beneficiaries and the general public around wai.
5. Cultivate and invest in relationships with grassroots community leaders on wai across Ka Pae 'Āina Hawai'i, and in communities engaged in wai issues.
6. Provide strategic counsel, as needed, on OHA actions regarding wai regarding potential impacts on communities, media, or other relevant stakeholder groups.
7. Recognize the value of partnerships and opportunities for OHA and communities to co-power (mutually empower) each other, in maximizing the strength and durability of campaigns.

### *Resource Management Policies on Wai*

**2.7.f.** OHA's resource management policies as they relate to wai shall be:

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1. Lead the way in utilizing culturally appropriate, cutting-edge technology to minimize demand for wai and maximize the use of practicable mitigation and alternatives on OHA's lands or in developments with which it is associated.
2. Ensure that water use on OHA land respects Native Hawaiian traditional and customary rights and practices, instream uses, and ecological needs of streams, aquifers, and watersheds.
3. Pursue LEED or similar certification for water efficiency for all new construction or major renovations.
4. Combine and coordinate Resource Management **division's** and Advocacy **division's** efforts in actively seeking ways to disseminate and establish best practices for managing, conserving, and protecting wai and its sources among Native Hawaiian and other manager and uses of wai.
5. Consult with Native Hawaiian-serving trusts, including the Department of Hawaiian Home Lands, to coordinate efforts, share information, and develop and refine best practices for managing wai.
6. Support projects and programs that explore and promote the appropriate management of wai consistent with the values and priorities in this policy.

### 2080 Iwi Kūpuna <sup>40 13</sup>

#### *Care, Management, and Protection of Iwi Kupuna*

**2.8.a.** Consistent with its advocacy regarding the Hawaiian culture, OHA shall protect and promote the reverence and cultural importance of proper care, management, and protection of ancestral Native Hawaiian remains or iwi kupuna. Recognizing that iwi is culturally “considered the most cherished possession” as defined by Mary Kawena Pukui as well as oral and written historical accounts, OHA shall ensure that in all OHA efforts and initiatives, the proper care, management, and protection of iwi kupuna is of paramount

<sup>40 13</sup> BAE 15-07: Adoption of Iwi Kupuna Policy; First reading: October 21, 2015; Second reading: November 19, 2015.

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consideration. OHA also recognizes that the care and disposition of iwi kupuna is primarily an ‘ohana kuleana and shall promote the active involvement of descendants and ‘ohana in matters regarding the treatment and disposition of iwi kupuna. In furtherance of this policy objective, OHA shall:

1. Formulate consistent responses in the planning, consultation, and decision making regarding the care, management, and protection of iwi kupuna; and
2. Ensure that all relevant OHA land management and planning documents, contractual agreements and grant agreements include an acknowledgement of a higher cultural standard of care regarding the care, management, and protection of iwi kupuna, which may exceed minimal requirements set forth in law and rule; and
3. Consult with the Native Hawaiian Historic Preservation Council for guidance on iwi issues when deemed necessary by the ~~Chief Executive Officer~~ Administrator.

### 2090 International Engagement <sup>14 14</sup>

**2.9.a.** The Office Hawaiian Affairs recognizes the significance and utility of forwarding efforts to better the conditions of Native Hawaiians through international venues, organizations, and channels. These efforts may include, but not be limited to, the following types of initiatives:

1. *International efforts to forward the rights of indigenous Hawaiians under international law* - OHA’s pursuit of the rights of Native Hawaiians as indigenous people under international law is complementary to OHA’s state and federal advocacy seeking greater self-governance for Native Hawaiians. Such pursuit does not interfere or conflict with the rights of the Hawaiian Kingdom as a nation state, which may be pursued by others.
2. *International efforts to address global environmental issues impacting Hawai‘i* - OHA’s engagement in such efforts would highlight the particular situation Hawai‘i

<sup>14 14</sup> **BAE 16-01:** Adopted policy on International Engagement; First reading: February 11, 2016; Second reading: February 25, 2016.

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faces in experiencing global environmental stresses or in implementing solutions to combat these. Spotlighting Hawai‘i’s context on a world stage could help to bring greater attention and energy to improving the condition of the Hawaiian Islands.

3. *International repatriation efforts* - A large number of iwi kūpuna (ancestral remains), moepū (funerary objects), and mea kapu (sacred objects) were taken from Hawai‘i in ways that do not afford the current possessors of those objects rightful ownership. Many such objects can be found currently in institutions outside of Hawai‘i and the United States. As a matter of cultural responsibility, OHA may choose to forward efforts to have these repatriated to appropriate caretakers in Hawai‘i.
4. *International efforts to establish best practice standards relative to the strengths and needs of indigenous peoples* - Numerous professional and indigenous focused organizations have collaborated to forward efforts to adopt and publish standards or best practices in such areas as health, education, economic development, cultural vitality, land stewardship, etc. These organizations have urged governing bodies or other leadership contexts to adopt or consider such standards and practices. OHA’s engagement in such efforts could enhance the standards and practices adopted by OHA as well as enhance the collaboratively developed international documents, which may benefit from the experiences and expertise that Hawaiian/Hawai‘i case studies could bring to the development of such documents.
5. *Seeking international funding sources* - To support OHA efforts to better the conditions of Native Hawaiians, OHA may choose to apply for grant funding or other support through international entities.
6. *International exposure of Hawaiian perspectives on cultural practices and education* - To support advancements in Native Hawaiian education as a global leader in indigenous knowledge systems and to protect and perpetuate Native Hawaiian culture, OHA may choose to support initiatives by educators and cultural



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practitioners to participate in international mechanisms that heighten awareness and support the proliferation of Hawaiian perspectives.

7. *Strategic planning* - OHA's implementation of its Strategic Plan should consider how international bodies, standards, opportunities, or channels could be utilized to achieve greater results.

**2.9.b.** Efforts to engage in international-related activities should utilize, to the highest degree possible, communication and relationship building mechanisms that do not require in-person travel. In-person travel for such efforts should be carefully considered, pertain specifically to official OHA business, be approved in advance, and comply with any and all travel policies and procedures adopted by the Office.

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### 3010 Planning

#### *Setting Program Priorities*

**3.1.a.** Administration, in consultation with the BOT, shall set program priorities through an integrated process of strategic planning, community input, and statistical research. Administration shall establish the process and procedures for developing and updating the comprehensive Strategic Plan and the ~~CEO~~ Administrator will be responsible for keeping the Trustees updated on its progress.

#### *OHA Strategic Plan*

**3.1.b.** Administration shall develop the agency comprehensive Strategic Plan, pursuant to Chapter 10, Hawai'i Revised Statutes, as amended, in an open, transparent, and collaborative manner, which establishes priorities and long-range goals ~~(six-year scope)~~, updated every three (3) years, based on the best available demographic, physical, sociological, psychological, economic, and other data that reflects beneficiary well-being.

**3.1.c.** Members of the Native Hawaiian community will be encouraged to participate in the strategic planning process. Periodically, OHA will provide opportunities for the beneficiary community to provide input and feedback on the development of the comprehensive Strategic Plan.

#### *Administrative ~~Work Plans~~ Reporting and Standard Operating Procedures*

**3.1.d.** Administration shall prepare ~~separate business plans and work plans~~ a Program Progress Report that forecasts ~~two (2)~~ years of organizational goals, objectives, ~~and or~~ activities, consistent with the biennium budget ~~and BOT directives and subject to BOT approval~~, that reflect ~~articulate~~ a course of action that will effectively and efficiently achieve ~~toward the achievement of~~ the comprehensive Strategic Plan priorities and results through key performance indicators, expenditure variance, and staffing counts. ~~Business plans~~ The Program Progress report will be updated monthly shall be revisited periodically and updated revised as necessary, ~~subject to BOT review and approval. Wand~~

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~~work plans shall be revisited on an annual basis, and updated as necessary, and likewise submitted for BOT approval.~~

3.1.e. Program ~~Progress Reports~~ ~~business plans~~ shall be prepared for each ~~Line of Business~~ (“LOB”) ~~Division~~ and Program ~~Area~~ within the ~~LOB Division~~. The ~~business plan~~ ~~Program Progress Report~~ shall articulate ~~agreed upon organizational and divisional goals, objectives or activities, and key performance indicators that articulate the work efforts and results an overview of the LOB Division or p~~Program function and expected results for each ~~p~~Program, ~~area and is~~ to include the following elements:

1. ~~Purpose statement~~ — ~~Shall describe the functional purpose of the stated LOB or program areas; Planned and Actual Data – Data provided as *Planned data* reflects the anticipated and approved budget appropriations and performance outcomes, set at the beginning of each fiscal year. Data provided as *Actual data* reflects the previous month’s budget spend-down and progress of programs or services toward achieving the established benchmarks;~~
2. ~~Organization-wide and Division Goals Objectives, Activities, Programs, and Services – A listing of the goals, objectives, activities, programs, and services to be provided by the Division or Program to fulfill its purpose and align with budget appropriations; and~~
3. ~~Family of measures~~ — ~~Shall define the measures of success against which a LOB or program area shall be evaluated against. Such measures of success may include measures of results, outputs, demands, and efficiencies; and Key Performance Indicators – Measures of success by which a Division or Program will demonstrate, both quantitatively and qualitatively, its progress toward and achievement of the established indicators. These measures may include results, outputs, impact, demands, and efficiencies.~~
4. ~~Services~~ — ~~Shall include a listing of services that are to be provided by the Program to meet its purpose.~~

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~~3.1.f. Program work plans are used to operationalize the business plan and include the following Standard Operating Procedures (SOPs):~~

- ~~1. Services and measures of success from the business plan; SOP Document Structure:~~
  - ~~a. Title Page: Division name, effective date, and version number.~~
  - ~~b. Purpose and Scope: Define the purpose of the SOP and specify which activities, services, or processes it covers.~~
  - ~~c. Definitions and Acronyms: Clarify key terms and abbreviations used in the document.~~
  - ~~d. Roles & Responsibilities: Clearly define all relevant roles within the Division or Program. Outline responsibilities for carrying out the procedures, approving updates, and ensuring compliance.~~
  - ~~e. Procedures: Provide step-by-step instructions for all key processes handled by the Division or Program. Include references to relevant policies, forms, or templates. Identify dependencies and inter-Division workflows.~~
  - ~~f. Compliance and Quality Control: List applicable laws, regulations, and internal policies that govern the SOP. Define quality assurance measures and how compliance will be monitored.~~
  - ~~g. Documentation and recordkeeping: Identify all required records, forms, and reports that must be maintained. Include retention schedules in alignment with OHA's records management policies.~~
- ~~2. Assignment of measures to responsible individuals; Annual Review and Update Process. SOPs must be reviewed annually by Division leadership. Updates should be made as needed to reflect organizational, legal, or operational changes. The department must document the review date, changes made, and approvals.~~
- ~~3. Key milestones for each service, including due date, any partners, additional resources required and other notes; and Submission to Corporate Counsel Office. After approval, a final copy of the SOP must be submitted to the Corporate Counsel Office for organization reference, compliance tracking, and archiving.~~
- ~~4. Program action plan to assess current and past levels of service against targeted services to identify areas where gaps exist, and courses of action to close or minimize those gaps.~~

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**3.1.g.** ~~Line of Business Directors Administration~~ shall provide ~~Program Progress R~~reports on the progress of implementation of business plans and work plans to the ~~Executive Office Leadership Team~~periodically, but no less often than ~~to the BOT~~ on a ~~monthly,~~ quarterly, and annual basis. <sup>12</sup>

<sup>12</sup> ~~Amended per Action Item RM-18-12.~~

## **3020 Reporting**

### *Annual Report*

**3.2.a.** The BOT shall prepare and make public their annual report which shall include, but not be limited to, their activities, income, and expenditures for the year. The annual report shall be submitted to the Governor and the Legislature ten days (10) prior to the convening of each regular Legislative Session. Special reports shall be submitted as required by the Legislature.

**[3.2.b. Reserved]**

### *Standard Reporting Format*

**3.2.c.** OHA staff shall prepare reports in a standard user-friendly format at regular intervals as prescribed in the OHA Report Schedule. Standard report formats and the report schedule will be developed by the ~~CEO~~ Administrator.

## **3030 Evaluations**

**3.3.a.** The ~~CEO~~ Administrator shall be responsible for developing procedures and guidelines for the evaluation of program and service contracts that have been funded to promote beneficiary programs and services. The evaluation shall be performed to ensure that the programs and services support the goals and strategies of OHA and meet the contractual requirements of the agreements under which they were funded.

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### 3040 Planning, Programming, Budgeting System (PPBS) ~~13, 14~~ 15

3.4.a. If not otherwise clear from the context. The following definitions shall apply to the following sections:

1. **“Capital Investment Costs”** reflect the sum of costs related to the construction of a capital improvement project beyond the research and development phase. Capital investment costs include the costs associated with the acquisition and development of land, design and construction of new facilities, and the renovations or additions to existing facilities.
2. **“Cost Categories”** means the major types of operating costs, including the research and development costs associated with capital expenditures.
3. **“Debt Service”** means interest and principal repayments on financing agreements.
4. **“Effectiveness Measure”** means the criterion for measuring the degree to which the objective sought is attained.
5. **“Financing Agreement”** means any lease purchase agreement, installment sale agreement, loan agreement, line of credit, or any other instruments of indebtedness of which the full faith and credit of OHA are pledged towards the payment of the principal and interest.
6. **“Full Cost”** means the total cost of a program and includes both operating and capital costs.
7. **“Means of Financing”** means the various sources from which funds are available.

~~13 15~~ RM 21-05: Amendment to Executive Policy Manual Section, Budget Management Policy; First reading: April 22, 2021; Second reading: April 29, 2021; RM 18-12 Amendments to OHA’s Board of Trustees Executive Policy Manual related to budget preparation, budget format, and reporting; First reading: September 27, 2018; Second reading: October 11, 2018; ARM 10-06: Office of Hawaiian Affairs Board of Trustees Executive Policy Manual Amendments; First reading: August 19, 2010; Second reading: September 2, 2010; ARM 10-06: Amended; August 11, 2010; Amendments per RM 18-12; RM 21-05.

~~14 16~~ RM 18-12 Amendments to OHA’s Board of Trustees Executive Policy Manual related to budget preparation, budget format, and reporting; First reading: September 27, 2018; Second reading: October 11, 2018.

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8. “Objective” means a statement of the end result, product, or condition desired, for the accomplishment of which a course of action is to be taken.
9. “Operating Costs” means the recurring costs of operating, supporting, and maintaining programs.
10. **“Planning”** means the process by which objectives are formulated: measures by which effectiveness in attaining those objectives are identified; alternatives by which objectives may be determined are determined; the full costs, effectiveness, and benefit implications of each alternative are determined; the assumptions, risks, and uncertainties of the future are clarified; and cost and effectiveness and benefit tradeoffs of the alternatives are identified.
11. **“Program”** means a combination of resources and activities designated to achieve an objective or objectives.
12. **“Program Size Indicators”** means a measure to identify the magnitude of a program, such as the beneficiaries serviced by the program, the amount of a commodity, the volume of services, etc.
13. **“Program Structure”** means a display of programs which are grouped in accordance with the objectives to be achieved, or the functions to be performed.
14. **“Programming”** means the process by which long-range program and financial plans are scheduled for implementation over the timespan of ~~the~~ OHA’s Strategic Plan and which specifies what programs are to be implemented, how they are to be implemented, when they are to be implemented, and what the cost of such implementation are.



### *Budget Preparation* <sup>16</sup>

**3.4.b.** The proposed comprehensive Biennium Budget shall address, in sufficient detail, planning, programming, and financing to support OHA's Strategic Plan priorities and results, and to adequately meet the financial requirements of OHA's programs and operations. The preparation of the Biennium Budget shall be governed by the following general principles:

1. Planning, programming, budgeting, evaluation, appraisal, and reporting shall be by programs;
2. A program which serves two (2) or more objectives shall be placed in the program structure along with the objective which it primarily serves;
3. Both operating and capital investment costs shall be identified for all programs regardless of the means of financing;
4. The full cost of each program shall be identified;
5. Costs shall be displayed in the year of their anticipated expenditure;
6. Objectives shall be stated for each respective program;
7. The effectiveness of programs in attaining objective shall be assessed;
8. Planning shall have a long-range view that is consistent with the duration of the ~~s~~Strategic ~~p~~Plan; and
9. Systematic analysis in terms of problems, objectives, alternatives, costs, effectiveness, benefits, risks and uncertainties shall constitute the core of program planning.

<sup>16</sup> RM 18-12 Amendments to OHA's Board of Trustees Executive Policy Manual related to budget preparation, budget format, and reporting; First reading: September 27, 2018; Second reading: October 11, 2018.

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3.4.c. The following responsibilities are assigned to the preparation of the Biennium Budget:

1. In consultation with the BOT~~oard of Trustees~~, Administration shall evaluate, formulate and recommend for consideration by the Board of Trustees a proposed Biennium Budget and Multi-Year Financial Plan that is aligned with and is designed to implement the policies, programs and plans approved or directed by the Board of Trustees~~OT~~. The Board of Trustees reserves the authority to amend, reject, or substitute proposals, and the Administration shall support and implement the final decisions adopted by the Board of Trustees. The Chief Financial Officer is solely responsible for the certification of the budget and shall certify that “funds are available to effect the OHA biennium budget” at the request of either the BOT Chairperson, the Budget and Finance Chair, or the Administrator.
2. The Board of Trustees shall:
  - i. Consider, amend, or reject the proposed Biennium Budget and Multi-Year Financial Plan recommended by Administration, and may introduce and adopt its own budgetary or financial proposals as it deems necessary;
  - ii. Approve new programs within OHA’s program structure and appropriate funds to implement programs it determines are in the best interest of the organization, whether proposed by the Administration or initiated by the Board of Trustees ~~deems appropriate; and~~
  - iii. Direct the Administration to implement any Board of Trustees-approved budget, program, or policy decision in accordance with the Board of Trustees’ intent and established timelines; and
  - iv. Review the implementation of the Biennium Budget and evaluate the program management, execution and performance to ensure alignment with the Board of Trustees’ directives and organizational goals.

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**3.4.d.** The Biennium Budget shall be submitted to the Board of Trustees no later than ~~7~~thirty (30) calendar days before formal consideration and shall, in general, contain the following:

1. OHA's program structure;
2. Statement of objectives for each respective program;
3. The financial requirements for the next two (2) fiscal years to carry-out the recommended programs; and
4. Program size indicators and measurement of effectiveness for each respective program.

**3.4.e.** The information contained in the Biennium Budget shall be presented ~~specially~~specifically in the following manner:

1. Information shall be displayed by programs and cost categories and aggregated by Line of Business and means of financing;
2. Operating cost, capital investment costs and debt service shall be distinguished;
3. The full cost of each program shall be identified;
4. Each program budget shall, at minimum, identify the following information:
  - i. Proposed changes in the levels of expenditures, by cost categories, between the biennium in progress and the ensuing biennium, together with a brief explanation of the major reasons for each change;
  - ii. Salary adjustments to existing positions and personnel;
  - iii. The addition or deletion of positions;
  - iv. Measurements of the program size and program effectiveness;

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- v. Changes in the actual or planned level of program size and effectiveness;
- vi. An appendix table that list all vacant positions displayed by program; and
- vii. An appendix table that lists all current contracts displayed by contract number, description of services performed, amount, vendor and program.

3.4.f. It is the policy of OHA to develop a biennium budget in accordance with the OHA Native Hawaiian Trust Fund Spending Policy and State of Hawai'i laws, rules, and regulations. The budget shall include all sources of funding and all categories of expenditures for the biennium. The Administrator, Board of Trustees, or an appropriate designee shall prepare the OHA Biennium Budget for BOT consideration and approval. Only those portions of the budget that includes State of Hawai'i General Funds and the required Trust Fund match shall be submitted to the Legislature.<sup>17</sup>

### Biennium Budget Community Input<sup>18</sup>

3.4.g. 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, announcements in local media, and through the use of the Internet. A public input plan will be developed by the ~~CEO~~ Administrator, in consultation with the B&F Chair and the BOT Chair, prior to each Biennium Budget. The BOT shall take the public input gained from these various means into consideration in its budget preparations and deliberations.

### *Financial Planning*

3.4.fh. The Biennium Budget shall be submitted in conjunction with a Multi-Year Financial Plan. The Multi-Year Financial Plan, in general, shall show the fiscal implications of the proposed Biennium Budget for the remaining fiscal years of the ~~s~~Strategic ~~p~~Plan. The Multi-Year Financial Plan shall be continually updated and maintained by Administration. ~~Specially~~ Specifically, the Multi-Year Financial Plan shall contain, at minimum, the following:

<sup>17</sup> RM 21-05: Amendment to Executive Policy Manual Section, Budget Management Policy; First reading: April 22, 2021; Second reading: April 29, 2021; ARM 10-06: Office of Hawaiian Affairs Board of Trustees Executive Policy Manual Amendments; First reading: August 19, 2010; Second reading: September 2, 2010.

<sup>18</sup> RM 21-05: Amendment to Executive Policy Manual Section, Budget Management Policy; First reading: April 22, 2021; Second reading: April 29, 2021; ARM 10-06: Office of Hawaiian Affairs Board of Trustees Executive Policy Manual Amendments; First reading: August 19, 2010; Second reading: September 2, 2010.

1. OHA's program structure;
2. OHA's ~~s~~Strategic ~~p~~Plan ~~objectives~~ objectives;
3. A summary of outstanding debt on all financing agreements;
4. A summary of the actual and projected investment performance and valuations of OHA's financial and commercial real-estate assets;
5. Financial summaries displaying the financial conditions of OHA, each ~~Line-of Business division~~, and each respective program, actual for the completed fiscal years; and estimated for the fiscal year in progress and each of the ensuing fiscal years of the ~~s~~Strategic ~~p~~Plan;
6. Brief statements disclosing the basis upon which the revenue and expenditure estimates in the Multi-Year Financial Plan were made;
7. A brief narrative of the plans that describe the objectives and activities that are proposed to be implemented by each respective program over the course of the ~~s~~Strategic ~~p~~Plan; and
8. Measures by which the effectiveness in attaining the program objectives is to be assessed, including measures of the actual level of effectiveness attained in the last completed fiscal year, the estimated level of effectiveness attained in the fiscal year in progress, and the planned level of effectiveness planned for each of the ensuing fiscal years of the ~~s~~Strategic ~~p~~Plan.

### **3045 Budget Management Policy**~~<sup>15-19, 20</sup>~~

The budget management policy builds on Section 3040 Planning, Programming, Budget System (PPBS) which generally describes the biennium budget construction process, including sufficient detail planning, programming and financing to support OHA's Strategic Plan, tactical and implementation plan, priorities, results, programs and operations.

<sup>15-19</sup> **RM 21-05:** Amendment to Budget Management Policy; First reading: April 22, 2021; Second reading April 29, 2021.

<sup>20</sup> **RM 22-06:** Budget Management Policy Updates re: Carryover Provisions; First reading: April 14, 2022; Second reading: April 28, 2022.

Understanding OHA's business model, budget construction time horizon and activities, work plans, etc. are important to be able to budget effectively. In addition, the budget should be able to be shared in a multiple ways—core/non-core, programmatic, strategy, overhead, personnel, non-personnel; and to multiple audiences (e.g., Board, Administration, management, legislators, beneficiaries, regulatory agencies).

### *Budget Management*

**[3.4.5.a.]** Budget management and monitoring activities should consider a breadth of activities from observations, site operations and activities, payroll, purchase requisitions, purchase orders, disbursements and contracts. Each activity has related policies, processes and procedures. Observations, experiences, operations should be supplemented with periodic (e.g., weekly, monthly) reports and distributed to executives, directors and managers to monitor and manage---strategic and tactical activities, purchase requisitions (representing commitments), purchase orders and contracts (representing encumbrances), budget variance (representing actual disbursements + commitments + encumbrances compared to budgets for the program, object code, contract).

### *Budget Evaluation*

**[3.4.5.b.]** With the budget monitoring and management reports provided, budget evaluation activities are intended for budget management and evaluation activities to go hand in hand. Evaluation activities asks-questions such as: What is the dollar and percentage variance of each program? It is not enough to review the computed difference, but to also ask "Why?". Is it a temporary or permanent difference? Should there be an adjustment to the spending process to ~~to spend~~ or the actual spend itself?

*Biennium Budget Realignment and Adjustments*

[3.4.5.c.] As the Biennium Budget is prepared and authorized only once every two years, in accordance with the State's biennium, it may be necessary to update and make adjustments to the budget for various changes that may have occurred since the budget was ~~passed~~ approved. Significant changes to the budget are made through budget realignments. A budget realignment is essentially a reforecasting of the total budget. Budget realignments are prepared by the ~~CEO~~ Administrator through the CFO and presented to the BOT for approval.

[3.4.5.d.] Changes to the Biennium Budget that are not comprehensive enough to require realignment are to be handled through budget adjustments. ~~The Management~~ Administration is delegated the authority to approve minor budget adjustments (that is, those that entail less than \$1050,000.00 per paia or 5%, which are triggered by events or circumstances beyond the Administration's reasonable control (such as unanticipated increases in the cost of outside goods or services). Minor budget adjustments can be made without prior ~~BOT~~ Board of Trustees' approval when needed to more effectively implement BOT-prescribed policies and programs. The Administration is delegated the authority to recommend major budget adjustments (that is, those which are more than \$50,000 and less than \$250,000 and deemed by the CEO to be necessary or desirable to more effectively ~~implement the BOT-approved programs~~ implement the BOT-approved policies and programs. All major budget adjustments require prior approval of the Board of Trustees. No ~~B~~ budget adjustments increasing or reducing in and out of grant and sponsorships appropriations may be made without prior BOT approval of the Board of Trustees. ~~are prohibited~~

~~+~~ [3.4.5.d.1] A quarterly report of major and minor budget adjustments made pursuant to 3.4.5.d shall be regularly submitted to the BOT. Each report shall identify the expenditure category from which the funds were transferred, the total amount of funds transferred, the expenditure category that received the transferred funds, the total amount of budget adjustments made for each quarter and a justification that briefly explains the necessity of the adjustment and how the adjustment advanced the BOT-approved's policies and s.programs.

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[3.4.5.e.] An annual report of budget adjustments made pursuant to section 3.4.5.d. shall be submitted to the Board of Trustees no later than sixty (60) days after the closing of each fiscal year. The Budget Adjustment Report shall identify the program from which funds were transferred, the total amount of funds transferred, the program that received the transferred funds, the total adjustments made for the fiscal year, and a justification that briefly explains the necessity of the adjustments.

[3.4.5.f.] OHA shall establish a budgetary monitoring process which ensures intra-office and program fiscal accountability. No later than one hundred twenty (120) days after the closing of a fiscal year, the Administration shall submit to the Board of Trustees in an agenized meeting a Variance Report on program performance for the last completed fiscal year. In format, the Variance Report shall follow the same format as the Biennium Budget. The Variance Report shall include:

1. A comparison of ~~the~~ budgeted expenditures and actual expenditures for the last completed fiscal year;
2. A comparison of the program size anticipated, and the size realized in the last completed fiscal year;
3. A comparison of the level of effectiveness anticipated and the level attained in the last completed fiscal year; and
4. A narrative explanation summarizing the major reasons for the differences in the comparisons made for the last completed fiscal year.

### *Multi-Year, Carryover*

[3.4.5.g.] Multi-year budgets and/or carryover budget provisions (e.g., programs, projects), as a part of the budget evaluation activities described above, are to be presented to the Board for action including all projected impacts on related policies (e.g., spending, cash management) and other considerations (e.g., funding source). <sup>21</sup>

<sup>21</sup> RM 22-06: Budget Management Policy Updates re: Carryover Provisions; First reading: April 14, 2022; Second reading: April 28, 2022



## 3046 Fiscal Stabilization Policy <sup>16,17 22</sup>

### *Purpose and Intent*

[3.4.6.a.] - **Purpose and intent.** Historically, OHA has required funds to address unexpected shortfalls in available funding that had a significant effect on budget, as well as emergencies. OHA currently uses “OHA’s Native Hawaiian Trust Fund Spending Policy’s Fiscal Reserve Management Guidelines” (the Guidelines) to address funding needs, but the guidelines have been viewed as overly broad and unclear. This policy supersedes the guidelines and establishes a Fiscal Stabilization Fund (FSF) and the rules for its governance and maintenance, to enable OHA to have funds available for budget stabilization and emergencies, but under stricter fiscal limitations. Definitions, concepts, criteria and other elements found in the Guidelines have been mapped to the Fiscal Stabilization Policy (FSP) contained herein.

### *Definitions*

[3.4.6.b.] - In this policy, if not inconsistent with the context:

1. **“Action Item”** refers to a draft of proposed policy or description or other action by the Board. An ~~a~~Action ~~i~~Item must comply with the form and content requirements set by the Board or the OHA organization.
2. **“Annual Ceded Land or Public Land Trust Revenues”** refer to the past-due income and proceeds from the use of Native Hawaiian Crown and Government Lands of the Hawaiian Kingdom also known as the “ceded” lands including submerged lands of the Public Land Trust that were previously underreported or underpaid. These deposits, which may include real estate or cash, are invested, and the returns are used to benefit Native Hawaiian beneficiaries; and shall be the \$~~15.1~~21.5 million annual revenues received from the State of Hawai‘i as of fiscal year ~~2006-2007~~ 2022 – 2023, or including any future adjustments to annual ~~ceded lands~~ Public Land Trust ~~r~~evenues ~~in the future~~ by the State of Hawai‘i.

<sup>16</sup> ~~RM 22-06: Amendment to Budget Management; First reading: April 14, 2022; Second reading: April 28, 2022.~~

<sup>17 22</sup> ~~RM 19-16: Amendment to Fiscal Stabilization Policy within the Native Hawaiian Trust Fund Spending Policy; First reading: September 4, 2019; Second reading: September 19, 2019; RM 21-05: Amendment to Executive Policy Manual Section: Budget Management Policy; First reading: April 22, 2021; Second reading: April 29, 2021. RM 21-05: Amendment to Executive Policy Manual Section, Budget Management Policy; First reading: April 22, 2021; Second reading April 29, 2021; RM 19-16: Action Regarding a Fiscal Stabilization Policy including Withdrawal Guidelines and the related Elimination of the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy; First reading: September 4, 2019; Second reading: September 19, 2019~~

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3. **“Appropriation”** refers to funds allocated for the OHA organization, set aside by formal Board action for specific use or through normal and customary government funding mechanism. An appropriation allows money to be spent; and is not an expenditure record.
4. **“Authorized Fund Uses”** means the uses described in section [3.4.6.e.] of this policy.
5. **“Beneficiary”** means as defined in HRS section 10-2.
6. **“Board” or “BOT”** means the OHA Board of Trustees, as described in Article XII, section 5 of the State Constitution and HRS chapters 10 and 13D.
7. **“Budget cycle”** means the two-year, biennium term of budget activity.
8. **“Budget process”** includes the process of developing and approving an operating budget for the fiscal biennium, as described in the BOT Executive Policy Manual series [3040 Planning, Programming, Budgeting System (PPBS)].
9. **“Budget Stabilization”** refers to setting aside funds for times of unexpected revenue shortfall, budget deficit, or emergency.
10. ~~“Chief Executive Officer” or “CEO”~~ **Administrator** means the administrator of the Office Hawaiian Affairs of appointed by the Board pursuant to HRS section 10-10.
11. **“Chief Financial Officer” or “CFO”** means the person appointed by the ~~a~~**A**dministrator to be the chief financial officer of OHA or an individual that carries out the function.
12. **“Contingency”** refers to an event or condition (such as an emergency) that may but is not certain to occur.
13. **“Emergency”** refers to a serious, unexpected, and often dangerous condition requiring immediate attention. Emergencies include threats to public health, welfare, or safety from a major natural disaster, infrastructure emergencies involving OHA’s real properties or legal fees and costs incurred by OHA for pending claims or litigation.

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14. **“Fiscal Biennium Total Operating Budget”** means the formal document that reflects the authorized expenditures of OHA for the two (2) fiscal years that constitute the applicable fiscal biennium.
15. **“Fiscal Reserve Fund”** means the fund prior to the establishment of the “Fiscal Stabilization Fund” under the Guidelines.
16. **“Fiscal Stabilization Fund”** means the fund established by this policy.
17. **“General Fund Appropriations from the State”** refers to appropriations determined by the State of Hawai‘i Legislature during each biennium and are spent for a specific purpose.
18. **“Native Hawaiian Trust Fund”** is defined as all Public Land Trust revenue emanating from 5(f) funds that is subject to OHA’s Native Hawaiian Trust Fund investment policy.
19. **“NHTF Financial Assets Portfolio”** means the Native Hawaiian Trust Fund plus any other financial asset subject to OHA’s Native Hawaiian Trust Fund investment policy.
20. **“Non-recurring”** refers to costs, charges, or expenses that occur one-time only and are not likely to happen again.
21. **“Originator”** includes a person who first thinks of something and causes it to happen.
22. **“Policy”** means this Fiscal Stabilization Fund Policy.
23. **“Quarterly Withdrawal Limitation”** means the maximum quarterly withdrawals from the fund, as defined in section [3.4.6.f.1] of this policy.
24. **“Reserve”** means something stored or kept available for future use or need, money or its equivalent kept on hand or set apart usually to meet liabilities.
25. **“Shortfall”** refers to a deficit of something required or expected, such as revenues or budgeted funds.
26. **“Trustee”** means the members of the BOT, as described in Article XII, section 5 of the State Constitution and HRS chapters 10 and 13D.

27. “**Variance**” means the financial or quantitative difference between a budgeted amount and purpose for the actual amount and purpose.

28. “**Unexpected**” means not expected or unforeseen.

### *Establishment*

#### [3.4.6.c.]

1. The Fiscal Stabilization Fund (FSF) is established by an initial, one-time appropriation of \$1,500,000<sup>48 23</sup> into a separate fund account<sup>49 24</sup> outside the Native Hawaiian Trust Fund (NHTF) upon adoption of this policy. This appropriation shall be counted toward maximum withdrawal limitation in the BOT Spending Policy.
2. Deposits and withdrawals into the FSF shall follow the requirements of this policy. Upon adoption of this policy, “OHA’s Native Hawaiian Trust Fund Spending Policy’s Fiscal Reserve Management Guidelines” shall terminate.
3. At the discretion of the BOT, additional deposits of up to \$3,000,000 may be made in each subsequent fiscal year from funds that were budgeted from the NHTF Financial Assets Portfolio that were unspent at the end of previous fiscal years. The audited financial statements and audited processes (i.e., lapsing of prior encumbered purchase orders) for each respective fiscal year shall be used as the sole basis to determine the eligible deposits into the FSF. Annual deposits shall be counted toward the maximum withdrawal limitations in the BOT Spending Policy.
4. The monies in the FSF may be carried over from year to year, provided that the total amount in the FSF shall not exceed \$10,000,000. Funds above and beyond the \$10,000,000 cap shall be redeposited into the NHTF.

<sup>48 23</sup> The amount of the initial deposit will be dependent on the current size of the fiscal reserve fund.

<sup>49 24</sup> Such fund should be a part of the OHA’s overall Cash Management Policy.

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5. Withdrawals from the FSF shall not be included in the maximum withdrawal limitations in the BOT Spending Policy for the fiscal year in which the withdrawal is made.
6. Temporarily idle moneys in the FSF may be invested as directed by the BOT, and the interest earned may be either transferred permanently into the NHTF or may remain in the FSF, at the discretion of the BOT. If the interest remains in the FSF, it may serve to increase the fund balance, but in no event shall the balance of the FSF be allowed to exceed ~~the~~ \$10,000,000.

### *Reserves*

**[3.4.6.d.]** Once established, reserves for contingencies may be designated in the Fiscal Stabilization Fund to acknowledge and recognize the responsibilities of the OHA. Such reserves for contingencies may include but not be limited to estimates for legal or other settlements, repatriation, budget stabilization needs and emergencies such as natural disasters.

### *Authorized Fund Uses*

**[3.4.6.e.]** Funds from the Fiscal Stabilization Fund may be withdrawn and used as authorized by the BOT through an Action Item for the following purposes only:

1. **Budget stabilization.** The Fiscal Stabilization Fund may be used to address unexpected shortfalls in available funding that directly translate into a significant budget decrease. Shortfalls can be considered as any decrease in Annual Public Land Trust Revenues or General Fund Appropriations from the State, change in State assessments such as fringe rate, retirement or a significant financial market downturn.
2. **Emergencies.** The Fiscal Stabilization Fund may be used to address emergency expenditures directly incurred by the OHA or experienced by the OHA's beneficiaries. To qualify as an authorized fund use, the expenditures: ~~(4)~~
  - i. must directly result from an emergency;
  - ii. ~~(2)~~ must address events or situations that are non-recurring;
  - iii. ~~(3)~~ must not have been contemplated in the budget process; and
  - iv. ~~(4)~~ cannot wait to be included in the next budget cycle.

Emergencies include threats to public health, welfare, or safety from a major natural disaster, infrastructure emergencies involving OHA's real properties or legal fees and costs incurred by OHA for pending cases

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3. **Reserves.** The Fiscal Stabilization Fund may be used to activate previously designated reserves.
4. **Contingencies.** The Fiscal Stabilization Fund may be used to address contingencies either previously reserved or subsequently identified.

### *Maximum Withdrawals*

[3.4.6.f.] Limitations on the maximum FSF size and related withdrawals are identified below.

**Maximum withdrawals.** The maximum withdrawals from this fund are limited as follows:

1. The maximum withdrawals in any given fiscal year, for any combination of authorized uses in section [3.4.6.e], are limited to no more than \$3,000,000 annually, and no more than \$750,000 per quarter, regardless of the total balance of the fund. The funds that are withdrawn must be used during the current fiscal year, and do not carry over to subsequent fiscal years.

### Spending Guidelines

<b>Minimum Balance</b>	None
<b>Maximum Designations (Annual)</b>	\$3,000,000
<b>Maximum Designations (Quarterly)</b>	\$750,000

2. The fund balance cannot be negative after accounting for all authorized spending.
  - i. Funds are subject to quarterly withdrawal limitations;
  - ii. 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. For example, if a \$2,000,000 designation is made in budget year one, to be funded in budget year two, the \$2,000,000 will count

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towards the limit in budget year one, and only an additional \$1,000,000 can be designated in budget year one. In budget year two, the maximum designation of \$3,000,000 is still available.

### *Request Procedure*

**[3.4.6.g.]** Funding requests for the use of Fiscal Stabilization Fund must be submitted as an ~~a~~Action ~~i~~Item. To be considered, the ~~a~~Action ~~i~~Item must comply with Board requirements for ~~a~~Action ~~i~~Items, and include the following, at a minimum:

1. **Originator.** Identification of the originator of the initial request. If the originator is not a member of the BOT, the ~~a~~Action ~~i~~Item shall state that it is being made “By Request,” and include the identity of the originator, for example, “~~CEO~~Administrator” or “beneficiary.”
2. **Explanation.** Clear explanation of the reasons the request qualifies as an authorized fund use. The explanation must address all requirements of sections ~~IV and V~~[3.4.5.e and 3.4.6.f], including:
  - i. The reasons the request cannot be accommodated with other available means of financing, or why it cannot be budgeted in the next Fiscal Biennium Total Operating Budget.
  - ii. An explanation of the urgency of the request and its impact on OHA or its beneficiaries if the request is denied or the decision is delayed.
  - iii. Certification by the CFO that the funds are available for the request, and that maximum withdrawal restrictions will not be violated if the request is granted.
3. **Supporting documentation.** All supporting documentation that justifies the funding request.

### *Delegation Of Responsibility*

**[3.4.6.h.]**

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1. The ~~CEO~~ Administrator shall be responsible for the initiation of the Action Item(s) requesting funding.
2. The CFO shall be responsible for reviewing the Action Item(s), the release of funds and any documentation in relation to disbursements. All documentation must be stored in accordance with OHA's record retention policy.
3. Any Action Item that does not comply with the requirements of this policy shall not be considered by the Board. Any non-compliant ~~a~~Action ~~i~~Item approved by the Board shall be considered void.

### *Voting Requirements*

[3.4.6.i] The following defines the voting requirements for Board approval of funding requests.

1. The Board of Trustees with six (6) affirmative votes may authorize expenditures from the Fiscal Stabilization Fund, up to the maximum designation allowable under section [3.4.6.f.] Maximum Withdrawals.
2. The Board of Trustees with eight (8) affirmative votes may approve in excess of the \$3,000,000 withdrawal limit, provided that the amount withdrawn shall not result in the Fiscal Stabilization Fund balance falling below zero.

### *Review*

[3.4.6.j] This Policy will be reviewed as recommended by the Chair of the Budget and Finance Committee, but no less than every two (2) years. Any modification to this Policy shall require six (6) votes and two (2) readings at the Board of Trustees level with external review, consultation and advice being completed prior to any modifications.

## **3050 Fiscal**

### *Annual Financial Audit*

**3.5.a.** Pursuant to the Single Audit Act of 1984 (Public Law No. 98-502), as amended by the Amendments of 1996 (Public Law 104-156), and the U.S. Office of Management and Budget Circular A-133, as amended, OHA is required to undergo a comprehensive audit by independent certified public accountants. This requirement includes an audit of the financial



statements, testing and certification of the internal control structure and the performance of compliance reviews with applicable laws, rules and regulations. The audit shall be conducted in accordance with generally accepted auditing standards ~~generally accepted~~ in the United States of America as established by the American Institute of Certified Public Accountants, and the standards applicable to financial audits contained in Government Accounting Standards issued by the Comptroller General of the United States. The financial statements are to be presented in conformity with generally accepted accounting principles ~~generally accepted~~ in the United States of America.

[3.5.b. - 3.5.f. Reserved] <sup>20 25</sup>

### *BOT Initiative Funding Request*

**3.5.g.** BOT initiatives are defined as grants and other appropriate expenses initiated outside of the established grants program. The purpose of the policy is to ensure that all BOT expenditures presented to the BOT for consideration, regardless of category, are subject to an Administrative review including alignment with OHA's mission and Strategic Plan and the expenditure does not offend any existing policies. All other expenditures requiring BOT Action Items, except for BOT Initiatives, are currently subject to an existing policy or Administrative procedure and may also be subject to other stand-alone policies.

[3.5.h. Reserved]

### *Claimants to Kuleana/Escheat Land Claims*

**3.5.i.** Funds received by OHA based on claims to lands that are resolved with or without litigation, including but not limited to kuleana escheat cases to quiet title, condemnation and other lawsuits or claims, shall be the sole property of OHA, and shall not be available for disbursement to individuals who may later come forward to assert a claim to all or part of those funds.

<sup>20 25</sup> **RM 21-05:** Amendment to Executive Policy Manual Section, Budget Management Policy; First reading: April 22, 2021; Second reading April 29, 2021. **RM 18-12:** Amendments related to OHA's Board of Trustees Executive Policy Manual related budget preparation, format, and reporting requirements; First reading: September 27, 2018; Second reading: October 11, 2018. **RM 18-01:** ~~Amended 3.5.f. and added 3.5.f.1. to report on budget adjustments made pursuant to 3.5.f.~~ Amendments to Office of Hawaiian Affairs Board of Trustees Executive Policy Manual section 3050 Fiscal – Biennium Budget Realignment and Adjustments Paragraph 3.5.f; First reading: January 11, 2018; Second reading: February 7, 2018.

*Grants and Donations*

**3.5.j.** OHA shall apply for, receive, and disburse grants and donations, including grants for pilot and demonstrations projects, from all sources in order to maximize benefit to its constituency.

*Income from Land and Property*

**3.5.k.** Income from land and property as described in Chapter 10, Hawai'i Revised Statutes, as amended, shall be returned to OHA and shall be deposited with OHA and kept separate from monies in the state treasury.

*Procurement Process for Goods and Services* <sup>24</sup> ~~26~~

**3.5.l.** The ~~CEO Administrator~~ shall develop, in accordance with Appendix 2: Operational Delegation of Authority in this Executive Policy Manual, internal guidelines and procedures for the timely procurement of goods, services, and construction necessary for OHA operations at the best value that comports with the spirit and intent of the public procurement code consistent with the goals of public accountability and public procurement practices to encourage a fair and competitive environment.

*Travel and Related Expenditures*

**3.5.m.** It is the policy of OHA that all travel must pertain to official OHA business and be approved in advance, regardless if paid for by OHA or a sponsoring organization. The BOT Chair is the approving authority for (1) in-state and out-of-state travel for non-OHA staff using OHA funds and (2) out-of-state travel for Trustees, Trustee staff, and Administrative staff, and the CEO Administrator and may approve (or disapprove) out-of-state travel. ~~Approval for all other travel is delegated to the CEO Administrator.~~ The ~~CEO Administrator~~ shall develop, in accordance with Appendix 2: Operational Delegation of Authority in this Executive Policy Manual, internal procedures to provide detailed guidelines governing travel and related expenditures to include required approvals, allowable costs, recordkeeping and reporting requirements.

*Trustee Protocol Allowance*<sup>22 27</sup>

**3.5.n.** Each Trustee is allowed a Trustee Protocol Allowance (TPA) to be used to cover expenses that are reasonably related to a Trustee’s official duties and responsibilities (i.e., the normal and ordinary types of expenditures that a Trustee is reasonably expected to incur in performing his or her representational and fiduciary duties), that are consistent with OHA’s mission to better the conditions of Native Hawaiians, and that comply with applicable laws and OHA policies. Use of the TPA for personal purposes or purposes that are not reasonably related to a Trustee’s official duties and responsibilities is prohibited, and such personal use may violate the Fair Treatment law under the state Ethics Code, Section 84-13, Hawai‘i Revised Statutes (HRS) and may result in the personal use portion of the allowance being converted to additional taxable income that must be reported to the Internal Revenue Service.

The purpose of the TPA is to develop and maintain an ongoing communication network with beneficiaries and the general public, to promote a broader understanding of Native Hawaiian issues within the Native Hawaiian community and among the general public, and to encourage participation in the resolution of those issues; provided that such communications comply with applicable laws and OHA policies, such as the Board of Trustees’ Code of Conduct and restrictions related to campaign activities.

1. Each Trustee is allowed an annual allowance, referred to as the “Trustee Protocol Allowance” or “TPA” and as provided by HRS **section** 10-9(4), in an amount determined by the Board of Trustees, to be used to cover expenses incurred in the course of a Trustee’s official duties and responsibilities. Allowable uses of TPA funds are:

i. Communication expenses dedicated solely to OHA business:

1. Service plans for home office internet, home office phone and fax, and cellular phone, and

<sup>22 27</sup> **RM 19-03:** Policy Amendments Relating to a Trustee Protocol Allowance (TPA); First reading: April 10, 2019; Second reading: May 2, 2019.

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### **2. Web-based communication services;**

- ii. Copying and postage costs;
- ii. Office supplies;
- iii. Books and reference materials;
- iv. Renting of meeting facilities, if OHA facilities are not available within a reasonable vicinity of the activity or event location, and related expenses, such as security services, cleaning or maintenance charges, and rental of equipment. Meetings must be organized and attended by a Trustee or Trustee's staff to communicate with or educate beneficiaries or the general public on matters relating to Native Hawaiians or the OHA Board of Trustees;
- v. Reasonable expenses for food and beverages. Provided that if the food or beverage expenses have been reimbursed by another source, such as per diem, then reimbursement for that portion from TPA is prohibited:
  - 1. Purchased for a meeting or function, which includes one or more person(s) who are not a Trustee or an employee of OHA, the purpose of which is to communicate with or educate beneficiaries or the general public on matters relating to Native Hawaiians or the OHA Board of Trustees; or
  - 2. Purchased for Trustees and staff who are required to be present at a Board or Committee meeting that extends through the lunch or evening hours. Expenses for food and beverages consumed by a Trustee or staff as part of their daily work during the scope of their normal work day shall not be reimbursed;
- vi. Reasonable expenses for lei and gifts, which are customarily exchanged with fellow officials, honorees, special guests, and dignitaries at an event; and

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- vii. Reasonable expenses related to a Trustee's official travel, registration fees, and associated costs to attend conferences, seminars, or meetings, which shall comply with existing OHA travel guidelines and approvals; provided that if the travel cost or associated expenses have been reimbursed by another source (example: per diem), then reimbursement for the position from the TPA is prohibited.
2. Certain expenditures may be found to be inappropriate uses of the TPA because: the expenditure appears to be more personal in nature or otherwise does not appear to be reasonably related to a Trustee's official duties and responsibilities; the expenditure contravenes OHA policies or the law. The following expenditures are specifically disallowed by this policy:
- i. Food or beverages for Trustees and staff only, except when reasonably related to a Trustee's or staff member's official duties, e.g., purchase of meals for Trustees and staff who are required to be present at a Board or Committee meeting that extends through the lunch or evening hours. Food or beverages purchased to thank or appreciate staff or for social occasions or events, such as birthday celebrations, farewell parties, or retirement parties, are personal expenses and are not reasonably related to a Trustee's official duties;
  - ii. Alcoholic beverages;
  - iii. Political or charitable contributions;
  - iv. Expenses related to campaign activities;
  - v. Expenses which are personal in nature, such as dry-cleaning expenses, transportation costs to and from work (including mileage), legal fees and costs, monthly parking costs for employee or Trustee parking, and airline club membership and lounge access;
  - vi. Gifts: purchase of retirement gifts; thank you or appreciation gifts; bereavement, funeral, or sympathy gifts or flowers; welcome gifts; farewell

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gifts, anniversary gifts; birthday gifts; and any other gifts for Trustees, staff, and others, except for gifts purchases in compliance with subsection [3.5.n.1.vi.], above;

- . Tickets for recreational or entertainment events and fundraisers;
- i. Membership fees and dues for business, community or social organizations;
- ii. Financial support, grants, loans, or sponsorships, whether direct or indirect, to individuals, groups, or organizations;
- iii. Any expenses reimbursed from another source that would otherwise duplicate payment or reimbursement;
- iv. Any services provided and goods received for the personal benefit of the Trustee or his or her immediate family members, other Trustees or their immediate family members, and OHA employees;
- v. Computer hardware and software;
- vi. General office and communication equipment; and
- vii. General office furniture.

3. The annual TPA for each Trustee shall be \$7,200.00, or other amount approved by the Board, per fiscal year cycle (July 1 through June 30). The TPA shall be retained by OHA. Unspent amounts in the TPA fund will lapse at the end of the fiscal year and will not carry over. Each TPA will start on July 1.

4. To utilize the TPA retained by OHA, Trustees must submit a request for reimbursement or a request for an advance; provided that such advance will be payable directly to a merchant or vendor only. Trustees must show that the primary purpose of the expenditure is in support of or a result of an official Trustee duty consistent with the allowable expenses listed above. The Trustee shall be required to fill out a certification form in which the Trustee certifies that the claimed reimbursement or advance is true and correct and that it complies with applicable laws and OHA policies.

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5. In processing a request for reimbursement or advance, OHA Administration may request additional information necessary to determine compliance of a claimed expenditure with applicable laws and OHA policies. The approval by OHA Administration of a request for reimbursement or advance shall not be construed to mean that an expenditure complies with the state ethics code; the final authority on the ethics code is the Hawai'i State Ethics Commission. It is the responsibility of the individual Trustee to ensure compliance with the state ethics code and Trustees are encouraged to consult with the State Ethics Commission on questions related to compliance with the state ethics code.

6. Items purchased with TPA funds are the property of OHA. Non-perishable and Non-consumable items purchased with the TPA, except for gifts purchased in compliance with subsection [3.5.n.1.vi.], above, shall be surrendered to the OHA Administration upon the Trustee's separation from OHA.

7. A TPA expense must be deducted from the same fiscal year's allocation in which the expense was incurred. A prior years' expense cannot be paid from the current or a future fiscal year's TPA allocation. Each Trustee is responsible for paying any TPA expenses incurred that are in excess of a given fiscal year's TPA allocated amount.

8. The use of the TPA to purchase goods or services in the amount of \$2,500 or more shall be from businesses that provide proof of compliance with state and federal taxes and the Department of Labor and Industrial Relations (DLIR), and are also in good standing with the Department of Commerce and Consumer Affairs (DCCA). Further, the purchase of good and services in the amount of \$5,000 or more shall be in accordance with all applicable laws and administrative rules governing procurement.

3. In cases where an expenditure is determined to be impermissible by OHA Administration, the Trustee or the CEO Administrator may consult with the Hawai'i State Ethics Commission, as necessary. The Trustee may appeal the determination made by OHA Administration, in writing, to the Chairperson of the BOT. The Chairperson shall render a written decision on the appeal within seven (7) business days, which shall be final.

4. This policy is subject to the Board of Trustees' Code of Conduct and sanctions contained therein.

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9. OHA Administration shall compile and transmit to the OHA BOT a quarterly report of expenditures made by each Trustee from his or her TPA. The quarterly report of expenditures shall also be posted to OHA's public website in a timely manner thereafter.

10. It is not intended that the TPA supersede, replace, diminish, or reduce the statutory compensation allowed to Trustees as provided for in Chapter 10, Hawai'i Revised Statutes, as amended.

11. The ~~CEO~~ Administrator shall be guided by this policy to develop internal guidelines and procedures for the use and administration of the TPA, including reporting requirements, required documentation, and auditable record keeping.

12. The Fund created by this policy will be called the OHA Board of Trustees' Protocol Allowance Fund and the quarterly report expenditures will be called the Trustee Quarterly Protocol Allowance Expenditure Report.

### *Trustee Reimbursements*

**3.5.o.** Trustees will be reimbursed, to the extent permitted by State law and BOT policy, for all allowable expenses incurred that are reasonable, necessary, and directly related to their official duties and responsibilities as Trustees of OHA. Trustee reimbursement requests will be processed upon submission of receipts (or a full and complete accounting) which support the claim.

[3.5.p. Reserved]

### *Volunteer Expenses*

**3.5.q.** OHA volunteers are eligible for monetary benefits as follows:

1. Mileage reimbursement incurred in the performance of the work;
2. Metered parking;
3. Bus fare; and
4. Lunch if they work for at least four hours.



## **3060 Spending**

### *OHA Spending Policy* <sup>23 28</sup>

**3.6.a.** OHA shall have a distinct BOT-approved “Spending Policy” with its own review and maintenance schedule. The purpose of the OHA Spending Policy in conjunction with the Investment Policy is to preserve and to grow the real value of OHA trust funds and assets over time, while maintaining a strong and stable level of support to its beneficiaries.

## **3070 Investment**

### *OHA Investment Policy* <sup>24 29</sup>

**3.7.a.** OHA shall have a distinct BOT-approved “Investment Policy” with its own review and maintenance schedule. The purpose of the OHA Investment Policy is twofold:

- ~~i. 1)~~ to ensure OHA and its investment managers have a clear and mutual understanding of the objectives and policies of the Native Hawaiian Trust Fund; and
- ~~ii. 2)~~ the BOT have stated standards and guidelines to evaluate the performance of the investment managers in order to meet their fiduciary responsibility to monitor the investment and performance of the Funds.

<sup>23 28</sup> **ARM 04-08:** Adopted by the Board of Trustees: September 15, 2004;  
**ARM 06-04o:** Amended and adopted by the Board of Trustees: July 6, 2006;  
**ARM 09-03:** Amended and adopted by the Board of Trustees: May 21, 2009;  
**ARM 12-03:** Reviewed with no modifications by the Board of Trustees: April 18, 2012;  
**ARM 14-02:** Amended and adopted by the Board of Trustees: February 27, 2014;  
**ARM 14-02:** Amendments to the Native Hawaiian Trust Fund Spending Policy and its Related Fiscal Reserve Withdrawal Guidelines; First reading: February 20, 2014; Second reading: February 27, 2014;  
**RM 19-16:** Amended and adopted; First reading: September 4, 2019; Second reading: September 19, 2019.

<sup>24 29</sup> **Source:** (OHA. Action Item. Budget and Finance (BF) 01-08-31) August 31, 2001;  
 Native Hawaiian Trust Fund Investment Policy Revisions.  
**ARM 03-05:** Adopted May 29, 2003;  
**ARM 08-04:** Amended October 24, 2008;  
**ARM 09-07:** Amended August 3, 2009;  
**ARM 10-02:** Amended April 15, 2010;  
**ARM 12-08:** Amended September 27, 2012;  
**ARM 14-03:** Investment Policy Statement Revision: Approved June 19, 2014. **ARM 14-03** Amendments to the Investment Policy Statement: First reading: June 4, 2014; Second reading: June 19, 2014.  
**RM 17-08:** Amended August 24, 2017.  
**RM 19-13:** Amended September 4, 2019-September 19, 2019.  
**RM 21-10:** First reading: August 5, 2021; Second reading: August 12, 2021.

## 3080 Risk Management

### *Risk Management Policy* <sup>25 30</sup>

**3.8.a.** OHA shall have a distinct BOT-approved “Risk Management Policy” with its own review and maintenance schedule. The purpose of the OHA Risk Management Policy is to assist in decision making processes that will minimize potential losses, satisfy the ~~Hawaii~~ Uniform Prudent Investors Act (Chapter 554~~C~~D, HRS), improve the management of existing uncertainty and the approach and priorities to new opportunities, thereby helping to maximize OHA’s available resources.

## 3090 Land Acquisition and Management

### *Land Acquisition and Management Policy* <sup>26 31</sup>

**3.9.a.** OHA shall have a distinct BOT-approved “Land Acquisition and Management Policy” with its own review and maintenance schedule. The purpose of the ~~Land Acquisition and Management Policy~~ ~~Hawai‘i Real Estate Strategic Plan~~ is to provide guidelines for OHA’s acquisition and management of land and to ensure the alignment of land acquisition and management with the State Constitution, statutes, and the policies establishing and guiding OHA, as well as the OHA Strategic Plan.

### *Trespassing and Illegal Camping on OHA Property* <sup>27 32</sup>

#### [3.9.b.]

1. **Purpose.** OHA, as the manager of over 26,000 acres of land in Hawai‘i, must maintain its real property in a clean, sanitary, and accessible condition to adequately protect the health, safety, and general welfare of our employees, tenants, and communities, and to ensure our lands remain readily accessible and usable for their intended trust purposes and the purpose for which the land was acquired by OHA.

<sup>25 30</sup> A Risk Management Policy has not been adopted by the OHA BOT as of the date of this Manual’s publication.

<sup>26 31</sup> **ARM-BAE 06-17:** Land and Acquisition Management Policy (First Reading: December 12, 2006; Second reading: Deferred). A Land and Acquisition Management Policy has not been adopted by the OHA BOT as of the date of this Manual’s publication.

<sup>27 32</sup> **RM 16-02:** First reading: April 27, 2016; Second reading: May 26, 2016.

## SERIES 3000 ADMINISTRATION

Additionally, much of OHA's land includes precious cultural resources that we seek to safeguard for perpetual use by our beneficiaries.

As a Hawaiian institution that seeks to reflect the values of Hawai'i's indigenous people, we prioritize the safety and well-being of all those who access, or seek to access, our lands. Trespassing and illegal camping on OHA properties, whether commercial, agricultural, residential, or conservation, creates safety and liability concerns and inhibits accessibility to those lands for their intended trust purposes.

Furthermore, many individuals who trespass and/or illegally camp on OHA properties are members of Hawai'i's houseless community, a substantial percentage of which are Native Hawaiians and OHA beneficiaries. As such, it is important for OHA to strike a balance between the protection of OHA's lands and the compassionate treatment of those houseless individuals residing thereon.

For this reason, OHA hereby sets forth the following policy regarding the treatment of trespassers, illegal campers, and their personal property on OHA Property.

### 2. Definitions.

**"Abandoned Property"** means personal property of any kind or nature, including, but not limited to, items, goods, materials, merchandise, furniture, equipment, fixtures, structures, clothing, household items, pets or other animals, and vehicles, that have been placed in, at, or on any OHA Property and left *unattended* for a continuous period of more than twenty-four (24) hours without the authorization of OHA or its authorized representative.

**"Hazardous Material"** means any weapons, used or unwrapped needles, flammable materials, propane, lighter fluid, paint, solvents, combustibles, drug paraphernalia or other materials which would likely pose a hazard if stored, handled or ingested.

**"OHA Property"** means all real property owned and/or managed by the Office of Hawaiian Affairs.

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**“Rubbish”** means anything that is obviously trash, including wet papers, vermin infested items, cardboard, plastic bottles, bags, food containers, food wrappers or broken or unusable items. An item that is merely soiled or wet because it has been outside or has been used for camping purposes is not Rubbish.

**“Stored Property”** means personal property of any kind or nature, including, but not limited to, items, goods, materials, merchandise, furniture, equipment, fixtures, structures, clothing, household items, bicycles, pets or other animals, and vehicles, that have been placed in, at, or on any OHA Property for a continuous period of more than twenty-four (24) hours, *whether attended or unattended*, without the authorization of OHA.

3. **Overview.** This policy should be followed by OHA staff and authorized agents to the extent capacity allows. This policy provides:

- i. An enumeration of certain prohibited activities on OHA Property;
- ii. Policy statements on the enforcement of such prohibitions; and
- iii. A requirement that Ka Paia Kanaloa ‘Āina creates Standard Operating Procedures to implement such policies.

### 4. Prohibited Activities

- i. **Abandoned Property.** Abandoned property is prohibited on OHA Property and may be removed at OHA’s discretion.
- ii. **Stored Property.** Stored property is prohibited on OHA Property and may be removed at OHA’s discretion.
- iii. **Trespassing.** Trespassing, as described by applicable laws (including but not limited to, Hawai‘i Revised Statutes (HRS) Chapter 708, Part II), is prohibited on OHA Property.

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- iv. **Hazardous Materials.** Hazardous Materials are prohibited on OHA Property and may be immediately removed and disposed of at OHA's discretion.
- v. **Rubbish.** Rubbish is prohibited on OHA Property, unless placed in designated waste disposal areas, and may be immediately removed and disposed of at OHA's discretion.

### **5. Law Enforcement**

- i. OHA shall provide a Right of Entry to all OHA Property to all law enforcement agencies for the purpose of enforcing the laws of the State of Hawai'i.
- ii. OHA may authorize neighboring landowners and land-mangers to call law enforcement on OHA's behalf as is necessary.
- iii. OHA employees and other designated agents shall not attempt to remove any unwilling or hostile individual and/or their personal property from OHA Property. Rather law enforcement shall be called to enforce the State of Hawai'i trespass statutes.

6. **Notice.** Notice shall be given when feasible to make a reasonable person aware that OHA intends to remove individuals and Abandoned and Stored Property from OHA's Property. Notice shall also be given when feasible and applicable with respect to retrieval of such property removed from OHA's Property.

7. **Clean-Ups of OHA Property.** All clean-up efforts on OHA Property should be planned as far in advance as is feasible to ensure collaboration between stakeholders, services of appropriate notice, and availability of service providers and other related vendors.

### **8. Disposition of Property**

- i. OHA reserves the right to dispose of all unclaimed property in accordance with applicable laws.

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- ii. OHA shall act to ensure the humane care of any pets and stray domesticated animals found on OHA Property.
9. **Children.** In the event that OHA employees or designated agents witness any indications of child abuse, all such indications shall be reported to Child Welfare Services and/or law enforcement.
10. **Prevention.** OHA shall work towards proactive land management to deter illegal encampments and the abandonment or storage of personal property on OHA Property.
11. **Standard Operating Procedures.** Ka Paia Kanaloa 'Āina shall create standard operating procedures to be approved by administration to enable the implementation of the terms of this policy.

### 3100 Personnel

#### *Accommodations for Persons with Disabilities*

**3.10.a.** The BOT directs the ~~CEO~~ Administrator to adhere to all applicable federal and state laws, regulations and guidelines with respect to providing reasonable accommodations as necessary to afford equal employment opportunities for qualified persons with disabilities. The BOT further directs the ~~CEO~~ Administrator to take the necessary actions to comply with the requirements of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act, provided that the accommodation does not impose an undue hardship on the agency. The procedures for requesting accommodation will be maintained in the office of the OHA ADA Coordinator. The ~~CEO~~ Administrator will also maintain a mechanism for promulgating and for reviewing procedures for addressing requests for reasonable accommodations and/or complaints raised by or on behalf of qualified individuals with disabilities.

"Accommodations" means modifications or adjustments that enable a qualified individual with a disability to perform specific tasks.

"Disability" means a physical impairment that substantially limits one or more of the major life activities of the individual.

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**3.10.b.** OHA shall provide “reasonable accommodations” to employees with disabilities who, due to their disabilities, face obstacles in performing essential job functions. Accommodations attempt to reconcile the functional limitations of a person with a disability with job duties and the employment environment. Functional limitations will differ even among those people with the same type of disability, thus, accommodations shall be assessed on an individual basis.

[3.10.c. Reserved]

### *~~Chief Executive Officer~~ Administrator Duties and Responsibilities*

**3.10.d.** The ~~Chief Executive Officer~~ Administrator of OHA shall be the principal executive of the Agency and shall be responsible for the management of the Agency. The ~~CEO~~ Administrator is the conduit between the BOT and the administration staff and shall operate and conduct the business and affairs of the agency according to the policies adopted by the BOT and all applicable laws, ordinances, codes and regulations of the federal, state and local governments.

**3.10.e.** The ~~CEO~~ Administrator shall have general supervision and direction of all other employees of OHA and shall be responsible for the proper performance of their respective duties, with the exception of employees whose duties shall require supervision and direction by the BOT. The ~~CEO~~ Administrator shall perform such other duties as may be required by law or such as may properly pertain to such office.

### *~~Chief Executive Officer~~ Administrator Performance Report*

**3.10.f.** The ~~CEO~~ Administrator shall submit a report to the BOT, pursuant to the provisions of the employment contract, addressing the administration of the office and the discharge of the duties and responsibilities as elaborated in the ~~CEO~~ Administrator’s employment contract.

### *~~Chief Executive Officer~~ Administrator Recruitment and Selection*

**3.10.g.** The BOT appoints the ~~CEO~~ Administrator following a search process for identifying and hiring a ~~CEO~~ Administrator. At its first regularly scheduled meeting or special meeting after it learns that the ~~CEO~~ Administrator position is vacant or will soon be vacant, the BOT

will establish the time period, budget, and arrangements for the hiring process of a new ~~CEO~~ Administrator. While the hiring process may involve the use of non-board members or search firms, such arrangements will ~~as~~ensure the participation of some Trustees in all aspects of the recruitment and interview process. The full BOT shall participate in the final selection of the ~~CEO~~ Administrator from a group of candidates determined to be qualified for the position through an open and fair hiring process. The BOT will immediately commence employment contract negotiation upon selection of the best qualified candidate.

*~~Chief Executive Officer~~ Administrator Salary*

**3.10.h.** The salary of the ~~CEO~~ Administrator shall be established by the BOT in accordance with all applicable laws.

*Basis of Employment*

**3.10.i.** As set out in Chapter 10 of the Hawai'i Revised Statutes, as amended, all OHA employees shall serve at the pleasure of the ~~CEO~~ Administrator, whereby employment can be terminated at the will of the ~~CEO~~ Administrator without notice or cause. The hiring and firing authority resides with the ~~CEO~~ Administrator in accordance with Chapter 10 Hawai'i Revised Statutes, as amended. Other OHA personnel policies and procedures shall not afford an employee any additional rights outside of this employment basis.

*BOT Staffing* <sup>28 33</sup>

**3.10.j.** Trustees shall be involved in the selection of allocated staff, utilizing procedures developed by the Chairperson of the Board of Trustees and the ~~CEO~~ Administrator. Positions shall be filled through a fair recruitment process that results in the most qualified candidate selected for the position. Trustees will notify OHA Human Resources (HR) ~~Manager~~ Director of a need to fill an aide or secretary position and indicate to the HR ~~Manager~~ Director which configuration is desired for his or her office. The HR ~~Manager~~ Director will provide positions for Trustees use as a guide and reference. Administration will provide support as requested.

<sup>28 33</sup> **ARM-BAE 13-01:** Amendment to OHA's Board of Trustees' Executive Policy Manual relating to options for staffing of each Board of Trustee office (Joint Committee 2013), pursuant to HRS§ 92-5(a)(4); First reading: March 7, 2013; Second reading: March 21, 2013.



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**3.10.k.** OHA Bylaws, Article XIV (Board of Trustees Staff) provide options for staffing of Trustee offices. The conventional configuration is one (1) aide and one (1) secretary per Trustee office. The Bylaw allows each office to be staffed with up to two (2) full time employees. A Chief of Staff shall be appointed by the Chair of the Board. The Chair shall have the option to replace one (1) Trustee Aide or (1) Trustee Secretary position with a Deputy Chief of Staff. The Bylaws allows each Trustee office to be staffed with up to two (2) full-time employees, except for the Chair.

**3.10.l.** The staffing configurations permitted in a Trustee office for a Trustee who is not the Chair are: ~~(a)~~

1. one (1) aide and one (1) secretary,
2. ~~(b)~~ two (2) aides,
3. ~~(c)~~ two (2) secretaries,
4. ~~(d)~~ one (1) aide, or
5. ~~(e)~~ one (1) secretary.

### *Drug-Free Workplace*

**3.10.m.** The purpose of the OHA Drug and Alcohol Policy is to establish and maintain a safe, healthy workplace environment; to ensure a credible and professional reputation; to reduce accidents, absenteeism and tardiness; to improve productivity and to provide rehabilitation assistance for any employee who seeks such help. In compliance with the Drug-Free Workplace Act of 1988, all OHA Employees are responsible for refraining from engaging in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance on OHA premise or on OHA time. The ~~CEO~~ Administrator, through the HR Department, will make information available on the OHA Drug-Free Workplace policy and the Drug-Free Workplace Act to all new and existing policies.

### *Employee Benefits*

**3.10.n.** OHA offers its employees a range of benefits as provided by Chapter 10, Hawai'i Revised Statutes, as amended. Benefits may vary depending on the type of employment appointment and are subject to change. The ~~CEO~~ Administrator, through Human Resources will advise all new employees of available benefits and options and will advise existing employees of any changes or adjustments.

### *Employment of Relatives*

**3.10.o.** The employment of relatives and household members is allowable but shall not inhibit or adversely affect the fair and equitable treatment of other employees; provided that the employment otherwise complies with section 84-13.2, HRS, as amended. Disclosure of the employment of relatives shall be made to Human Resources at the time of application. Relatives include ~~parents and children, husband, wife, brother, sister, son-in-law, daughter-in-law, step-relatives in the same relationship, and domestic partners.~~ a parent, grandparent, stepparent, child, grandchild, stepchild, foster child, adopted child, sibling, half-sibling, stepsibling, parent's sibling, first cousin, sibling's child, spouse, parent-in-law, child-in-law, sibling-in-law, or any individual who has become a member of the employee's immediate family through the Hawaiian hānai custom. These categories of relatives apply to both current and former relatives, regardless of marital status. An employee shall not be directly supervised by another relative, except in the case of Trustee support staff, subject to Chapter 84, Hawai'i Revised Statutes, as amended, nor participate in any deliberations and actions affecting economic benefits of relatives (i.e. may not sign Time Reports, Personnel Action Forms, Performance Evaluations, etc.). Under no circumstances shall an employee be directly supervised by a relative, past or present. Supervisors shall not participate in any deliberations or actions affecting the economic benefits of their relatives, including but not limited to the signing of Time Reports, Personnel Action Forms, Performance Evaluations, Vacation Requests, or Leave Requests. All OHA employees shall comply with Chapter 84, Hawai'i Revised Statutes (Standards of Conduct), at all times. Failure to comply may result in disciplinary action.

### *Equal Employment Opportunity*

**3.10.p.** The BOT is committed to providing equal opportunity and a work environment for employees that are free from any discrimination based on race, color, religion, sex, national origin, sexual orientation, ancestry, age, marital status, physical or mental disability, unfavorable discharge from military, or status as a disabled veteran or veteran of the Vietnam Era.

### *Holidays*

**3.10.q.** It is the policy of OHA to provide paid holidays to eligible employees. OHA observes all holidays observed by the State of Hawai'i.

### *Hours of Work*

**3.10.r.** Hours of work are established in compliance with Chapter 78, Hawai'i Revised Statutes, as amended. OHA shall be open for the transaction of public business as determined by the ~~CEO~~ Administrator. OHA need not be open for the transaction of public business on official state holidays.

### *Leaves of Absence*

**3.10.s.** Employees shall be eligible for vacation leave, sick leave, and other leaves of absence, with or without pay, as established by the CEO and in compliance with Chapter 78, Hawai'i Revised Statutes, as amended. OHA complies with the requirements of Chapter 398, Hawai'i Revised Statutes, as amended, and the Federal Family and Medical Leave Act of 1993.

### *Staff Ethics*

**3.10.t.** All employees should strive to maintain standards of ethical behavior which will not detract from the mission and goals of OHA. Ethical behavior of OHA employees shall be in compliance with Chapter 84, Hawai'i Revised Statutes, as amended.

### *Salary Scale*

**3.10.u.** The ~~CEO~~ Administrator will establish a salary scale, based on competitive market salaries, that will ensure OHA is able to attract and retain the best qualified staff to accomplish its mission and goals in an efficient and effective manner.

### *Sexual and Other Forms of Harassment*

**3.10.v.** It is the policy of OHA that harassment in the workplace will not be tolerated. The ~~CEO~~ Administrator will prepare written material and procedures on this topic and conduct new hire briefings and periodic refresher briefings for all employees.

### *Staff Performance Evaluation*

**3.10.w.** The ~~CEO~~ Administrator shall establish a system of staff performance evaluation, no less than annually, that reflects an impartial rating of the staff members' performance to identify areas of strength and weakness, to improve employee work performance.

## *Staff Recruitment and Selection*

**3.10.x.** The ~~CEO~~ Administrator will be responsible for the design and implementation of a fair and equitable recruitment and selection process to ensure OHA employs the quality and quantity of staff needed to achieve its mission and goals.

## *Volunteers*

**3.10.y.** The BOT encourages participation, in the achievement of OHA mission and goals, from all members of the community through the OHA Volunteer Program. The CEO is allowed and encouraged to recruit, train, and accept the services of volunteers in compliance with Chapter 90, Hawai‘i Revised Statutes, as amended. The CEO will design and implement ~~a~~ processes and procedures for the recruitment and utilization of volunteers.

## *Telework* <sup>29 34</sup>

**3.10.z.** The Administrator shall develop a Telework Program that is available for positions with duties that are compatible with regular telework. Not all positions may be appropriate for telework and telework should only be considered if it is mutually beneficial for OHA, the employee, and OHA’s partners and beneficiaries. Telework is not an entitlement or an agency-wide benefit. Each employee must [meet] eligibility criteria to participate in the Telework Program and approval of a request to telework shall be at the sole discretion of OHA.

Teleworking employees must continue to abide by all OHA policies and procedures including, but not limited to, confidentiality of information, use of equipment and IT systems, ethics, performance, general travel, standards of conduct, communication, records management, work rules and discipline, payroll, work schedules, leaves of absence, and health and safety policies.

Any change to the Telework Program shall require the approval of the Administrator. The Administrator shall provide the Board of Trustees with an annual update on the Telework Program and the Board of Trustees reserves the right to modify, suspend, or discontinue the Telework Program, at any time, should it no longer serve the best interests of the organization.

<sup>29 34</sup> **BOT 25-08:** Approval of a telework policy for the Office of Hawaiian Affairs; First reading: May 15, 2025; Second reading: May 29, 2025.

## 3110 Legal

### *~~Chief Executive Officer~~ Administrator Request for Legal Opinion*

**3.11.a.** The ~~CEO~~ Administrator, or designee, subject to prior approval of the BOT, may request any written legal opinion from the Department of the Attorney General, or from any other legal counsel. Where a request is made in writing and a legal opinion is rendered by the Department of the Attorney General or from any other legal counsel, such opinion along with a copy of the written request for such opinion shall be immediately distributed to all Trustees in written form.

**3.11.b.** The ~~CEO~~ Administrator can consult other legal counsel when needed to make sound recommendations to the BOT on legal or other matters and shall inform the BOT concurrently with the action being taken.

### *Attorney-Client Privilege*

**3.11.c.** All legal advice and communications, both written and oral, to the BOT are protected by the attorney-client privilege. No Trustee, by his or her individual action, is authorized to waive this privilege. Actions to disclose privileged information without the affirmative vote of the full BOT will be considered a breach of a Trustee's fiduciary obligation and will be subject to censure imposed by the remaining Trustees.

### *Beneficiary Access Policy*

**3.11.d.** OHA shall comply with the mandates of Chapter 92, Public Agency Meetings and Records, and Chapter 92F, Uniform Information Practices Act (UIPA), Hawai'i Revised Statutes, as amended, and provide information, when requested, in compliance with Chapter 92F-12 and Chapter 92F-13, HRS.

**3.11.e.** Additional sets of BOT meeting materials will be produced and placed in a convenient location in the Board room for beneficiaries and other guests.

**3.11.f.** Materials distributed to beneficiaries, media representatives and/or the general public at OHA meetings shall be collected by the UIPA Specialist Policy & Records Management Officer ("PRMO"), designee or assigned staff at the end of each meeting. Anyone who retains any or all of the materials shall be charged for the materials in accordance with law.

**3.11.g.** Individuals who want to borrow selected materials to facilitate duplication may do so in coordination with the ~~UPA Specialist~~ PRMO, designee or staff in charge of the material. Anyone who fails to return borrowed materials shall be charged for the materials in accordance with law.

*Board Attorney*

**3.11.h.** The BOT shall retain an attorney licensed to practice in Hawai'i to attend BOT meetings and to attend committee meetings when requested by the BOT. The BOT attorney shall render legal opinions on questions raised by the BOT and prepare legal documents when requested by the BOT. The BOT Attorney shall call attention to BOT actions when, in the attorney's opinion, the BOT or administration is acting contrary to existing law.

**3.11.i.** The BOT may employ or cause to be employed other attorneys, law firms, or consultants who specialize in specific aspects of law. These attorneys, law firms, or consultants will be contracted on an as-needed basis and fees negotiated at the time of their appointment.

*Initiation of Legal Action*

**3.11.j.** The Chair, with prior notification of all Trustees, can direct the ~~CEO~~ Administrator to initiate legal action after efforts by the BOT through its Chair, ~~CEO~~ Administrator, staff, or other appropriate representatives of the BOT have been unable to obtain satisfactory progress toward the desired result over a reasonable period of time. The ~~CEO~~ Administrator can initiate legal action in cases requiring urgent attention, such as when there are imminent threats and challenges to the health and safety of beneficiaries or cultural sites and shall inform the BOT concurrently with the action being taken.

*Executive Session Briefings on OHA Internal Investigations*

**3.11.k.** The Corporation Counsel shall provide the Board of Trustees with an executive summary and any recommendations upon the conclusion of any formal internal or external investigation initiated by OHA, or otherwise prompted by actions taken by OHA, regardless of whether such investigation was authorized by the Board and whether conducted by internal staff, outside counsel, or independent third-party investigators.

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These materials shall be presented in Executive Session, pursuant to HRS § 92-5(a)(4) or other applicable law, and shall include: ~~1A~~ a brief description of the matter investigated; ~~1T~~ the general scope of the investigation; and ~~1M~~ material findings, executive summaries, or conclusions; including:

- Any recommendations for corrective, remedial, or preventative action; and
- The status of any ongoing compliance or implementation efforts.

Within three (3) calendar days of the receipt of the Final Investigative Executive Summary Report and Recommendations by the General Counsel, Board Counsel, or an Administrative Staff Designee, the Board of Trustees Chairperson shall be informed in writing. Following receipt of that notification, the Chairperson shall place on the next Board of Trustees agenda—under Executive Session pursuant to Section 92-5, Hawai‘i Revised Statutes—a briefing by the Administration and a review of the Final Investigative Executive Summary Report and Recommendations by the Board of Trustees. ~~E~~Full reports may be withheld if they contain protected personnel information or are subject to attorney-client privilege or other legal restrictions, including federal and state prohibitions against disclosure. In such cases, the specific legal basis for nondisclosure will be clearly communicated to the Board of Trustees. However, because the Board of Trustees holds the attorney-client privilege on behalf of the Office of Hawaiian Affairs, it retains the authority to require full access to investigative materials, provided appropriate confidentiality safeguards are observed. This access is essential to the Board's fiduciary oversight and governance responsibilities and must not be constrained in matters involving legal, ethical, or trustee-related concerns. ~~E~~This policy does not alter the Administration's authority to manage personnel or operational matters but affirms the Board's responsibility to receive appropriate disclosures related to OHA's governance, internal controls, and legal compliance.~~ee~~

**SERIES 4000 GENERAL POLICIES**

**4000 General Policies**

*Smoking Policy*

**4.0.a.** Policies governing smoking within the office workplace shall be adopted, implemented, and maintained by each individual agency of state government as required by law. In compliance with State laws, statutes, and County ordinances, smoking is prohibited in all office areas under the jurisdiction of OHA.

*Use of Kahakō and ‘Okina in Official Correspondence*

**4.0.b.** All publications, correspondence, and communications where the written Hawaiian language is used shall include the proper Kahakō (macrons) and ‘Okina (glottal stops) markings.



## APPENDIX 1: Policy Guidelines, Policy of Policies

<b><u>Policy Guidelines, Policy of Policies</u></b>	
<b><u>Subject:</u></b> Provides overarching policy guidelines, definitions and accountabilities to aid in the implementation of the policy framework as a mechanism to operationalize the approved Board Governance Framework.	<b><u>Effective Date:</u></b> Upon 2 <sup>nd</sup> reading of the Policy by the Board of Trustees
<b><u>Scope:</u></b> Organization	<b><u>Date Reviewed/Revised:</u></b> 2 <sup>nd</sup> reading date of the Policy by the Board of Trustees
<b><u>Responsible Organizational Unit:</u></b> Board of Trustees	<b><u>Next Scheduled Review Date:</u></b> No later than two (2) years from the effective date, unless circumstances warranted otherwise (e.g., HRS Chapter 10 change).
	<b><u>Policy Administrator or Owner:</u></b> Board Chair

### I. POLICY AND GENERAL STATEMENT

It is the policy of the Office of Hawaiian Affairs (OHA) to operationalize the Board Governance Framework consisting of the following five elements: 1) Identity; 2) Values and Mana; 3) Statutory Basis; 4) Policies; and 5) Supporting Documents and Practices (Operations) in a policy-based manner.

Elements of the OHA Policy Framework, based on the approved Board Governance Framework, including the following components:

- 1) ~~L~~-Lāhui-~~L~~level policies;
- 2) ~~T~~-Trustee-~~L~~level policies;
- 3) ~~C~~-CEO/Administrator-~~L~~level policies;
- 4) ~~I~~inventory of ~~P~~policies;
- 5) ~~B~~business ~~P~~processes (listed within each policy);
- 6) Standard Operating Procedures for each business process; and
- 7) Systems, documentation, desktop procedures and manuals.

## II. POLICY GUIDELINES

The purpose of this policy is to provide overarching policy guidelines, definitions and accountabilities to aid in policy development and implementation such that policies:

- 1) Retain Trustee authority unless specifically delegated;
- 2) Align to the Board Governance Framework in support of the OHA's mission;
- 3) Cascade to consistent accountability levels (e.g., Board, Administration);
- 4) Achieve accountability by identifying the responsible parties;
- 5) Detail implementation and administration;
- 6) Connect to related business processes and procedures; and
- 7) Communicate clear and concise information by leveraging technology.

## II. DEFINITIONS

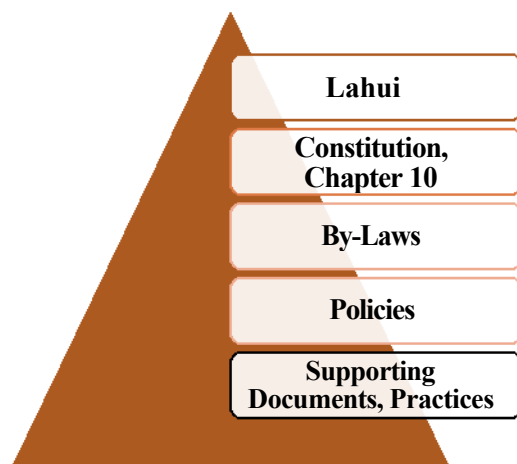
- A. **Lāhui:** A term or descriptor that should not be conceived of as having multiple meanings, but rather as having a meaning that encompasses and includes concepts that require multiple words in English; and have different meanings such as “nation” and “race.” In using the word “lāhui,” ~~we did~~ it does not mean “the nation” or “the race” or “the people.” Rather, when used, the word “lāhui,” means the inclusive broad concept of “lāhui,” which includes the English expressed concepts of “nation,” “race,” and “people.”
- B. **Governance:** Establishment of policies, and continuous monitoring of their proper implementation, by the members of the governing body of an organization. It includes the mechanisms required to balance the powers of the members (with the associated accountability), and their primary duty of enhancing the prosperity and viability of the organization.
- C. **Policy:** Prudence or wisdom in the management of affairs; management or procedure based primarily on material interest; a definite course or method of action selected from among alternatives and in light of given conditions to guide and determine present and future decisions; a high-level overall plan embracing the general goals and acceptable procedures especially of a governmental body. <sup>30 35</sup>
- D. ~~L-Lāhui-Level~~ **Policy:** L-Lāhui level policies articulate the Hawaiian cultural foundation of the organization as a basis for the *kaumaha* (heavy weight, sadness) or significant *kuleana* (responsibility) to normalize Hawaiian language, protect and exercise native rights regarding 'āina, water, wahi pana and iwi kupuna, strengthen 'ohana and kaiāulu, perpetuate Hawaiian culture, knowledge and practices and engage in global, international indigenous contexts.
- E. ~~T-Trustees-Level~~ **Policy:** T-Trustee level policies would articulate broad, systemic, strategic, overarching policies that are attributed to OHA’s Trustee role as a result of the Constitution and HRS Chapter 10 purposes and duties (e.g., fiduciary, care, obedience, code of ethics); and focus on statutory and strategic perspectives.
- F. ~~C-Administrator-Level~~ **Policy:** ~~C-CEO Administrator-level~~ policies guide and direct operations such as facilities, health, safety, compensation, recruitment, procurement, contracting, technology, data retention, asset protection, risk management.
- G. **Policy Initiator:** The Board Chair or if delegated, the Administrator, who identifies an organization level issue and assigns the development of a policy proposal.
- H. **Policy Administrator or Owner:** The Policy Administrator (or Owner) is the Board Chair or if delegated, the Administrator, whose jurisdiction covers the subject matter of the policy.
- I. **Process:** A series of actions that produce something or that lead to a particular result.
- J. **Procedure:** A guideline or series of interrelated steps in a process: taken to help implement the policy; should identify and link to the specific policy(ies) and process(es); is written in a consistent format that is easy to follow and accessible by

<sup>30 35</sup> <https://www.merriam-webster.com/dictionary/policy>, retrieved October 31, 2021

those who need to follow the procedures; and should be reviewed and updated as necessary to ensure agreement with the most revision of the policy. Procedures related to technical systems (e.g., Oracle Fusion, business travel) should be developed and implemented at the time of the system implementation.

- K. Practice:** The action(s) of actors in the policy system that: complete or carry out implementation activities or performance of the procedure (i.e., practice); should be compliant with the written procedure(s); and understands that non-compliance (i.e. misalignment of procedure and practice) introduces risk (e.g., reputation, internal control, legal) to the organization and undermines the integrity of policy(ies), process(es), and procedure(s).
- L. Stakeholder:** Internal (e.g., employees, administration, board staff, Board of Trustees) and/or external (e.g., beneficiaries, contractors) community members, who are affected by the policy developed and implemented.

### III. ~~MO‘OKŪ‘AUHAU~~ MO‘OKŪ‘AUHAU – Board Governance Framework



On April 4, 2019, via Action Item BOT# 19-04, the Board of Trustees (BOT) approved the five elements of OHA’s Board Governance Framework: 1) Identity; 2) Values and Mana; 3) Statutory Basis; 4) Policies; and 5) Supporting Documents and Practices (Operations).

Implementation of the policy framework is the approved mechanism to operationalize the approved Board Governance Framework levels labeled “Policies” and “Support Documents, Practices”.

#### IV. SCOPE AND DELEGATION OF AUTHORITY

- A. Hawaii Revised Statutes, Chapter 10 [§10-1]** Declaration of purpose. (a) The people of the State of Hawai'i and the United States of America as set forth and approved in the Admission Act, established a public trust which includes among other responsibilities, betterment of conditions for Native Hawaiians. The people of the State of Hawai'i reaffirmed their solemn trust obligation and responsibility to native Hawaiians and furthermore declared in the state constitution that there be an office of Hawaiian affairs to address the needs of the aboriginal class of people of Hawai'i. (b) It shall be the duty and responsibility of all state departments and instrumentalities of state government providing services and programs which affect native Hawaiians and Hawaiians to actively work toward the goals of this chapter and to cooperate with and assist wherever possible the office of Hawaiian affairs.
- B. Hawaii Revised Statutes, [§10-3]** Hawai'i Revised Statutes (HRS) Chapter 10 provides that OHA is meant to address the needs of the Native Hawaiian people, including: (1) The betterment of conditions of native Hawaiians; (2) The betterment of conditions of Native Hawaiians; (3) Serving as the principal public agency responsible for the performance, development, and coordination of programs and activities relating to native Hawaiians and Hawaiians; except that the Hawaiian Homes Commission Act, 1920, as amended, shall be administered by the Hawaiian Homes Commission; (4) Assessing the policies and practices of other agencies impacting on Native Hawaiians and Hawaiians, and conducting advocacy efforts for native Hawaiians and Hawaiians; (5) Applying for, receiving, and disbursing, grants and donations from all sources for native Hawaiian and Hawaiian programs and services; and (6) Serving as a receptacle for reparations. ~~34~~ <sup>36</sup>
- C. Retention of Authority:** The Board of Trustees retains all powers, duties and responsibilities as outlined in HRS Chapter 10, subject to specific delegation(s) of authority, documented in policy.
- D. Delegation of Authority:** The Board of Trustees may delegate policy development, implementation, monitoring and evaluation activities to Administrator, who may then further delegate to operational functions, units and systems. Both policy/authority delegations—BOT to Administrator and subsequently to Operations—~~—~~shall be documented in policy and communicated and updated in accordance with the specific policy. The Administrator will use his/her delegated authority, if any, only for the purpose of more effectively enabling the implementation of the BOT-approved<sup>2</sup>s budget, policies and programs.

#### IV. RELATED POLICIES

- A. TBD - Policy B-2021-002: Retention and Delegation of Authority – Trustees*
- B. TBD - Policy C-2021-001: Retention and Delegation of Authority – Administration*

~~34~~ <sup>36</sup> HRS §10-3; *see also* HRS §10-1.

## V. CONTACTS

The Policy Administrator or Owner is:

Organizational Unit	Position
Board of Trustees	Board Chair

## VI. POLICY FRAMEWORK

Figure 1: OHA Policy Framework Elements (Depiction 1)

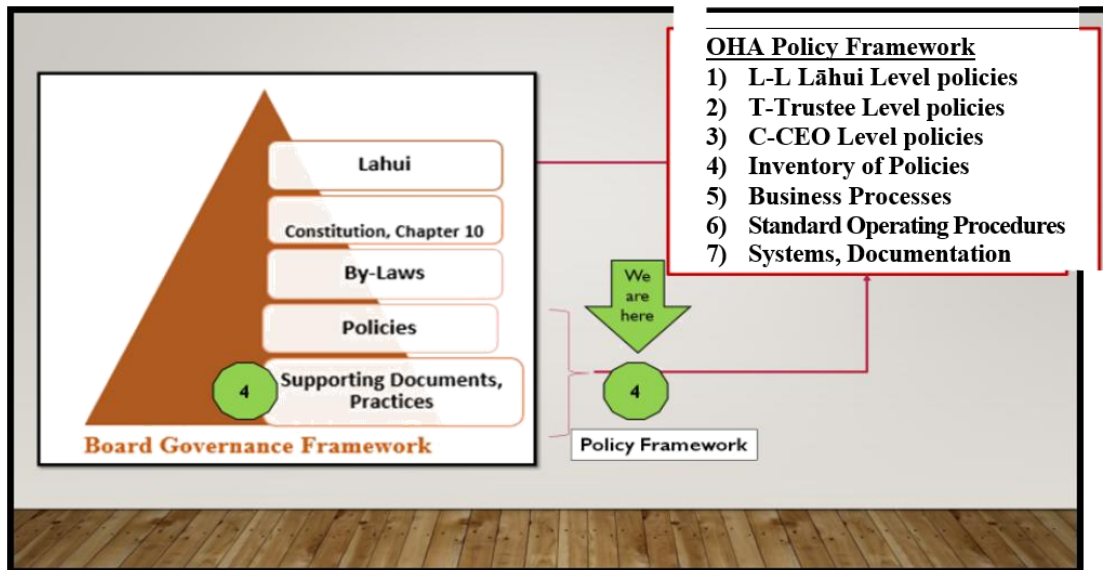
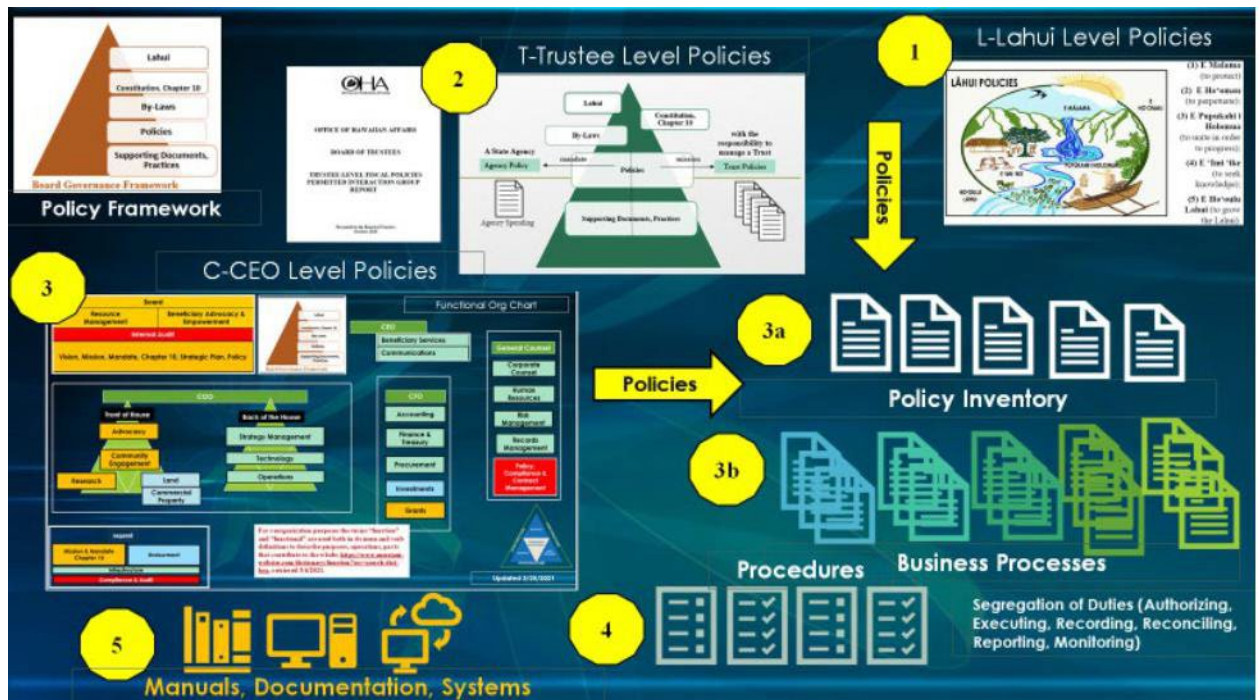


Figure 2: Framework Elements (Depiction 2)



## **APPENDIX 2: Operational Delegation of Authority**

Pursuant to the OHA Board of Trustees Executive Policy Manual, amended as of September 4, 2025, the OHA Board of Trustees delegates certain signatory authorities to designees, as identified below. Effective September 4, 2025, this delegation of operational authority supersedes all previous versions. This Operational Delegation of Authority should be used to effectively and compliantly implement key processes and functions, complete required documentation, and ensure all actions are executed in accordance with established policies and procedures of the Office of Hawaiian Affairs.

*NOTE: The Administrator is noted as "Admin." in the following Operational Delegation of Authority tables.*

### **1. ~~3.~~ HO'ĀKOAKOA LĀHUI EVENT SPONSORSHIP APPROVALS**

	<b><u>Staff</u></b>	<b><u>Director</u></b>	<b><u>COO</u></b>	<b><u>CEO Admin.</u></b>	<b><u>B&amp;F Chair</u></b>	<b><u>BOT Chair</u></b>	<b><u>BOT</u></b>
Sponsorship approvals in accordance with Ho'ākoakoa Lāhui criteria	<i><u>Initiates</u></i>	<u>1<sup>st</sup></u>	<u>2<sup>nd</sup></u>		<i><u>Initiates for BOT Approval</u></i>	<i><u>*Agendize for BOT Final Approval</u></i>	<u>FINAL</u>

### **2. ~~4.~~ BUDGET APPROVALS**

	<b><u>Budget Chief</u></b>	<b><u>CFO</u></b>	<b><u>COO</u></b>	<b><u>CEO Admin.</u></b>	<b><u>B&amp;F Chair</u></b>	<b><u>BOT Chair</u></b>	<b><u>BOT</u></b>
Fiscal Year Biennium Budget proposals to BOT in accordance with BOT-approved plans and programs	<u>1<sup>st</sup></u>	<u>2<sup>nd</sup></u>	<u>3<sup>rd</sup></u>	<u>4<sup>th</sup></u>	<i><u>Initiates for BOT Approval</u></i>	<i><u>*Agendize for BOT Final Approval</u></i>	
Final approval of the Fiscal Year Biennium Budget							<u>FINAL</u>
Requests for modifications to the Spending Policy or for multi-year/carryover budget provisions		<i><u>Initiates</u></i>	<u>1<sup>st</sup></u>	<u>2<sup>nd</sup></u>			<u>FINAL</u>
Requests for necessary budget realignment for significant, comprehensive reforecasting of the budget to address new plans, programs and priorities	<u>1<sup>st</sup></u>	<u>2<sup>nd</sup></u>	<u>3<sup>rd</sup></u>	<u>4<sup>th</sup></u>	<i><u>Initiates for BOT Approval</u></i>	<i><u>*Agendize for BOT Final Approval</u></i>	<u>FINAL</u>
Necessary budget adjustment requests between expenditure categories (< \$50,000.00) in accordance with BOT-approved plans, programs and provisos	<u>1<sup>st</sup></u>	<u>2<sup>nd</sup></u>	<u>3<sup>rd</sup></u>	<u>FINAL for CEO Admin. Level (COO, CFO, CC, Sr. Directors and Below)</u>			
Necessary budget adjustment requests between expenditure categories (> \$50,000.00) in accordance with BOT-approved plans, programs and provisos	<u>1<sup>st</sup></u>	<u>2<sup>nd</sup></u>	<u>3<sup>rd</sup></u>	<u>4<sup>th</sup></u>	<i><u>Initiates for BOT Approval</u></i>	<i><u>*Agendize for BOT Final Approval</u></i>	<u>FINAL</u>
Budget adjustment requests for Grants (regardless of amount)	<u>1<sup>st</sup></u>	<u>2<sup>nd</sup></u>	<u>3<sup>rd</sup></u>	<u>4<sup>th</sup></u>	<i><u>Initiates for BOT Approval</u></i>	<i><u>*Agendize for BOT Final Approval</u></i>	<u>FINAL</u>

**Note: Budget Adjustments are tracked on a cumulative basis. OHA's Budget Chief tracks all requests for compliance. All budget adjustments in and out of the Grants Budget must be approved by the BOT and shall be presented to the B&F Committee and the BOT in an Action Item format. \*This matrix does not preclude the waiver of any matter by committee to the BOT per Article VIII, Section M of the OHA BOT Bylaws.**



### 3. PURCHASE REQUESTS

	<u>Staff</u>	<u>Program Manager</u>	<u>Director</u>	<u>CFO</u>	<u>BOT Chair</u>	<u>BOT</u>
<u>Program Purchases</u> (from \$2,500.00 and up to \$24,999.99)	<i>Initiates</i>	<u>1<sup>st</sup></u>	<u>FINAL</u>			
<u>Program Purchases</u> (from \$25,000.00 to \$49,999.99)	<i>Initiates</i>	<u>1<sup>st</sup></u>	<u>2<sup>nd</sup></u>	<u>FINAL</u>		
<u>Program Purchases</u> (from \$50,000.00 to \$250,000.00)		<i>Initiates</i>	<u>1<sup>st</sup></u>	<u>2<sup>nd</sup></u>	<u>FINAL</u>	<u>FINAL</u> <u>For over</u> <u>\$250,000</u>
<b>Note: Budget Chief verification of funds available required on all purchase requests of \$2,500.00 or more.</b>						

### 4. CONTRACT EXECUTIONS

	<u>Program</u>	<u>Director</u>	<u>Corp. Counsel</u>	<u>COO</u>	<u>CEO Admin.</u>	<u>BOT Chair</u>
	<u>Content Approval</u>		<u>Form Approval</u>		<u>Execution</u>	<u>Oversight</u>
<u>Program-Level Contracts &amp; Amendments</u> ( <u>&lt; \$50,000.00</u> )	<i>Initiates</i>	<u>1<sup>st</sup></u>	<u>2<sup>nd</sup></u>	<u>3<sup>rd</sup></u>	<u>FINAL</u>	
<u>Program-Level Contracts &amp; Amendments</u> ( <u>&gt; \$50,000.00</u> )		<i>Initiates</i>	<u>1<sup>st</sup></u>		<u>2<sup>nd</sup></u>	<u>FINAL</u>
<u>All Corporation Counsel Contracts &amp; Amendments</u> ( <u>regardless of amount</u> )			<i>Initiates</i>		<u>1<sup>st</sup></u>	<u>FINAL</u>
<u>All Grant Agreements</u> ( <u>&lt; \$50,000.00</u> )	<i>Initiates</i>	<u>1<sup>st</sup></u>	<u>2<sup>nd</sup></u>	<u>3<sup>rd</sup></u>	<u>FINAL</u>	
<u>All Grant Agreements</u> ( <u>&gt; \$50,000.00</u> )		<i>Initiates</i>	<u>1<sup>st</sup></u>	<u>2<sup>nd</sup></u>	<u>3<sup>rd</sup></u>	<u>FINAL</u>
<u>All Other Agreements</u> ( <u>≤ &gt; \$50,000.00</u> )	<i>Initiates</i>	<u>1<sup>st</sup></u>	<u>2<sup>nd</sup></u>	<u>3<sup>rd</sup></u>	<del>FINAL</del> <u>4<sup>th</sup></u>	<u>FINAL</u>
<del><u>All Other Agreements</u></del> <del>(<u>&gt; \$50,000.00</u>)</del>		<del><i>Initiates</i></del>	<del><u>1<sup>st</sup></u></del>		<del><u>2<sup>nd</sup></u></del>	<del><u>FINAL</u></del>
<b>Note: All Contracts and Amendments are subject to Procurement Code and/or Guidelines. All Contracts and Amendments must be in furtherance of BOT-approved plans and programs. All Contracts and Amendments require signatures from the Vendor, Director, Corporate Counsel, COO, <u>CEO Administrator</u>, and BOT Chairperson (CPO/HOPA)</b>						



## 5. DISBURSEMENTS

	<u>Staff</u>	<u>Program Manager</u>	<u>Director</u>	<u>COO</u>	<u>CEO Admin.</u>	<u>BOT Chair</u>
<u>Payments on Purchase Orders (&lt; \$50,000.00)</u>	<i>Initiates</i>	1 <sup>st</sup>	FINAL for Non-Executive Staff (PM and Up)	FINAL for Executive-Level (Excludes COO & <u>CEO Admin.</u> )	FINAL for <u>CEO Admin.</u> Level (COO, CFO, CC, Sr. Directors)	FINAL for <u>CEO Admin.</u> and BOT
<u>Payments on Purchase Orders (&gt; \$50,000.00)</u>	<i>Initiates</i>	1 <sup>st</sup>	FINAL for Non-Executive Staff (PM and Up) pending FINAL BOT Chair Approval	FINAL for Executive-Level (Excludes COO & <u>CEO Admin.</u> ) pending FINAL BOT Chair Approval	FINAL for <u>CEO Admin.</u> Level (COO, CFO, CC, Sr. Directors) pending FINAL BOT Chair approval	FINAL for <u>CEO Admin.</u> and BOT
<u>Requests for Check Issuance (&lt; \$2,500.00)</u>	<i>Initiates</i>	FINAL for Staff	FINAL for Non-Executive Staff (PM and Up)	FINAL for Executive-Level (Excludes COO & <u>CEO Admin.</u> )	FINAL for <u>CEO Admin.</u> Level (COO, CFO, CC, Sr. Directors)	FINAL for <u>CEO Admin.</u> and BOT
<u>Requests for Check Issuance (&gt; \$2,500.00)</u>	<i>Initiates</i>	1 <sup>st</sup>	FINAL for Non-Executive Staff (PM and Up) pending FINAL BOT Chair Approval	FINAL for Executive-Level (Excludes COO & <u>CEO Admin.</u> ) pending FINAL BOT Chair Approval	FINAL for <u>CEO Admin.</u> Level (COO, CFO, CC, Sr. Directors) pending FINAL BOT Chair approval	FINAL for <u>CEO Admin.</u> and BOT
<u>Mileage Reimbursements (&lt; \$1,500.00)</u>	<i>Initiates</i>	1 <sup>st</sup>	FINAL	FINAL for Executive-Level (Excludes COO & <u>CEO Admin.</u> )	FINAL for <u>CEO Admin.</u> Level (COO, CFO, CC, Sr. Directors)	FINAL for <u>CEO Admin.</u> and BOT
<u>Mileage Reimbursements (&gt; \$1,500.00)</u>	<i>Initiates</i>	1 <sup>st</sup>	FINAL for Non-Executive Staff (PM and Up) pending FINAL BOT Chair Approval	FINAL for Executive-Level (Excludes COO & <u>CEO Admin.</u> ) pending FINAL BOT Chair Approval	FINAL for <u>CEO Admin.</u> Level (COO, CFO, CC, Sr. Directors) pending FINAL BOT Chair approval	FINAL for <u>CEO Admin.</u> and BOT
<u>Requests for Reimbursements (&lt; \$1,500.00)</u>	<i>Initiates</i>	1 <sup>st</sup>	FINAL	FINAL for Executive-Level (Excludes COO & <u>CEO Admin.</u> )	FINAL for <u>CEO Admin.</u> Level (COO, CFO, CC, Sr. Directors)	FINAL for <u>CEO Admin.</u> and BOT
<u>Requests for Reimbursements (&gt; \$1,500.00)</u>	<i>Initiates</i>	1 <sup>st</sup>	FINAL for Non-Executive Staff (PM and Up) pending FINAL BOT Chair Approval	FINAL for Executive-Level (Excludes COO & <u>CEO Admin.</u> ) pending FINAL BOT Chair Approval	FINAL for <u>CEO Admin.</u> Level (COO, CFO, CC, Sr. Directors) pending FINAL BOT Chair approval	FINAL for <u>CEO Admin.</u> and BOT
<b>Note: All disbursements are subject to certifications made by the requestor prior to issuance of any disbursement. Certifications vary for each type of disbursement and are clearly noted on each request.</b>						

## 6. TRAVEL APPROVALS

<u>Travel – Board of Trustees</u>	<u>Trustee</u>	<u>COO</u>	<u>CEO Admin.</u>	<u>BOT Vice Chair</u>	<u>BOT Chair</u>
<u>In-State Travel</u>	<i>Initiates</i>			<u>FINAL</u>	<u>FINAL</u>
<u>Out-Of-State Travel</u>	<i>Initiates</i>				<u>FINAL</u>
<u>BOT Chairperson Travel</u>				<u>FINAL-if BOT Chair's TOTAL CUMULATIVE travel costs &gt; \$10,000/FY</u>	<u>FINAL/Initiates For BOT FINAL</u>

<u>Travel – BOT Staff</u>	<u>Aide/ Staff</u>	<u>Trustee</u>	<u>COO</u>	<u>CEO Admin.</u>	<u>BOT</u>	<u>BOT Chair</u>
<u>In-State Travel</u>	<i>Initiates</i>	1 <sup>st</sup>	<u>FINAL</u>		INFORMED	<u>INFORMED</u> <u>FINAL</u>
<u>Out-Of-State Travel</u>	<i>Initiates</i>	1 <sup>st</sup>			INFORMED	<u>FINAL</u>

<u>Non-BOT Staff</u>	<u>Staff</u>	<u>Program Manager</u>	<u>Director</u>	<u>COO</u>	<u>CEO Admin.</u>	<u>BOT Chair</u>
<u>Administrative Staff In-State Travel</u>	<i>Initiates</i>	1 <sup>st</sup> / <i>Initiates</i>	<u>FINAL</u>	<u>FINAL</u> for Executive Level (Excludes COO and <u>CEO Admin.</u> )	<u>FINAL</u> for <u>CEO Admin.</u> Level (COO, CFO, CC, Sr. Directors)	<u>FINAL</u> for <u>CEO Admin.</u>
<u>Administrative Staff Out-of-State Travel</u>	<i>Initiates</i>	1 <sup>st</sup> / <i>Initiates</i>	2 <sup>nd</sup> / 1 <sup>st</sup>	3 <sup>rd</sup> /2 <sup>nd</sup> for Executive Level (Excludes COO and <u>CEO Admin.</u> )	<u>FINAL</u> 4 <sup>th</sup> / 3 <sup>rd</sup> for <u>CEO Admin.</u> Level (COO, CFO, CC, Sr. Directors)	<u>FINAL</u> for <u>CEO Admin.</u> and <u>FINAL</u> for All Admin. Staff <u>whose TOTAL CUMULATIVE travel &gt; 3 trips/FY or costs &gt; \$5,000/FY</u>
<u>Non-OHA Employee</u>	<i>Initiates</i>				1 <sup>st</sup>	<u>FINAL</u>

## 7. VACATION REQUESTS

	<u>Program Manager</u>	<u>Director</u>	<u>Trustee</u>	<u>COO</u>	<u>CEO Admin.</u>	<u>BOT</u>	<u>BOT Chair</u>
<u>Administrative Staff (up to 40 consecutive hours)</u>	<u>FINAL</u>						
<u>Administrative Staff (more than 40 consecutive hours)</u>	<u>1<sup>st</sup></u>	<u>2<sup>nd</sup></u>		<u>FINAL</u>			
<u>Managers and EAs</u>	<u>Initiates</u>	<u>FINAL</u>					
<u>Directors (regardless of hours)</u>		<u>Initiates</u>		<u>FINAL</u>			
<u>BOT Staff (up to 40 consecutive hours)</u>			<u>FINAL</u>				<u>INFORMED</u>
<u>BOT Staff (more than 40 consecutive hours)</u>			<u>1<sup>st</sup></u>		<u>2<sup>nd</sup></u>		<u>FINAL</u>
<u>COO (regardless of hours)</u>				<u>Initiates</u>	<u>FINAL</u>		
<u>CEO Administrator (regardless of hours)</u>					<u>Initiates</u>		<u>FINAL</u>

## 8. EDUCATION AND TRAINING

Procurement officers and personnel with delegated procurement authority to conduct and or participate in the procurement process are required to attend all applicable State Procurement Office (“SPO”) trainings and webinars. Applicable training ensures delegated procurement personnel receive the appropriate training and are in compliance with HRS §103D-110, as amended by Act 194 SLH2008 and HRS §103F-301 for purchases of health and human service.

This delegation of procurement authority supersedes all prior delegations of authority and remains in effect until modified or revoked in writing by the OHA Board of Trustees.

## APPENDIX ~~2-3~~: ~~HRS~~ Uniform Prudent Investor Act <sup>32</sup>

HAWAII REVISED STATUTES  
DIVISION 3. PROPERTY; FAMILY  
TITLE 30. GUARDIANS AND TRUSTEES  
[CHAPTER 554~~CD~~] ~~UNIFORM PRUDENT INVESTOR ACT~~ TRUST CODE  
PART IX. UNIFORM PRUDENT INVESTOR ACT  
Current through the 20~~09~~24 Regular and Special Sessions

### ~~§~~ 554~~CD-901~~] Prudent investor rule.

(a) Except as otherwise provided in subsection (b), a trustee who invests and manages trust assets owes a duty to the beneficiaries of the trust to comply with the prudent investor rule set forth in this ~~chapter~~ part.

(b) The prudent investor rule, a default rule, may be expanded, restricted, eliminated, or otherwise altered by the provisions of a trust. A trustee is not liable to a beneficiary to the extent that the trustee acted in reasonable reliance on the provisions of the trust.

*[L ~~1997~~2021, c ~~2632~~, pt of ~~§~~ 12]*

### ~~§~~ 554~~CD-902~~] Standard of care; portfolio strategy; risk and return objectives.

(a) A trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution.

(b) A trustee's investment and management decisions respecting individual assets must be evaluated not in isolation, but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust.

(c) Among circumstances that a trustee shall consider in investing and managing trust assets are such of the following as are relevant to the trust or its beneficiaries:

- (1) General economic conditions;
- (2) The possible effect of inflation or deflation;
- (3) The expected tax consequences of investment decisions or strategies;
- (4) The role that each investment or course of action plays within the overall trust portfolio, which may include financial assets, interests in closely held enterprises, tangible and intangible personal property, and real property;
- (5) The expected total return from income and the appreciation of capital;
- (6) Other resources of the beneficiaries;
- (7) Needs for liquidity, regularity of income, and preservation or appreciation of capital; and
- (8) An asset's special relationship or special value, if any, to the purposes of the trust or to one or more of the beneficiaries.

<sup>32</sup> ~~HRS Chapter 554C was repealed by Act 32 (SLH 2021)~~

(d) A trustee shall make a reasonable effort to verify facts relevant to the investment and management of trust assets.

(e) A trustee may invest in any kind of property or type of investment consistent with the standards of this chapter.

~~(f) A trustee who has special skills or expertise, or is named trustee in reliance upon the trustee's representation that the trustee has special skills or expertise, has a duty to use those special skills or expertise.~~

*[L ~~1997~~2021, c 2632, pt of s§ 12]*

#### **~~s§ 554C-2034~~ Diversification.**

A trustee shall diversify the investments of the trust unless the trustee reasonably determines that, because of special circumstances or directives of the trust, the purposes of the trust are better served without diversifying.

*[L ~~1997~~2021, c 2632, pt of s§ 12]*

#### **Law Journals and Reviews**

~~Trustee v. Beneficiary. 15 HBJ, no. 13, at 145 (2013).~~

#### **~~s 554C-41~~ s§554D-904 Duties at inception of trusteeship.**

Within a reasonable time after accepting a trusteeship or receiving trust assets, a trustee shall review the trust assets and make and implement decisions concerning the retention and disposition of assets, ~~in order~~ to bring the trust portfolio into compliance with the purposes, terms, distribution requirements, and other circumstances of the trust, and with the requirements of this chapter.

*[L ~~1997~~2021, c 2632, pt of s§ 12]*

#### **~~s 554C-51~~ Loyalty.**

~~A trustee shall invest and manage the trust assets solely in the interest of the beneficiaries.~~

*[L ~~1997~~2021, c 2632, pt of s§ 12]*

#### **~~s 554C-61~~ Impartiality.**

~~If a trust has two or more beneficiaries, the trustee shall act impartially in investing and managing the trust assets, taking into account any differing interests of the beneficiaries.~~

~~[L 1997, c 26, pt of s 1]~~

~~**{s 554C-71 Investment costs.**~~

~~In investing and managing trust assets, a trustee may only incur costs that are appropriate and reasonable in relation to the assets, the purposes of the trust, and the skills of the trustee.~~

~~[L 1997, c 26, pt of s 1]~~

~~**{s 554C-81 [§554D-905] Reviewing compliance.**~~

~~Compliance with the prudent investor rule is determined in light of the facts and circumstances existing at the time of a trustee's decision or action and not by hindsight.~~

~~[L 1997<sup>2021</sup>, c 26<sup>32</sup>, pt of s§ 1<sup>2</sup>]~~

~~**{s 554C-91 Delegation of investment and management functions.**~~

~~(a) A trustee may delegate investment and management functions that a prudent trustee of comparable skills could properly delegate under the circumstances. The trustee shall exercise reasonable care, skill, and caution in:~~

- ~~(1) Selecting an agent;~~
- ~~(2) Establishing the scope and terms of the delegation, consistent with the purposes and terms of the trust; and~~
- ~~(3) Periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the terms of the delegation.~~

~~(b) In performing a delegated function, an agent owes a duty to the trust to exercise reasonable care to comply with the terms of the delegation.~~

~~(c) A trustee who complies with the requirements of subsection (a) is not liable to the beneficiaries or to the trust for the decisions or actions of the agent to whom the function was delegated.~~

~~(d) By accepting the delegation of a trust function from the trustee of a trust that is subject to the law of this State, an agent submits to the jurisdiction of the courts of this State.~~

~~[L 1997, c 26, pt of s 1]~~

**[s 554C-10] Language invoking standard of ~~chapter part~~.**

The following terms or comparable language in the provisions of a trust, unless otherwise limited or modified, authorizes any investment or strategy permitted under this ~~chapter part~~: "authorized investments"; "investments permissible by law for investment of trust funds", "legal investments", ~~"authorized investments"~~, "prudent investor rule"; "prudent man rule"; "prudent person rule"; "prudent trustee rule"; and "using the judgment and care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital", ~~"prudent man rule"~~, ~~"prudent trustee rule"~~, ~~"prudent person rule"~~, and ~~"prudent investor rule"~~.

~~[L 1997 2021, c 26 32, pt of s 12]~~

**~~{s 554C-11} Application to existing trusts.~~**

~~This chapter applies to trusts existing on and created after April 14, 1997. As applied to trusts existing on April 14, 1997, this chapter governs only decisions or actions occurring after that date.~~

~~[L 1997, c 26, pt of s 1]~~

Revision Note

"April 14, 1997" substituted for "its effective date".

**~~{s 554C-12} Short title.~~**

~~This chapter may be cited as the "Hawaii Uniform Prudent Investor Act".~~

~~[L 1997, c 26, pt of s 1]~~

## **APPENDIX ~~3~~4 – Native Hawaiian Trust Fund Spending Policy**



**OFFICE OF HAWAIIAN AFFAIRS**

### **NATIVE HAWAIIAN TRUST FUND SPENDING POLICY, AS AMENDED ~~33~~ 37**

~~33~~ 37 **ARM 04-08:** Adopted by the Board of Trustees (September 15, 2004);  
**ARM 06-04o:** Amended and adopted by the Board of Trustees on (July 6, 2006);  
**ARM 09-03:** Amended and adopted by the Board of Trustees (May 21, 2009);  
**ARM 12-03:** Reviewed with no modifications by the Board of Trustees (April 18, 2012);  
**ARM 14-02:** Amendments to the Native Hawaiian Trust Fund Spending Policy and its Related Fiscal Reserve Withdrawal Guidelines, (First reading February 20, 2014; Second reading February 27, 2014);  
**RM 19-16:** Action Regarding a Fiscal Stabilization Policy including Withdrawal Guidelines and the related Elimination of the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy. Amended and adopted (First reading: September 4, 2019; Second reading: September 19, 2019).



**OFFICE OF HAWAIIAN AFFAIRS**  
**NATIVE HAWAIIAN TRUST FUND SPENDING POLICY**

**I. PURPOSE.** The purpose of this policy is to ensure the continued viability of the Office of Hawaiian Affairs (OHA) Native Hawaiian Trust Funds (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:

- A. Maximize long-term total return;
- B. Maximize annual spending from the Trust;
- C. Preserve the real value (purchasing power) of the Trust's principal and of its spending distributions over the long term;
- D. Maximize the stability and predictability of spending distributions. In other words, minimize the spending shortfall risk.

**II. OBJECTIVE.** The following spending policy reflects the objective of distributing as much total return as is consistent with the overall defined investment objectives while protecting the value of the principal.

**III. DEFINITIONS.** To further clarify the spending policy, the following definitions are used:

**A. Native Hawaiian Trust Fund** defined as all Public Land Trust revenue emanating from 5(f) funds that is subject to OHA's Native Hawaiian Trust Fund investment policy.

**B. Spending Rate** is the percentage (%) applied to the average market value to determine the spend amount.

**C. Annual Spending Withdrawals** defined as the maximum amount authorized to be budgeted from the Native Hawaiian Trust Fund in one fiscal year.

**D. Moving Average Rule** - to spend a fixed percentage of the average Native Hawaiian Trust Fund's average market value (e.g., spend 5.0% of the average market value of the previous 20 quarters).

**E. Annual Ceded Land or Public Land Trust Revenues** - refer to the past-due income and proceeds from the use of Native Hawaiian Crown and Government Lands of the Hawaiian Kingdom also known as the “ceded” lands including submerged lands of the Public Land Trust that were previously underreported or underpaid. These deposits, which may include real estate or cash, are invested, and the returns are used to benefit Native Hawaiian beneficiaries; and shall be the \$21.5 million (~~fifteen million one hundred thousand dollars~~) annual revenues received from the sState of Hawai'i as of fiscal year ~~2006-2007~~ 2022-2023, or including any future adjustments to annual ceded lands Public Land Trust rRevenues in the future by the sState of Hawai'i.

**F. State of Hawai'i General Fund** appropriations are determined by the Legislature during each Biennium and are spent for a specific purpose.

**G. To Spend** is the result of multiplying the moving average rule (Moving Average) by the spending rate.

**H. Spent** is when actual disbursement or encumbrances of funds is made. Trustees should never appropriate funds beyond the Spending Policy calculated amount.

**I. Average Market Value** - shall be computed quarterly based upon the monthly statements received from OHA's Custodian of Record, the average shall be computed from the most recent 20 quarter period ending as of March 31st, fifteen (15) months prior to the start of the budget on July 1<sup>st</sup>. If real estate is included in the Native Hawaiian Trust Fund then the real property market value shall be included to compute the average market value.

**J. Public Land Trust Revenue** - refer to the past-due income and proceeds from the use of Native Hawaiian Crown and Government Lands of the Hawaiian Kingdom also known as the “ceded” lands including submerged lands of the Public Land Trust that were previously underreported or underpaid. These deposits, which may include real estate or cash, are invested, and the returns are used to benefit Native Hawaiian beneficiaries; and emanatinge from ~~5(££)~~ five (5) funds that the State of Hawai'i remits to the Office of Hawaiian Affairs.

**K. Real Property Market Value** - shall be based upon the latest real estate appraisal. Such an appraisal should be conducted every five (5) years or upon the sale of any respective real estate property, whichever comes first.

**L. Investment** - an acquisition for future income or benefit.

**M. 5(f) Funds** - refers to Section 5(f) of the State of Hawai'i Admission Act.

**N. Total return** is defined as the sum of earned interest and dividends and realized and unrealized gains or losses, less all investment management costs (*e.g. investment consultant, custodian, money manager fees*).

**O. Native Hawaiian Self-Governance Spending Withdrawal** defined as a maximum cumulative authorization not to exceed \$3,000,000 to be budgeted from the Native Hawaiian Trust Fund for self-governing efforts of the Office of Hawaiian Affairs.

**IV. POLICY/PROCEDURE.** Consistent with the overall investment goals of the Native Hawaiian Trust Fund, the following spending rates and rules for distribution are set forward.

A. 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.

B. Regardless of the performance of the Native Hawaiian Trust Fund, OHA's spending policy will apply. The five percent (5%) spending rate shall be applied to investment portfolio and real property assets intended to be income or benefit producing.

- C. Funds available from sources other than those defined in Section IV.A. of this policy are not limited by this annual spending withdrawal formula.

**V. SPECIAL SPENDING WITHDRAWAL.** Public Law 103-150 recognizes that the "...indigenous Hawaiian people never directly relinquished their claims to their inherent sovereignty as a people or over their national lands..." and urges the President of the United States to "...support reconciliation efforts between the United States and the Native Hawaiian people." Act 195 was signed into law on July 6, 2011 and recognized the Native Hawaiian people as the only indigenous, aboriginal, maoli people of Hawai'i. Act 195 encourages OHA to "...continue to support the self- determination process by Native Hawaiians in the formation of their chosen governmental entity" and notes that the State has designated OHA "... as a trust vehicle to act on behalf of Native Hawaiians until a Native Hawaiian governing entity could be reestablished...". Balancing the opportunity for the formation of a governmental entity that would empower Native Hawaiians to exercise their un-relinquished inherent sovereignty with the objectives of maintaining principal and producing large, stable and predictable spending, a special cumulative spending withdrawal of no more than \$3,000,000 can be authorized to be budgeted from the Native Hawaiian Trust Fund for self-governing efforts of the Office of Hawaiian Affairs and will be known as a **Native Hawaiian Self-Governance Spending Withdrawal**. Authorizations of funds pursuant to Section V. will require a separate Action Item appropriation request pursuant to Section 1.4.b of OHA's Board of Trustees Executive Policy Manual. This Section V. specifically disallows transfer of funds or appropriations of any kind to the Native Hawaiian Roll Commission, as established by Act 195.

## **VI. REVIEW**

A. The Spending Policy will be reviewed at least every two (2) years or as recommended by the Chair of the ARM Budget & Finance Committee.

B. Modifications to the Spending Policy must meet requirements as provided by the ~~then~~ current BOT By-Laws. Any modification or exceptions to OHA's Spending Policy shall require six (6) votes and two (2) readings at the Board of Trustees level and require external due diligence to be conducted.

**VII. EFFECTIVE DATE.** "The effective date of this policy is February 27, 2014 and this policy shall be deemed to pre-exist funds disbursed to OHA by the State pursuant to Act 178, SLH 2006."

Adopted on the 27th day of February 2014

OFFICE OF HAWAIIAN AFFAIRS BOARD OF TRUSTEES

Colette Y. Machado, Chairperson

First Reading — 2/20/2014

Second Reading — 2/27/2014

## APPENDIX-45 - Native Hawaiian Trust Fund Investment Policy Statement



OFFICE OF HAWAIIAN AFFAIRS

### NATIVE HAWAIIAN TRUST FUND INVESTMENT

### POLICY STATEMENT, AS AMENDED <sup>34</sup>38

<sup>34</sup>38 Source:

**ARM 03-05:** Adopted May 29, 2003;

**ARM 08-04:** Amended October 24, 2008;

**ARM 09-07:** Amended August 3, 2009;

**ARM 10-02:** Amended April 15, 2010;

**ARM 12-08:** Amended September 27, 2012;

**ARM 14-03:** Investment Policy Statement Revision (Approved June 19, 2014). Amend Action Item ARM 14-03 to remove the proposed OHA Investment Policy Statement change of **Section 1.5 Spending Policy** (page 2, Section B1). Approve amendment of the Investment Policy Statement of the Native Hawaiian Trust Fund Investment Policy Statement as described in Attachment "A" (Investment Policy Statement). **ARM 14-03** Amendments to the Investment Policy Statement. (First reading June 4, 2014; Second reading June 19, 2014);

**RM 17-08:** Amended August 24, 2017;

**RM 19-13:** Amended; First reading: September 4, 2019; Second reading: September 19, 2019;

**RM 21-10:** First reading: August 5, 2021; Second reading: August 12, 2021;

**RM 24-53:** Adoption of a new Office of Hawaiian Affairs Native Hawaiian Trust Fund (NHTF) Investment Policy Statement (IPS). First reading: October 24, 2024; Second Reading: October 31, 2024

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# THE OFFICE OF HAWAIIAN AFFAIRS NATIVE HAWAIIAN TRUST FUND

## INVESTMENT POLICY STATEMENT

### OBJECTIVES AND POLICY GUIDELINES

## Section 1. Introduction and Purpose

### 1.1 Introduction.

The ~~i~~Investment ~~p~~Policy ~~s~~Statement governs the investment of assets held in the Office of Hawaiian Affairs Native Hawaiian Trust Fund (the “Fund” ~~or~~ “NHTF”), which comprises both Financial Assets and Hawai‘i Direct Investments. The Fund was established to manage assets/deposits from ongoing settlements of past-due income and proceeds from the use of Native Hawaiian Crown and Government Lands of the Hawaiian Kingdom also known as the “ceded” lands including submerged lands of the Public Land Trust that were previously underreported or underpaid. These deposits, which may include real estate or cash, are invested, and the returns are used to benefit Native Hawaiian beneficiaries.

This policy statement outlines the investment policy for the Board of Trustees (“BOT”) of the Office of Hawaiian Affairs (“OHA”), OHA staff, Investment Consultant(s), Service Providers, and Investment Managers (“~~Managers~~”, where appropriate). It ensures that all stakeholders, including beneficiaries, are informed about the investment objectives, expectations, and requirements for the ongoing management of the Fund's assets.

### 1.2 The Native Hawaiian Trust Fund.

OHA’s mission is to mālama (protect) Hawai‘i's people and environmental resources and the Trust Fund's assets. The mission aims to ensure the perpetuation of the Native Hawaiian culture, enhanced lifestyle, and the protection of entitlements thereby fostering a strong and healthy Hawaiian people and nation, recognized both nationally and internationally. The Fund’s overall goal is to provide superior investment returns to sustain the beneficiaries in perpetuity and to uphold OHA’s mission.

### 1.3 Purpose of the Investment Policy Statement.

In accordance with the fiduciary requirements and obligations of all parties involved in managing the Fund under existing Federal and State laws, the purposes of this Investment Policy Statement (“Statement” or “IPS”) are to document the investment management process by:

- a) Identifying the key roles and responsibilities relating to the ongoing management of the Fund.
- b) Setting forth an investment structure for the Fund assets.
- c) Establishing formalized criteria to measure, monitor, and evaluate the Fund’s performance results regularly.
- d) Encouraging effective communication among all fiduciaries, including external parties engaged in executing investment strategies.

This Statement represents the BOT's philosophy regarding the investment of the Fund’s assets. The BOT will review and revise the Statement as needed to ensure that it continues to reflect the BOT’s expectations and objectives. All of the BOT’s modifications or amendments to the Statement shall be made in writing.

It is also intended that the investment policies be sufficiently specific to be meaningful, but adequately flexible to be practicable. It is further understood that all performance standards and return objectives in this Statement are intended as evaluation tools for determining whether to continue to retain the Managers. The parties understand



that the Managers cannot give assurance of actual investment results and that the Managers understand that the BOT will terminate its relationship with a Manager based on a determination that the Manager is not achieving the performance standards.

#### 1.4 Staff and Service Providers.

The BOT oversees the execution of the IPS through OHA staff and service providers. The staff and service providers conduct activities according to guidelines and strategy mandates derived from OHA policies designed to achieve the goals and objectives of the organization. The BOT maintains its fiduciary responsibility to the NHTF through the setting of investment policies and approval of investment guidelines that are implemented by its staff and service providers. Staff and service providers are accountable to the BOT for investment results and execution and will regularly report on its activities to the BOT in a transparent and comprehensible method as practiced by the investment management industry. While discretion over certain tasks and decisions is permitted by staff and service providers by the BOT, such activities should be proscribed and achieved in an understood methodology that can periodically be confirmed.

## Section 2. General Beliefs and Objectives

### 2.1 Investment Beliefs about Capital Markets

At the Office of Hawaiian Affairs, we hold the following investment beliefs:

- a) Financial capital markets trend toward efficiency over the long-term as reflected in the fundamental characteristics of a strategy, investment opportunity, or vehicle, and are therefore appropriate for the NHTF to achieve its long-term objectives of consistent capital growth and capital preservation.
- b) When financial markets are considered more efficient such as when numerous investors are “price-takers”, it is appropriate for the NHTF to seek out low-cost passive investment strategies such as broadly diversified large-capitalization index funds.
- c) Financial capital markets do experience episodes of inefficiency, particularly in sub-market cycle periods, when information is not dispersed widely and investors exhibit non-rational or behavioral flaws in decision-making, and therefore more active management is preferable, such in private markets and anomaly capture strategies, for example, long-short equity neutral or volatility premium harvesting.
- d) When financial capital market inefficiencies are expected to persist over an expected period of market dislocation due to changes in market conditions, investor behavior, external intervention, or a combination thereof, it is appropriate for the NHTF to seek excess returns (sometimes called alpha) and market premium (one being the illiquidity risk premium) as measured through benchmark outperformance.
- e) Market participants inherently have conflicting self-interest and levels of organizational quality such that OHA’s execution of policies and procedures can yield important operational benefits through vetting of agency issues and ensuring appropriate alignment of interests for the performance of the NHTF and benefits of the Native Hawaiian people, today and into the future.
- f) Technology innovations, intellectual insights, and product engineering continually present investors with evolving opportunities that can lead to enhanced investment performance, which OHA will evaluate the risk/return qualities of such developments for the NHTF, with the intention of avoiding trendy over-hyped investment narratives while considering substantial enhancements that create lasting value and good for the economy and society as a whole. Ongoing education is an essential part of monitoring the NHTF over time in order to stay current with the changing nature of markets and the industry.
- g) Investing in financial capital markets present a plethora of risks to capital, organization, and reputation that are manifest in the markets, businesses, and people that comprise investment markets and opportunities which OHA believes can be measured and managed actively in the NHTF exhibited by metrics, adequate diversification, downside protection, and proper initial and ongoing due diligence.
- h) OHA believes that investments in the financial capital markets can adhere to Hawaiian values as articulated by the Board of Trustees, Mana i Maui Ola (~~s~~Strategic ~~p~~Plan), and other contemporary and historical cultural practices through the active efforts to build the NHTF’s investment portfolio to mālama Hawai‘i’s people and environmental resources, and OHA’s assets, toward ensuring the perpetuation of the culture, the enhancement of lifestyle and the protection of entitlements of Native Hawaiians, while enabling the building of a strong and healthy Hawaiian people and lāhui, recognized nationally and internationally.

## 2.2 Financial Objectives

The financial objectives of the Fund ensure the sustainability and effectiveness of its programs by balancing immediate financial support with long-term fund growth. These strategic goals include:

- a) To provide permanent funding for OHA's programs. This objective addresses the need to ensure intergenerational equity by providing the same level of program support in the future as it provides today.
- b) To maintain the Fund's purchasing power after spending and inflation. This objective emphasizes the importance of taking a long-term perspective for periods of ten (10) years or more in formulating spending and investment policies.
- c) To provide a predictable and stable source of income for OHA's programs. This objective is achieved through a well-defined spending policy.
- d) To provide a maximum level of return consistent with prudent risk levels. This objective involves constructing a globally diversified, equity-oriented, portfolio coupled with active risk management.

## 2.3 Spending Objectives

The annual amount withdrawn from the Native Hawaiian Trust Fund shall constitute no more than five percent (5%) annually of the Financial Assets market value and the prior year's net distributable cash flows of the Hawai'i Real Estate portfolio. The calculation of the maximum withdrawal amounts is outlined in the Native Hawaiian Trust Fund Spending Policy.

- a) For Financial Assets – ~~up~~ to five percent (5%), Rolling 20-quarter market average
- b) For Hawai'i Real Estate – Prior year net distributable cash flows

## 2.4 Investment Objectives

To achieve the Fund's financial goals and support its programs effectively, the following investment objectives are established:

- a) Spending Requirement: Based on the long-term spending policy, the Fund must attain an average annual real total return of five percent (5%) over the long term (CPI + 5% objective). The real total return is adjusted for inflation by the Consumer Price Index. Using the historical average inflation rate of three percent (3%) implies a nominal total return hurdle of eight percent (8%) to meet the spending requirement.
- b) Policy Benchmark: The Fund's investment performance will be evaluated on a risk-adjusted basis against a blend of market indices. The expectation is that the Fund's diversification will produce risk-adjusted returns that meet or exceed those of the blended market indices over the long term. This benchmark helps assess the effectiveness of the underlying strategies and any tactical deviations from the strategic asset allocation.
- c) Secondary Benchmark: The Fund's performance will also be measured against a secondary policy benchmark consisting of a sixty-five percent (65%) equity (MSCI ACWI net) and thirty-five percent (35%) bond (Bloomberg US Aggregate Bond) blend of market indices. This comparison is useful in evaluating the effectiveness of an active management program versus a passive management approach.
- d) Hawai'i Direct Investments: In alignment with OHA's mission, values, and goals, Hawai'i Direct Investments should aim to generate a long-term real total return of five percent (5%) to support the Fund's spending contributions.
- e) Performance Attainability: While it is recognized that the investment objective stated above may be difficult to attain every five (5) years but should be attainable over a series of five- and ten-year periods

## Section 3. Investment Philosophy and Structure

### 3.1 Investment Philosophy.

The investment of the Native Hawaiian Trust Fund is based on a set of beliefs and practices:

- a) Invest for the long-term:
  - 1. Preserve capital for use by future generations;
  - 2. Focus on asset allocation as the primary determinant of return;
  - 3. Avoid short-term speculative activity;
  - 4. Accept illiquidity if justified by higher alpha; and
  - 5. Bias towards equity investments.
- b) Build a well-diversified portfolio:
  - 1. Limit risk by combining uncorrelated strategies;
  - 2. Maintain meaningful exposure to major capital markets;
  - 3. Tilt towards value strategies;
  - 4. Employ fundamental research-driven and bottom-up strategies; and
  - 5. Take advantage of global market inefficiencies.
- c) Invest primarily with active managers:
  - 1. Use indexed and enhanced indexed strategies where appropriate;
  - 2. Focus resources on inefficient markets (e.g., venture capital, private equity, hedge funds, and emerging markets); and
  - 3. Manage the portfolio exposures actively in response to changing market conditions.
- d) Hawai'i Direct Investments:
  - a) Consistent with OHA's Mission, values, goals, and resources;
  - b) Generate sufficient economic returns to support spending contribution; and
  - c) Hawai'i Real Estate will remain a substantial portion of the NHTF, given OHA's legacy and identity as a Native Hawaiian organization.

### 3.2 Investment Management Structure

The Fund is comprised of Financial Assets and Hawaii Direct Investments, each with its own investment structure and guidelines.

### 3.3 Financial Assets

- a) External Investment Management: Financial Assets are managed by external investment firms selected based on:
  - 1. Experience and succession planning of key personnel;
  - 2. Consistency in investment approach;
  - 3. Effectiveness of decision-making processes;
  - 4. Assets under management and capacity management plans;
  - 5. Organizational structure, including administration, risk management, and reporting;
  - 6. Ethical and financial stability of the firm;
  - 7. Performance history;
  - 8. Fee structure; and
  - 9. Fit within the Fund's overall structure.
- b) Internal Investment Options: Financial Assets may also be invested internally in passive equity and bond indices using cash market securities or derivative instruments.
- c) Investment Management: Equities (public and private), Real Assets, Absolute Return, and Fixed Income will be managed separately. To ensure diversification, equity investments will be allocated to managers with distinct investment philosophies. Managers have the discretion to manage their portfolios according to the investment objectives and guidelines outlined in this policy statement.

### 3.4 Hawai'i Direct Investments

OHA's Hawai'i Direct Investments focus on both (+) commercial real estate holdings and (-) residential real estate holdings in Hawai'i with an economic emphasis.

- a) Internal Management: OHA utilizes internal management for these assets;
- b) Strategic Development: Management will create and implement a strategy that incorporates both economic and cultural considerations; and
- e) Expert Consultation: Internal management will utilize the expertise of OHA's Real Estate Advisory Committee and external real estate consultants.

## Section 4. Standards of Care

### 4.1 Board of Trustees and OHA Staff.

The standard of care applied to the BOT and OHA internal staff assigned to the Fund shall be the "prudent person" standard, defined as follows: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The BOT may rely upon the expert advice and counsel of its external providers to satisfy the "prudent person" standard provided the BOT has established adequate controls and fulfills its oversight responsibilities regarding the external providers as outlined in this Statement.

### 4.2 External Providers.

The standard of care applied to all external providers (i.e., Consultants, Service Providers, Custodian, Investment Managers) shall be as set forth in the agreement with OHA as appropriate, and each external provider. The BOT will negotiate through the ~~CEO~~ Administrator a standard for the Investment Managers that is similar in effect to the "prudent expert" standard, defined as: "Investments shall be managed with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims."

### 4.3 Code of Ethics.

OHA Trustees, officers, and employees shall abide by the Standard of Conducts established under Chapter 84 of the Hawai'i Revised Statutes and the code of ethics stated in the OHA Bylaws and, where appropriate, the OHA Employee Handbook and the BOT Executive Policy Manual.

OHA Trustees, officers, and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of their investment program or that could impair their ability to make impartial decisions. The OHA Trustees and employees shall disclose any material interests in financial institutions with which they conduct business and any personal financial/investment positions that could be related to the performance of the investment portfolio.

OHA employees and officers shall refrain from undertaking personal investment transactions with entities that conduct business with the Fund. Trustees with personal involvement in direct investment transactions or any perceived conflicts of interest must disclose the involvement immediately and recuse themselves from related discussions and votes.

## Section 5. Delegation of Authority

The Office of Hawaiian Affairs Native Hawaiian Trust Fund maintains a structured and organized process in implementing its investment program. To accomplish the mission, objectives and desired investment returns of the Fund, the Board of Trustees has delegated authority to various individuals and organizations.

### 5.1 BOT Composition.

The BOT currently consists of representatives from:

- a) O'ahu
- b) Kaua'i and Ni'ihau
- c) Moloka'i and Lana'i
- d) Hawai'i
- e) Maui
- f) At large (4)

### 5.2 BOT Responsibilities.

The BOT is the fiduciary responsible for the NHTF achieving its objectives and, therefore, sets overall policy direction, including approving the IPS, asset allocation targets and ranges, benchmarks, spending policy, and other guidelines for management. The BOT also ensures that the functions necessary to manage the NHTF successfully are properly resourced.

The BOT recognizes that it may not possess sufficient expertise to manage the assets of the Fund directly. Therefore, the BOT employs various external experts to act as Fiduciaries - Consultants, Managers, and/or Custodians, and seeking advice from independent parties. The BOT relies on this expertise in carrying out its responsibility to oversee the overall management of the Fund's assets and will meet quarterly to review the performance of the NHTF and the activities of the external providers for reasonable consistency with the objectives of the Fund as set forth in this IPS. When necessary, the BOT will provide guidance to the investment process. The BOT may delegate the execution of certain of its responsibilities to the ~~CEO~~ Administrator to assist with the implementation of this Statement. BOT responsibilities include, but are not limited to:

- a) Approve the Investment Policy Statement and all modifications to the Statement;
- b) Approve Consultants, Service Providers, and Fund Managers, including Non-Marketable Alternatives Providers;
- c) Monitor results of all Fund assets and strategies. The BOT shall include in its quarterly assessment such topics as economic outlook, portfolio diversification, asset allocation, Managers' strategies, potential risks, and the performance of the overall portfolio as well as each of the Fund's asset classes versus its benchmark rate of return and peer institutions;
- d) Review quarterly reports regarding the activities of Consultant(s) and OHA staff overseeing the Fund;
- e) Review quarterly reports from the Custodian and Managers regarding the composition of each Manager's assets under management versus the Fund's strategic target and the asset class strategies of each Manager;
- f) Review the quarterly report of the Consultant regarding the performance of the Fund and the Managers;

- g) As necessary, review the Fund's strategic direction or significant issues impacting the Fund or Fiduciaries and take action as appropriate;
- h) Attend a minimum of two (2) investment educational events held in Hawai'i each year; and
- i) Attend at least one (1) out-of-state training, educational, or due diligence event approved by the Chairperson of the BOT.

### 5.3 Duties of the Consultant, ~~CEO Administrator~~, and OHA Staff:

The duties of the Consultant will be as set forth in the agreement entered into between the BOT and the Consultant. The duties of the ~~CEO Administrator~~ and OHA staff will be set forth in the OHA Native Hawaiian Trust Fund Operational Procedures. The BOT is responsible for approving these Operational Procedures and for reviewing and approving all investment decisions not made by a Manager, unless expressly granted to another party as a fiduciary acting on behalf of the BOT. The Consultant and OHA staff are responsible for assisting the BOT in the execution of their responsibilities. Duties of the Consultant(s) and OHA staff jointly include, but are not limited to:

- a) Monitor the performance of each Manager's portfolio as frequently as market conditions dictate, including review of the Manager's monthly reports;
- b) Aggregate as necessary and monitor the performance of the Fund's investment portfolios monthly and prepare quarterly performance and Manager activity reports for review by the ~~Budget and Finance~~ Investment & Land Management Committee of the BOT;
- c) Monitor the monthly reconciliation of the portfolio positions and valuations among the Custodian and Advisors (OHA staff only);
- d) Seek to ensure that assets are invested in accordance with the requirements specified in this Statement;
- e) Recommend to the BOT through the ~~Budget and Finance~~ Investment & Land Management Committee and implement operational procedures that will enhance the investment program of the Fund and ensure that proper internal controls are implemented to safeguard the assets of the Fund, including preparing Investment Guideline Summaries for each of the Managers;
- f) Recommend benchmarks for approval to the ~~Budget and Finance~~ Investment & Land Management Committee;
- g) Prepare periodic market-cycle and annual reviews of the Fund's investments and the Managers' performance, including findings from annual due diligence visits for presentation to the BOT;
- h) Attend industry conferences and conduct onsite due diligence of the Managers and Custodian biennial or as frequently as necessary;
- i) Evaluate the reasonableness of recommendations of Managers regarding investment decisions and policies requiring the approval of the Investment & Land Management Committee; and
- j) policies requiring the approval of the Budget and Finance Committee;  
Evaluate and recommend Direct Investments in Hawaii for the approval of the ~~CEO~~ Administrator and BOT, as appropriate.



#### 5.4 Duties of the Managers.

The duties of the Managers shall be as set forth in the agreements entered between the BOT and the Managers and will explicitly include this Statement as an addendum. The Managers act as Fiduciaries of the NHTF for the assets they have under management. Duties of the Advisors include, but are not limited to:

- a) Invest the assets of the Fund within the constraints of the Statement while adhering to the investment management style, concepts, and principles for which they were retained by the BOT. Managers are responsible for tactical asset allocation and manager selection unless otherwise stated in the management and/or trust agreement with OHA;
- b) Where applicable per the ~~manager~~ management agreement, recommend specific investments and provide strategic and/or tactical investment advice to the BOT, ~~CEO Administrator~~, OHA staff, and Consultant(s) as appropriate to render a decision that will achieve the Fund's investment objectives;
- c) Seek to achieve best execution and price for all transactions effected on behalf of the Fund with brokers and dealers qualified to execute institutional orders on an ongoing basis and, if appropriate, facilitate the recapture of commissions on behalf of the Fund;
- d) Reconcile within tolerance limits monthly accounting, transaction, valuation, and asset summary data with the Custodian's transactions, valuations, and holdings, including resolving any discrepancies with the Custodian;
- e) For investments where a market value is unavailable, assist the Custodian in finding appropriate pricing sources or establishing fair value procedures-;
- f) Report to the BOT on all significant material matters pertaining to their firm's ownership, investment style and philosophy, changes in personnel, and performance relevant to the management of the Fund. Items relevant to the Fund include those that would have a direct or indirect impact on the ability of the Manager to continue to provide a high level of service;
- g) Vote the proxies of invested companies, as deemed appropriate, although the BOT reserves the right to vote proxies in separately managed accounts if it so chooses;
- h) Periodically conduct capital market studies and make recommendations to the BOT regarding changes to the Statement and strategic asset allocation targets and ranges based on the risk/return objectives of the Fund and the economic and market outlook. The timing of these analyses, and either reaffirmation or recommendation of modifications to this Statement, shall be as agreed upon with the BOT, but normally every two to five (2-5) years, but no less frequently than every six (6) years;
- i) Communicate with the Consultant(s) and/or OHA staff on at least a monthly basis regarding actions taken or any material changes, issues, or circumstances warranting attention, including the performance of the Fund, market conditions, and outlook, manager-turnover, Managers' staff turnover;
- j) Prepare quarterly and present at least biennially quarterly executive summary report to the BOT as requested by the Consultant(s) or OHA staff, including performance versus benchmarks, asset allocation, economic outlook, fees, Manager summary, and any other significant issues impacting the Fund;
- k) Assist the Consultant(s) and OHA staff in preparing Investment Guideline Summaries for the approval of the ~~CEO Administrator~~ and ~~Budget and Finance~~ Investment & Land Management Committee covering the assets under their

management and annually prepare a compliance and derivatives usage report (Each Advisor's Investment Guideline Summary will govern the assets under their management in conjunction with the Investment Policy Statement and the Investment Management Agreement between the Manager and OHA);

- l) Host a biannual onsite comprehensive and/or topical due diligence for the Consultant(s) and OHA staff and officials and, as requested, provide portfolio analytics and style consistency adherence at the manager-level for the Manager's commingled vehicles;
- m) Negotiate and arrange for brokerage and any applicable recordkeeping services;
- n) Render special projects at the request of the BOT, the Consultant(s) or OHA staff; and

Provide certain other services, as described elsewhere in this Statement, such as investment training, market research, educational programs, analytical tools, etc.

#### 5.5 Duties of the Custodian.

The duties of the Custodian shall be as set forth in the agreement between the BOT and the Custodian. In addition to other responsibilities contained in that agreement, the Custodian will:

- a) Provide complete custody and depository services for the Fund's assets, including obtaining market values or fair values for all assets on at least a monthly basis;
- b) Provide a monthly report of transactions by the Managers and, where applicable, by OHA as set forth in the Custody agreement;
- c) Provide audited monthly and annual accounting statements for all the Fund's assets and transactions;
- d) Collect all interest income, dividends, and principal realization and properly report them in all accounting statements;
- e) Disperse funds to cover expenses, accept funds from OHA or the Managers, and disperse funds to OHA or the Managers as properly instructed by the ~~CEO~~ Administrator or OHA staff, and properly report these transactions in all accounting statements and periodically to the BOT through the ~~Budget and Finance~~ Investment & Land Management Committee; and
- f) Reconcile monthly accounting, transaction, and asset summary data and communicate and resolve any discrepancies with the Managers.

## Section 6. Asset Allocation Guidelines

The Native Hawaiian Trust Fund is comprised of Financial Assets and Hawaii Direct Investments to achieve its investment objectives.

### 6.1 Financial Assets.

Financial Assets consist of three broad categories: Capital Appreciation, Diversifying Strategies, and Capital Preservation. These three categories may be broken into more specific capital market asset classes as defined in the Strategic Asset Allocation.

- a) **Capital Appreciation:** The purpose is to provide capital growth that will enable the Fund to meet its spending requirements while preserving its purchasing power for future generations. The strategy consists of an integrated blend of global developed and emerging markets equity, real assets, and opportunistic investments (e.g., credit). It is recognized that these strategies entail the assumption of greater market variability and risk.
- b) **Diversifying Strategies:** Diversifying Strategies are investment strategies intended to provide uncorrelated returns with the other asset classes (e.g., capital appreciation, global fixed income, and real assets) and achieve favorable risk/return characteristics. They are typically structured as hedge funds but may also include shorter-duration drawdown vehicles such as private credit. They may take both long and short positions, use leverage and derivatives, and actively manage market exposure. Diversifying Strategies investments will be made through external managers and diversified across multiple sub-strategies.
- c) **Capital Preservation:** The purpose is to provide liquidity in support of spending and capital commitments, create a deflation hedge, and reduce the overall volatility of the Fund. Capital Preservation investments are fixed-income and cash investments made through external managers and diversified across US government securities and high-quality corporate credit issuers.

### 6.2 Hawai'i Direct Investments.

Hawai'i Direct Investments consist of commercial and residential real estate that OHA directly owns, focusing on total return to meet current and future spending requirements. The investment objective is to outperform, net of commissions and fees, a blend of real estate indices that reflect the holdings of commercial and residential properties. Hawai'i Direct Investments allocation will be limited to twenty (20%) of the total NHTF.

### 6.3 Short-term and Long-term Targets.

The policy portfolio is structured using both short-term and long-term targets and ranges. The long-term targets will be phased in over three (3) years. The target asset allocation reflects the Fund's long-term risk and return objective and establishes a normative allocation against which shorter-term asset allocation decisions can be gauged.

Private Market investments are accomplished through the controlling fund documents and management agreement with OHA, as negotiated by OHA staff with input from relevant service providers and review from the Consultant(s). The private market managers, OHA staff, and the Consultant(s) with sufficient information and analyses to evaluate their investment recommendations. The information may include due diligence reports and portfolio analytics so that OHA can assess the prospects of the strategy. It is acknowledged that there may be underinvestment or overinvestment in these illiquid asset classes due to the timing of capital calls and distributions.

#### 6.4 Asset Allocation

Asset Class Portfolios	Maximum	Minimum	Short-Term Target	Long Term Target	Benchmark Index
Global Equities	60%	30%	45%	37%	MSCI ACWI(net)
Global Real Asset	10%	0%	4%	4%	TIPS +3%
Private Equity & Venture	30%	0%	10%	17%	MSCI ACWI(net) +3%
Opportunistic	10%	0%	0%	0%	S&P/LSTA Middle Market Index
<b>Total Capital Appreciation</b>	<b>80%</b>	<b>40%</b>	<b>59%</b>	<b>59%</b>	
Absolute Return	20%	8%	13%	13%	HRFI Fund-of-Funds
<b>Total Diversifying</b>	<b>20%</b>	<b>10%</b>	<b>13%</b>	13%	
US Fixed Income	30%	10%	17%	17%	Bloomberg US Aggregate
Cash	10%	0%	0%	0%	3-Month T-Bills
<b>Total Capital Preservation</b>	<b>40%</b>	<b>10%</b>	<b>17%</b>	<b>17%</b>	
<b>Total Financial Assets</b>			<b>89%</b>	<b>89%</b>	<b>Policy Portfolio</b>
<b>Hawai'i Direct Investments</b>	<b>20%</b>	<b>0%</b>	<b>11%</b>	<b>11%</b>	<b>NACREIF</b>
<b>Total NHTF</b>			<b>100%</b>	<b>100%</b>	<b>Policy Portfolio*</b>

\*The short-term strategic targets for the asset classes listed in the table, when multiplied by the benchmarks recommended by the OHA staff and consultant and approved by the BOT, form the Policy Portfolio.

~~The table below represents the Asset Allocation for Financial Assets:~~

~~6.4 Asset Allocation—Financial Assets~~

#### 6.4 Asset Allocation – Financial Assets

*The table below represents the Asset Allocation for Financial Assets.*

Asset Class Portfolios	Maximum	Minimum	Short-Term Target	Long Term Target	Benchmark Index
Global Equities	60%	40%	50%	42%	MSCI ACWI(net)
Global Real Assets	10%	0%	5%	5%	TIPS +3%
Private Equity & Venture	30%	0%	11%	19%	MSCI ACWI(net) +3%
Opportunistic	10%	0%	0%	0%	S&P/LSTA Middle Market Index
<b>Total Capital Appreciation</b>	<b>80%</b>	<b>40%</b>	<b>66%</b>	<b>66%</b>	
Absolute Return	20%	10%	15%	15%	HRFI Fund-of-Funds
<b>Total Diversifying</b>	<b>20%</b>	<b>10%</b>	<b>15%</b>	<b>15%</b>	
US Fixed Income	30%	10%	19%	19%	Bloomberg US Aggregate
Cash	10%	0%	0%	0%	3-Month T-Bills
<b>Total Capital Preservation</b>	<b>40%</b>	<b>10%</b>	<b>19%</b>	<b>19%</b>	
<b>Total Financial Assets</b>			<b>100%</b>	<b>100%</b>	<b>Policy Portfolio</b>

#### 6.5 Benchmarks and Allocation Ranges.

The strategic asset allocation targets and ranges, performance benchmarks, and investment guidelines will be formally reviewed at least once every three (3) years. If necessary, the Consultant(s) and OHA staff will recommend changes to the BOT through the ~~Budget and Finance~~ Investment & Land Management Committee. Any changes must be approved before they become effective.

Each Manager will be assigned an asset class and a primary strategic benchmark index determined by the Consultant(s) and OHA staff.

The BOT recognizes that the actual asset allocation of the Fund may vary between or even outside of the minimum and maximum in the short-term, depending on market conditions. Asset classes not contemplated above or elsewhere in this Policy may be added upon approval in writing by the BOT. The Managers will only be responsible for meeting the investment objectives applicable to the portion of the Fund entrusted to such Managers.

## 6.6 Rebalancing Policy

OHA rebalances its Financial Assets to maintain its allocation within defined ranges. The primary purpose of rebalancing is to ensure that the Fund's actual asset allocation does not drift too far from the strategic asset allocation.

## Section 7. Investment Guidelines

### 7.1 Guidelines for Capital Appreciation.

- a) Includes growth-oriented strategies that are integrated to meet the Fund's long-term spending objectives and sustain the portfolio in perpetuity.
- b) The objective is to outperform, net of fees, a representative risk-adjusted blend of market indices that reflect the strategic asset allocation of the Capital Appreciation portfolio. Also, performance on each sub-category will be monitored against the average return of a universe of active managers and/or fund-of-funds. The performance will be monitored regularly and evaluated over rolling five- and ten-year periods.
- c) In recognition of the increasing correlation among asset classes, the Capital Appreciation strategies represent a market-oriented mix of global developed and emerging markets equity, real estate, commodities, venture capital, private equity, and opportunistic investments such as credit securities
- d) Strategies will be broadly diversified by country, economic sector, industry, number of holdings, number of managers, and other investment characteristics. The Capital Appreciation strategies may contain a mix of actively and passively managed strategies to achieve its investment objective. Direct and derivative investments, commingled funds, private limited partnerships, and fund-of-funds may be used.
- e) The investment managers employed will have broad discretion on individual country and security selection decisions, security size, and quality, a number of industries and holdings, proxy voting, current income levels, and turnover. The usual standards of fiduciary prudence set forth in this policy statement and individual investment management agreements and guidelines apply.
- f) If allowed under their investment guidelines, managers may, at their discretion, hold investment reserves of either cash equivalents or bonds. Derivatives may be used to manage certain exposures, such as currency or market risk, if specified under individual investment manager guidelines.

### 7.2 Guidelines for Diversifying Strategies.

- a) The objective of the Diversifying strategies is to outperform a hedge fund-of-funds benchmark, net of commissions and fees. Performance will be monitored regularly and evaluated over rolling five- and ten-year periods.
- b) Diversifying strategies are intended to generate meaningful returns while reducing equity market sensitivity. These strategies may include hedge funds, asset-backed securities, and opportunistic credit. Implementation will be made through direct investments, limited partnerships, or fund-of-funds.

### 7.3 Guidelines for the Capital Preservation.

- a) The Capital Preservation strategies provide liquidity to meet current spending needs and stability to protect capital in down markets.
- b) The objective of the Capital Preservation strategies is to outperform, net of commissions and fees, a blend of market indices that reflect the fund's strategic asset allocation. Performance will be monitored regularly and evaluated over rolling five- and ten-year periods.

- c) The Fixed-Income strategy may contain money market instruments, domestic and foreign government bonds, and other high-quality investment vehicles with risk/return characteristics consistent with the Capital Preservation Fund's investment objectives. Derivatives may be used to manage certain exposures as specified under individual investment manager guidelines.
- d) Fixed-income managers are expected to employ active management techniques, including maturity, sector, and quality considerations. Implementation may also be achieved through passive indices, commingled funds, and limited partnerships.

#### 7.4 Guidelines for Hawai'i Direct Investments.

- a) The objective of Hawai'i Real Estate strategies is to outperform, net of commissions and fees, a blend of real estate indices that reflect the Fund's holdings. Performance will be monitored regularly and evaluated over rolling five- and ten-year periods.
- b) All direct investments should demonstrate the ability to generate current income and capital gains consistent with the asset class benchmark index and the Fund's long-term objective.
- c) Only economical Hawai'i Real Estate Property is included in the Fund.
- d) OHA may finance the real estate acquisition or development with a mortgage. The property may be pledged as collateral under a non-recourse structure to OHA. Any amount of recourse back to OHA, including an OHA guarantee, will be considered a use of capital and, therefore, be subjected to the OHA's Debt Policy.
- e) The market valuation of corporate real estate is determined by biennium appraisals conducted by a reputable independent appraisal firm, and that value will be utilized until the next appraisal. Before the first appraisal, the asset's market value is assumed to equal its acquisition cost.

#### 7.5 Guidelines for Transactions.

As a general guideline that should apply to all assets managed, transactions should be entered into based on best execution, which is interpreted normally to mean the best-realized price.

#### 7.6 Responsible Investing.

OHA will seek to apply the Principles for Responsible Investing in its investment practices and decisions where possible and encourage its investment managers to apply these principles to their investment portfolios. Responsible Investing involves incorporating environmental, social, and governance (ESG) factors into investment decisions to manage risk effectively, achieve positive societal outcomes, and generate sustainable long-term returns. ESG factors encompass a range of issues, including energy consumption, greenhouse gas emissions, climate change, resource scarcity, water use, waste management, health and safety, employee productivity, diversity and non-discrimination, supply chain risk management, and human rights, including workers' rights and effective board oversight. OHA is committed to staying informed about developments in responsible investing and the impact of ESG factors on the Fund.

#### 7.7 Derivatives Policy.

The derivatives policy applies to all investments except for those permitted in external investment funds.

- a) Investments in derivatives shall not create a leverage effect on portfolio returns and must be consistent with the asset class they are in.
- b) OHA staff will be required to report to the BOT periodically (at least annually) on their use of



derivatives for any purpose to assure compliance with this Policy.

#### 7.8 Cash Holdings.

Cash holding should be invested in highly liquid, safe instruments with short maturities to minimize principal loss. Eligible investments include:

- a) Money market mutual funds (2a7) in U.S. Treasury and government agency securities;
- b) Deposits 100% federally insured or collateralized with U.S. government or agency securities equal to or greater than the deposit amount;
- c) U.S. Treasury bills and short-term U.S. government agency securities;
- d) Overnight repurchase agreements collateralized with U.S. government or agency securities at 102% of the face amount.

#### 7.9 Proxy Voting.

The BOT has delegated the authority to external investment managers to vote proxies. For separately managed accounts (not pooled vehicles), the BOT reserves its right to exercise its proxy rights when it so chooses and to vote the proxies of invested companies as it deems appropriate. The proxy voting review process and guidelines are set forth in the OHA Native Hawaiian Trust Fund Operational Procedures.

## Section 8. Hawai'i Direct Investment Policy (HDIP)

The primary role of Hawai'i Direct Investments is to create financially viable Hawai'i commercial real estate and residential real estate holdings while also protecting and preserving Hawai'i lands and their cultural significance. OHA's Hawai'i commercial and residential real estate portfolio will seek to generate a total return (Income and Capital Appreciation) to meet OHA's spending requirements while also preserving purchasing power for future generations. OHA will make capital investments to enhance, maintain, and protect existing improvements on its Hawai'i commercial and residential real estate holdings and consider real estate acquisitions and monetization for compelling and strategic reasons.

A secondary objective targets equity and/or debt positions in private companies based in Hawai'i as further guided by the OHA Economic Development Policy and BOT-approved lending programs for Native Hawaiians.

All direct investments should demonstrate the ability to generate current income and capital gains consistent with the asset class benchmark index and the Fund's long-term objective.

### 8.1 Delegation of Authority

The BOT must approve all final acquisition, development, and/or disposition decisions of Hawai'i direct investments. A supermajority vote of the BOT must approve investments other than corporate real estate and BOT-approved lending programs. The BOT may delegates-to the ~~CEO~~ Administrator the authority to:

- a) Administer the HDIP and approve and implement procedures to carry it out.
- b) Delegate duties to OHA staff as necessary to fulfill and implement this policy.
- c) Deny opportunities that do not satisfy the current policy, guidelines, and/or criteria approved by the BOT.
- d) Execute contracts and agreements.
- e) Conduct investment due diligence, negotiations, and ongoing performance monitoring.
- f) Structure real estate financing terms for approval by the BOT.
- g) Oversee and manage the operational functions associated with each investment, including selecting and terminating service providers, negotiating leases and setting fee schedules (including market-based lease terms for OHA occupied space), obtaining and approving permits, licensing, and leasing, approving tenant improvements, sub-leases, evictions, use and service agreements, and making all other operational decisions associated with the investment.
- h) Determine when to segregate assets to fund acquisitions and to place those assets with OHA staff to invest until acquisitions are closed.
- i) The BOT reserves the right to approve all other decisions not listed above.

### 8.2 Permissible Investments.

#### Hawai'i Real Estate

- a) Hawai'i commercial and residential real estate that OHA directly owns with a focus on total

return to meet current and future spending requirements.

- b) The objective for Hawai'i commercial and residential real estate strategies is to outperform, net of commissions and fees, a blend of real estate indices that reflect the Fund's holdings. Performance will be monitored regularly and evaluated over rolling five- and ten-year periods.
- c) Only real property that is Hawai'i commercial and residential real estate property are included in the Fund.
- d) OHA may finance real estate acquisition or capital improvements with a mortgage. The property may be pledged as collateral under a non-recourse structure to OHA. Any amount of recourse back to OHA, including an OHA guarantee, will be considered a use of capital and, therefore, be subjected to the OHA's Debt Management Policy.
- e) The market valuation of Hawai'i commercial and residential real estate is determined by biennium appraisals conducted by a reputable independent appraisal firm. That value will be utilized until the next appraisal. Before the first appraisal, the asset's market value is assumed to equal its acquisition cost.

## Section 9. Monitoring of Objectives and Results

### 9.1 Monitoring of Objectives and Results.

- a) All objectives and policies are in effect until modified. The ~~Resource~~ Investment & Land Management Committee, with advice from the ~~CEO~~ Administrator, will review these periodically for their continued appropriateness. Changes to the asset allocation targets and ranges are anticipated to be made infrequently.
- b) The Fund portfolio will be monitored continually for consistency in investment philosophy, return relative to objectives, investment risk as measured by asset concentrations, exposure to extreme economic conditions, and market volatility.
- c) Internal staff will review individual managers as needed to confirm that performance expectations remain in place and make recommendations as needed.
- d) The performance and portfolio activity will be reviewed at least annually by the Board of Trustees and with the ~~Resource~~ Investment & Land Committee every quarter. Results will be evaluated over longer time frames, including the inception period, rolling five- and ten-year periods, and complete market cycles.

## Section 10. Selecting and Reviewing Investment Managers

### 10.1 Review Process for Selecting External Investment Managers.

Under HRS §103D-102(b)(2)(F), investment manager selections are exempt from the State procurement process. The selection process for investment includes, but not be limited to, the following steps:

- a) OHA staff and/or the Consultant will review potential candidates and provide a shortlist of top managers identified through a formal screening process.
- b) The initial list will consist of eight to ten (8-10) managers, but maybe fewer, depending on the investment approach.
- c) OHA staff and/or the Consultant will gather performance and risk statistics and a summary description of each manager.
- d) OHA staff and/or Consultant will evaluate the investment managers and narrow the list to three candidates.
- e) Each finalist will be asked to provide detailed information, including performance records for three (3), five (5), and ten (10) years (where available), associated risks, quality and stability of investment personnel, adherence to investment philosophy/style, and fee structures.
- f) OHA staff and/or Consultant will summarize the responses and select at least two finalists to present to the ~~Resource~~ Investment & Land Management Committee.
- g) The ~~Resource~~ Investment & Land Management Committee will make the final selection for approval.
- h) Following approval, the OHA administration will be authorized to execute the agreement and allocate funds.
- i) The timing of funds to the investment manager will be based on the asset allocation, availability of funds, and structure of the investment.
- j) Private Investments follow a similar process. However, the ~~CEO~~ Administrator will have the delegated authority to approve private equity investments in accordance with the annual BOT private investment plan.

### 10.2 Selection Criteria.

In general, eligible investment managers will possess attributes including, but not limited to, the following:

- a) For specific asset class searches, the firm must have experience managing funds for institutional clients within the specified asset class, product category, and investment style.
- b) The firm must have a minimum three-year history of managing institutional assets and demonstrate the continuity of key personnel; shorter-term histories will be considered for entire portfolio management teams that have portable track records from predecessor firms.
- c) The firm must display a record of stability in retaining and attracting qualified investment professionals and managing asset growth effectively to gain and retain clients.
- d) The firm must have an asset base sufficient to accommodate the Fund's portfolio: The manager

should have at least \$500 million of discretionary institutional assets under management; the Fund's portfolio should represent no more than five percent (5%) of the firm's total asset base for any manager.

- e) The firm must demonstrate adherence to the investment style and adherence to the firm's stated investment discipline.
- f) The firm should promote good governance in its proxy voting policy and adhere to best practice standards regarding transparency, manager fee structure, leverage, and liquidity in the alternative asset classes.
- g) The firm's fees should be competitive with industry standards for each product category and overall.
- h) The firm must comply with the "Duties of the Investment Advisors" outlined in this Statement and should conform to GIPS (Global Investment Performance Standards) for performance reporting.
- i) The firm must be able to provide analytics tools and/or reports necessary for OHA staff and the Consultant to monitor and analyze risk and manager performance.

### 10.3 Private Placement Policy.

The OHA requires specific and timely disclosure of payments and compensation made to Placement Agents regarding its investments. This policy ensures transparency and prevents undue influence or illegal practices in investment decisions in accordance with the Board of Trustees' fiduciary responsibilities. This Placement Agent Policy is intended to apply broadly to all investment contracts made by the OHA.

#### **Purpose:**

- **Transparency:** To ensure OHA investment decisions are based solely on the merits of the opportunity.
- **Avoid conflicts:** To prevent undue influence or illegal "pay-to-play" practices in awarding contracts.

Each investment manager shall provide to the OHA the required information listed below.

#### **Disclosure Requirements for Investment Managers:**

Investment managers must disclose the following information **before closing** on an investment opportunity and notify OHA of any changes:

- a) Required Disclosure of Payments Made to Placement Agents
  1. A written statement of whether the investment manager or any of its principals, employees, agents, or affiliates has compensated or agreed to compensate any person or entity to act as a Placement Agent in connection with the OHA's investments.
  2. The name of the Placement Agent and resumes of the relevant Placement Agent(s) involved with OHA's investment.
  3. Description of all compensation paid or agreed to be paid to the Placement Agent, including payment to employees of the investment manager who are retained to solicit, or who are paid based in whole or in part upon, an investment from the OHA.
  4. Description of the services rendered or the services expected to be performed by the Placement Agent.

5. Name of the regulatory agencies the Placement Agent or any of its affiliates are registered with, such as The Securities and Exchange Commission (SEC), the Financial Industry Regulatory Association (FINRA), or any similar regulatory agency; proof and details of such registration shall be included, or an explanation as to why no registration is required.

b) Required Disclosure of Relationships to the Board and Campaign Contributions

1. To the best of their knowledge, full disclosure of any connection between the Placement Agent or the investment manager and the OHA, including whether anyone receiving compensation or who will receive compensation with respect to an investment from the OHA from the Placement Agent or the fund manager is: a current or former OHA Board Member, OHA employee, or OHA consultant; a member of the immediate family of anyone connected to or formerly connected to the OHA.
2. To the best of their knowledge, full disclosure of the donations made by the Placement Agent or the investment manager during the prior 24-month period to any organization (including contributions to political campaign funds and donations to non-profits) in which any person listed in Paragraph 2.a is an officer, employee, or member of the Board or Advisory Board (or similar body). Additionally, any subsequent donations made by the Placement Agent or the investment manager to any such organization during the time the Placement Agent or the investment manager is receiving compensation in connection with the OHA investment shall also be disclosed.
3. To the best of their knowledge, full disclosure of the names of any current or former members of the Board, OHA employees, or investment consultants who suggested the retention of the Placement Agent to the investment manager.

c) Responsibilities of Staff and Consultants

At the time that investment discussions between an investment manager and the OHA for a prospective investment commence, ~~the~~ Investment Staff is responsible for providing investment managers and Placement Agents with a copy of this Placement Agent Policy.

Investment Staff and investment consultants must confirm that the applicable Placement Agent disclosures have been received prior to the completion of due diligence and completion of any recommendation to proceed with the decision to invest with the investment manager. For new contracts and amendments to existing contracts, the OHA will:

1. Stop investment negotiations with an investment manager who refuses to disclose the required information;
2. Decline the opportunity to retain or invest with an investment manager who has used or intends to use a Placement Agent who is not registered with the SEC, FINRA, or any similar regulatory agency and cannot provide an explanation as to why no registration is required; and
3. Investment Staff and investment consultants will assist legal counsel as necessary to secure in the final contract terms and side letter agreements between the OHA and the investment manager, including but not limited to, the following:
  - a. The investment manager's agreement that it has complied with and will continue to comply with this Placement Agent Policy.
  - b. The investment manager's representation and warranty that it will notify ~~the~~ Investment Staff of any changes to any of the information required above.

At any meeting where an investment decision with an investment manager will be considered, Investment Staff and the applicable investment consultants must notify the Board of the name(s) of any Placement Agent(s) used by the investment manager in connection with the proposed investment, and any campaign contributions or gifts reported by each Placement Agent.

Staff must maintain records of all information disclosed to the OHA in accordance with this policy and provide the Board with notice of any violation of this policy as soon as practicable.

d) Responsibilities of Counsel

Legal counsel to the OHA must secure in the final contract terms and side letter agreements between the OHA and the investment manager all requisite agreements and representations and warranties by the investment manager for compliance in accordance with this Placement Agent Policy.

e) Responsibilities of the Board

The Board must review all violations of this Placement Agent Policy reported by Investment Staff, consider whether each violation is material, and consider recommendations from Investment Staff and the ~~Chief Executive Officer~~ <sup>35 39</sup> Administrator on whether to prohibit that investment manager and/or Placement Agent <sup>35 39</sup> from soliciting new investments from the OHA for a certain period from the date of the determination.

#### 10.4 Watch List Policy.

a) A manager may be added to the Watch List for any of the following reasons:

1. Organizational Issues (People):

- Change in ownership or control of the firm;
- Significant change in team composition or responsibilities;
- Material change in the business organization of the manager;
- Departure of significant personnel; or
- Material changes in the responsible initiatives as specified in the Board's Investment Committee Charter

2. Relative Performance Measurement for Active Managers (Returns)

- ~~3Three-~~ and ~~5five-~~year performance net of fees below the relevant benchmark
- ~~3Three-~~ and ~~5five-~~year performance net of fees in the bottom quartile of relevant peer universe

3. Relative Performance Measurement for Passive Managers:

<sup>35 39</sup> "Placement Agent" includes any person or entity hired, engaged, retained by, acting on behalf of or serving for the benefit of an investment manager or on behalf of another Placement Agent as a third-party marketer, finder, solicitor, marketer, consultant, broker, or other intermediary to market, solicit, obtain access to the OHA, and/or raise money or investments either directly or indirectly from the OHA. Notwithstanding the foregoing, an individual who is an employee, officer, director, equity holder, partner, member, or trustee of an investment manager and who spends one-third or more of his or her time, during a calendar year, managing the securities or assets owned, controlled, invested or held by the investment manager is not a Placement Agent.



- ~~5~~Five-year performance net of fees below the relevant benchmark;
- Tracking error tolerance;
- U.S. Equity +/- 10 basis points;
- Non- U.S. Equity +/- 40 basis points;
- Fixed Income +/- 20 basis points; ~~and~~
- Global REITS +/- 40 basis points.

4. Other:

- Material guideline violation not brought to the attention of the OHA Investment Staff or Investment Consultant (OCIO) by the manager;
  - Failure to comply with terms of contract/guideline that is not corrected within ~~sixty~~ (60) days;
  - Any material regulatory action or other proceeding affecting the manager's ability to perform its duties under the contract;
  - Manager changes strategy it was hired to implement;
  - Material violation of the manager's investment guidelines;
  - Unsatisfactory client service; ~~and~~
  - Any other reason as determined by OHA Investment Staff or Investment Consultant (OCIO).
- b) When a manager is placed on the Watch List it is effective immediately. While there is no requirement that the manager be notified when they are placed on the Watch List, OHA Investment Staff or Investment Consultant (OCIO) will communicate their concerns to the manager as part of its ongoing due diligence activities.
- c) During a manager's tenure on the Watch List, the OHA Investment Staff and Investment Consultant (OCIO) will monitor the manager on a regular basis and provide the ~~Resource~~ Investment & Land Management Committee with information about the progress the manager is making, as needed.
- d) There is no minimum time requirement on the Watch List before termination may be made, and a manager's contract may be terminated for any reason at any time, whether on the Watch List or not. If there is a recommendation for termination, a prudent plan for transitioning the assets earmarked for termination will be a part of the recommendation.
- e) A manager should be removed from the Watch List if the Investment Consultant (OCIO), with the assistance of OHA Investment Staff, has completed a review of the manager and determined that there are appropriate mitigating circumstances to warrant the retention of the manager. Changes to the Watch List will be brought to the ~~Resource~~ Investment & Land Management Committee's attention as needed when an issue rises to a level that warrants notification.

- f) Once an investment manager is placed on probation for performance reasons, it is allowed but not guaranteed three to four (3–4) calendar quarters to show improvement relative to the prescribed benchmarks and required to submit monthly reports detailing investment performance and strategy.
- g) The investment manager will be notified in writing at the completion of the review period of its status, including if there is a recommendation made to the Resource Investment & Land Management Committee for termination, continuation, or return to normal status
- h) OHA reserves the right to terminate the manager at any time, with or without cause in accordance with relevant laws and contractual provisions governing OHA's relationship with an investment manager.

#### 10.5 Criteria for Termination.

Grounds for termination may include, but are not limited to:

- a) Failure to comply with the guidelines agreed upon for the management of the Fund's assets, including holding restricted securities and conducting prohibited transactions~~;~~
- b) Failure to achieve performance objectives specified in this Statement or the Advisor's contractual guidelines~~;~~
- c) Significant deviation from the Advisor's stated investment philosophy/style and/or process~~;~~
- d) Loss of key personnel or significant ownership changes that create instability in the organization~~;~~
- e) Evidence of illegal or unethical behavior~~;~~
- f) Lack of willingness to cooperate with reasonable requests for information, meetings, or other materials~~;~~ or
- g) Loss of confidence in the manager~~.~~

The presence of one (1) or a combination of these factors will be carefully reviewed but will not necessarily result in automatic termination.

#### 10.6 Termination.

If an investment manager fails to meet the required standards, OHA staff and/or the investment consultant will put the manager on a watch list and report the recommended course of action to the Resource Investment & Land Management Committee. If the manager fails to address OHA's concerns, staff will recommend termination to the BOT in accordance with the contractual agreement. The BOT reserves the right to terminate an investment Manager at any time with reasonable notice as defined in the contract.

## Section 11. Investment Risk Management Policy

The Risk Management Policy is designed to ensure that there are risk control measures in place to identify, monitor, and manage the level of risks and to balance the long-term expected risk and return objectives of the Fund investment portfolio. The OHA Board of Trustees (“BOT”) recognizes that the undertaking of risks is generally unavoidable in investment management. The purpose of this policy is not to eliminate risks but to understand the risks through the implementation of disciplined processes and procedures. Risk control measures include continuous monitoring and timely reporting by OHA staff to ensure the effectiveness of OHA’s investment risk management system. This Policy is not intended to provide an exhaustive list of risks or provide a comprehensive list of processes and procedures to identify and mitigate risks. Rather, this policy provides generally accepted approaches to risk management that can be implemented through investment guidelines and operational policies and procedures.

### 11.1 Risk Management Policy.

Risk is managed primarily through diversification. The Fund will be diversified both by asset class (e.g., developed and emerging markets equities, real assets, opportunistic investments, absolute return, bonds, and cash equivalents) and within asset classes (e.g., within equities by country, economic sector, industry, quality, and size). The purpose of diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the Fund.

### 11.2 Key Risk Factors.

Key risk factors may stem from internal or external sources. The assessment of risk may be both qualitative and quantitative. The OHA staff and consultant shall conduct an annual qualitative risk assessment identifying key risk factors, sources of risk, risk mitigants, and a remediation plan, if necessary, to manage these risks. OHA staff shall also provide quarterly quantitative risk reporting to the BOT using commonly accepted quantitative risk reporting measures. Risk management measures may include the following:

- a) Establish internal policies and procedures to minimize operational and legal risks;
- b) Establish investment guidelines for eligible investments, diversification, rebalancing, liquidity, leverage, and use of derivatives;
- c) Annual reporting of the portfolio volatility (measured using the standard deviation of returns) and expected volatility and return;
- d) Annual reporting of tracking error for OHA’s liquid assets;
- e) Annual reporting of leverage, currency risk, concentration risk, and liquidity risk;
- f) Annual external financial audit by a reputable independent audit firm; and
- g) Periodic review of the Investment Policy Statement and Risk Management Policy to assess the relevance and effectiveness of these policies.

### 11.3 Guidelines.

The Fund will be monitored quarterly to ensure adherence to the following risk guidelines. A breach in a guideline triggers a written notification from the internal staff to the ~~CEO~~ Administrator. It is recognized that market conditions and/or illiquidity of the underlying securities may preclude an immediate rebalancing of the portfolio. Risk control exception reporting will be provided to the BOT as part of its quarterly investment performance report, which specifies the actions, if any, needed to bring the Fund into compliance.

a) Concentration – Maximum Portfolio Weights:

1. Ten (10%) in a single marketable manager (excluding Fund-of-Funds, Passive Strategies, and Fixed Income); and
2. Five (5%) in a single Alternatives (e.g. Private Equity and Hedge Fund) manager excluding Fund-of-Funds

b) Liquidity:

1. Quarterly: Twenty-five (25%) of the Financial Assets convertible to cash
2. Annually: Forty (40%) of the Financial Assets convertible to cash
3. Unfunded capital commitments plus current exposure to private investments limited to ~~one-half~~ fifty (50%) of the Financial Assets

#### 11.4 Implementation.

It is the responsibility of OHA's ~~Chief Executive Officer~~ Administrator to ensure that risk management policies and procedures are in place to identify, monitor, and manage investment risk. It is the OHA staff's responsibility to implement internal procedures and continuously monitor the investment portfolio and investment managers to ensure policy and guideline compliance. OHA staff shall rely on the most recent data available from the custodian and investment managers to analyze risk statistics and provide risk reporting. A risk management review shall be provided to the BOT on an annual basis or more frequently as needed.

*Adopted 5/29/03 (ARM 03-05); amended 10/24/08 (ARM 08-04); amended 8/3/09 (ARM 09-07); amended 4/15/10 (ARM 10-02); amended 9/27/12 (ARM 12-08); amended 6/19/14 (ARM 14-03); amended 8/24/17 (RM 17-08); amended 9/19/19 (RM 19-13); amended 08/12/21 (RM 21-10); amended 10/31/24 (RM 24-~~354~~).*

## APPENDIX ~~5~~6 –Water Backgrounder

### Water Backgrounder:

#### Building Pono Water Management in Hawai‘i Nei <sup>36 40</sup>

##### **I. Introduction**

Ola i ka wai: water is life. In ‘Ōlelo Hawai‘i, the mother tongue of the Hawaiian Island, wai is water, wai wai means values or wealth, and kānāwai is the law. It is no coincidence that, in this island community, both wealth and the law were and continue to be defined by access to fresh water resources. For Kānaka Maoli (Native Hawaiians), appropriately managing wai is a true kuleana: both a privilege and a responsibility.

This summary highlights the basic principles of foundational Hawai‘i water law that affect Kānaka Maoli, overviews the legal authorities protecting those rights and practices, and describes the practical effects of those directives, especially as they apply to government decisionmakers. For those decisionmakers, managing water resources for the benefit of the public and the resource itself is not only a tremendous kuleana, but also a constitutional mandate.

##### **II. Cultural Context for Water Use and Management in Hawai‘i Nei**

Before the documented arrival of Westerners in 1778, water was the source of all life in Hawai‘i. Continuous ma uka to ma kai (from the mountains to the ocean) stream flow provided fresh water for drinking, supported traditional agriculture and aquaculture, recharged ground water levels, fed punawai (freshwater springs) and wetlands, and sustained productive estuaries and fisheries by both bringing nutrients from the uplands

<sup>36 40</sup> ~~Source:~~ BAE 15-06: Water Backgrounder Policy (First reading: November 5, 2015; Second reading: November 19, 2015).

to the sea and providing a travel corridor so that native stream animals could migrate between the streams and ocean and complete their life cycles. Water was also revered as a kinolau (physical manifestation) of Kāne, one of the Hawaiian pantheon's four principal akua (gods, ancestors). Traditional mo'olelo (stories or history) explain that Kāne brought forth fresh water from the earth and traveled throughout the archipelago with Kanaloa (another principal akua), creating springs and streams, many of which continue to flow today. Kānaka Maoli relied on streams and springs to satisfy many needs. One principal need was to ensure sufficient flow of fresh water to cultivate the staple crop kalo (*Colocasia esculenta* or taro). Other needs included sustaining natural systems and fisheries, as well as enabling cultural, religious, and other practices based upon free-flowing water resources.

Given these important purposes, much of traditional Kānaka Maoli law or kānāwai developed around the management and use of fresh water. Water was a public trust resource and could not be commodified or reduced to physical ownership, which means that no one – not even ali'i (leaders) – could own water. Instead, ali'i managed water resources for the benefit of present and future generations through engineering and management that ensured maximum benefits without compromising the long-term health of the resources. Under the ali'i nui, konohiki (resource managers) stewarded ahupua'a (loosely defined as watersheds) or smaller land divisions including 'ili or kū. Konohiki appointed kahuwai (water stewards or superintendents) to manage water distribution within and between land divisions.

The management of water resources changed dramatically with the establishment and expansion of plantation agriculture, including sugar and pineapple. Massive ditch systems were constructed on most of the major islands to transport water from wet Windward communities to drier Central and Leeward plains, and ground water wells were developed to supplement surface water systems. Despite early written Kingdom laws that formalized and translated Hawaiian custom and tradition, including Kānaka Maoli concepts of the public trust, large agricultural plantations increased their influence and soon controlled a large portion of Hawai'i's resources. The law itself was also subject to Western influence over time, and cases during Hawai'i's Kingdom and

territorial periods also began to reflect increasingly Western approaches to water use and management. Conflict ensued between and among Kānaka Maoli and others, especially plantation interests.

After about a century of plantation agriculture's monopoly over Hawai'i's ground and surface water resources, a movement resurfaced in the 1960s and 1970s to return water use to public management and control. A series of cases in both the state and federal court systems ultimately reaffirmed that Hawai'i's water resources are held in trust and should be managed for the benefit of present and future generations. See *McBryde Sugar Co. v. Robinson*, 54 Haw. 174, 504 P.2d 1330 (1973). These cases also highlighted the need for a more comprehensive and equitable management system. The 1978 Hawai'i State Constitution was instrumental in this regard and established a new legal regime for water resource management.

### **III. Hawai'i's Legal Regime for Water Resource Management**

Today, Hawai'i law relating to water use and management is grounded in the Constitution, the State Water Code (Hawai'i Revised Statutes Chapter 174C), administrative rules for the Commission on Water Resource Management (Hawai'i Administrative Rules §§ 13-167 to 13-171), and court decisions interpreting these and other relevant laws.

#### **A. Hawai'i Constitution**

Article XI, Section 1 of Hawai'i Constitution establishes that "all public natural resources are held in trust by the State for the benefit of the people," and Article XI, Section 7 of Hawai'i Constitution specifically references water and includes the directive "to protect, control, and regulate the use of Hawai'i water resources for the benefit of its people." Article XI, Section 7 also established the State Commission on Water Resource Management ("Water Commission"), which is currently housed within the Department of Land and Natural Resources.

Although other county, state, and federal agencies may have overlapping jurisdiction in some areas, the Water Commission has primary authority over water use and management in Hawai'i.

The Commission is tasked with many duties including establishing water conservation, quality, and use policies, defining reasonable-beneficial uses, protecting ground and surface waters, and regulating Hawai‘i’s water resources while assuring appurtenant rights<sup>37 41</sup> and existing riparian and correlative uses.<sup>38</sup> <sup>42</sup> In addition to the kuleana it places on the Water Commission, the constitutional public trust imposes independent mandates on government decisionmakers to conserve and protect Hawai‘i’s water resources, which is discussed in more detail in Part IV, below.

## **B. Hawai‘i’s Water Code, Hawai‘i Revised Statutes Chapter 174C**

Today, the use of fresh water in Hawai‘i is managed largely through the State Water Code, Hawai‘i Revised Statutes Chapter 174C. The Code also details the responsibilities and composition of the Water Commission. The Chairperson of the Department of Land and Natural Resources presides as the Commission’s Chair, and the Director of the Department of Health also sits as a voting member; in addition, five members are appointed to the Commission, each of who must have “substantial experience in the area of water resource management,” and at least one of whom must have “substantial experience or expertise in traditional Hawaiian water resource management techniques and in traditional Hawaiian riparian usage such as those preserved by 174C-101...” Haw. Rev. Stat. § 174C-7(b).

The Water Commission has a dual mandate to protect the resources and promote maximum reasonable-beneficial use (which also includes resource protection as a “use”). The Code provides various tools to fulfill this mandate, including

<sup>37 41</sup> Appurtenant rights attach to land that used water, usually to cultivate the traditional staple kalo, at the time of the Māhele of 1848. See *Reppun v. Board of Water Supply*, 65 Haw. 531, 656 P.2d 57 (1982).

<sup>38 42</sup> Riparian rights entitle landowners along streams to the reasonable use of that stream water. See *Reppun v. Board of Water Supply*, 65 Haw. 531, 656 P.2d 57 (1982). Correlative rights are analogous rights of landowners above a ground water source or aquifer to reasonable use of the underlying water. See *City Mill Co. v. Honolulu Sewer & Water Comm’n*, 30 Haw. 912 (1929). Hawai‘i’s Constitution protects Riparian and correlative “uses” only (as opposed to unexercised rights). See *In re Waiāhole Combined Contested Case Hr’g*, 94 Hawai‘i 97, 179, 9 P.3d 409, 491 (2000).



instream flow standards (“IFSs”) to set minimum required flow levels for rivers and streams, and water use permitting to regulate consumptive water uses.

IFSs, which include “interim” and more-“permanent” standards, are the “primary mechanism” to fulfill the Commission’s “duty to protect and promote the entire range of public trust purposes dependent upon instream flows.” In re Waiāhole Combined Contested Case Hr’g (“*Waiāhole I*”), 94 Hawai‘i 97, 148, 9 P.3d 409, 460 (2000). After the enactment of the Water Code, the Commission established general “status quo” IFSs that effectively rubber-stamped the then-existing diversions. *Id.* at 150, 9 P.3d at 462. The Commission, however, is mandated to restore instream flows to the extent practicable, notwithstanding existing diversions. *Id.* at 149-50, 9 P.3d at 461-62. As of 2015, the Commission has established interim IFSs based on actual information for only the Windward O‘ahu streams in the Waiāhole case, Nā Wai ‘Ehā, Maui, and some East Maui streams, and it has yet to establish even a single permanent IFS. Various petitions to amend interim IFSs are pending, including for East Maui streams and the Waimea River on Kaua‘i.

The Commission’s water use permitting authority applies in areas the Commission has designated a surface or ground water management area (“WMA”). Otherwise, “water rights in non-designated areas are governed by the common law.” *Waiāhole I*, 94 Hawai‘i at 178, 9 P.3d at 490; see also notes 1-2 (explaining common law water rights). The Water Code requires designation when a resource is or may be threatened with degradation. Haw. Rev. Stat. § 174C-41(a). As of 2014, all of O‘ahu except Wai‘anae, the island of Moloka‘i, and the ‘Īao aquifer on Maui have been designated ground WMAs. Currently there are no ground WMAs on Kaua‘i, Lāna‘i, Ni‘ihau, or Hawai‘i island, although a petition is currently pending to designate the Keauhou Aquifer System on Hawai‘i Island a ground WMA. Also, as of 2015 there is only one designated surface WMA, in Nā Wai ‘Ehā, Maui.

The Water Code also affirms Kānaka Maoli rights and practices. In addition to the protections set forth in Article XII, Section 7 of Hawai‘i’s Constitution,<sup>39 43</sup> the Code specifically provides that the “traditional and customary rights of ahupua‘a tenants who are descendants of native Hawaiians who inhabited the Hawaiian Islands prior to 1778 shall not be abridged or denied by this chapter.” Haw. Rev. Stat. § 174C-101(c). The Code makes clear that such rights include but are not limited to the cultivation of kalo on one’s own kuleana, as well as the ability to gather various resources for subsistence, cultural, and religious purposes, including: hihiwai (or wi ), ‘ōpae, ‘o‘opu, limu, thatch, ki, aho cord, and medicinal plants. Id. Additionally, the Code also protects appurtenant rights and allows the Department of Hawaiian Home Lands to reserve water for the current and foreseeable development of its lands as set forth in the Hawaiian Homes Commission Act. Id. §§ 174C-101(d, a).

#### **IV. The Public Trust Duty to Protect Water Resources Applies to Government Decisionmakers Including State and County Agencies**

Although the Water Commission has the primary kuleana under state law to protect Hawai‘i’s water resources, other government decisionmakers, including state and county agencies, have an independent duty to conserve natural resources, including water. See Haw. Const. Art. XI, § 1; Kelly v. 1250 Oceanside Partners, 111 Hawai‘i 205, 225, 140 P.3d 985, 1005 (2006). In Hawai‘i, we trace the origin of the public trust to Indigenous custom and tradition, which firmly established that natural resources, including water, were not private property, but were held by the government for the benefit of the people. Today, “the people of [Hawai‘i] have elevated the public trust doctrine to the level of a constitutional mandate.” Waiāhole I, 94 Hawai‘i at 131, 9 P.3d at 443. Pursuant to the

<sup>39 43</sup> HAW. CONST. art. XII, § 7 (“The State reaffirms and shall protect all rights, customarily and traditionally exercised for subsistence, cultural and religious purposes and possessed by ahupua‘a tenants who are descendants of native Hawaiians who inhabited the Hawaiian Islands prior to 1778.”); see Ka Pa‘akai O Ka ‘Aina v. Land Use Comm’n, 94 Hawai‘i 31, 46-47, 7 P.3d 1068, 1083-84 (2000) (establishing the independent duty of agencies such as the Commission to consider the effects of their actions on Kānaka Maoli traditions and practices and make specific findings and conclusions on the existence of Maoli rights, the extent of their impairment, and feasible action to protect them).

Constitution, Water Code, and common law, the “state water resources trust” applies to “all water resources without exception or distinction.” Id. at 133, 9 P.3d at 445.

The Hawai‘i Supreme Court examined applicable Constitutional provisions and the Water Code in a series of cases, which clarified an agency’s kuleana in upholding the public trust. The public trust imposes “a dual mandate of 1) protection and 2) maximum reasonable and beneficial use.” Id. at 139, 9 P.3d at 451. This establishes an “affirmative duty to take the public trust into account in the planning and allocation of water resources, and to protect public trust uses whenever feasible.” Id. at 141, 9 P.3d at 453. The Court has identified a handful of public trust purposes: environmental protection; traditional and customary Native Hawaiian rights; appurtenant rights; domestic water uses; and reservations for the Department of Hawaiian Home Lands. Id. at 137-39, 9 P.3d at 449-51; *In re Wai‘ola o Moloka‘i*, 103 Hawai‘i 401, 431, 83 P.3d 664, 694 (2004). Public trust purposes have priority over private commercial uses, which do not enjoy the same protection. The public trust dictates that “any balancing between public and private purposes must begin with a presumption in favor of public use, access, and enjoyment” and “establishes use consistent with trust purposes as the norm or ‘default’ condition.” *Waiāhole I*, 94 Hawai‘i at 142, 9 P.3d at 454. After all, “Under the public trust, the state has both the authority and duty to preserve the rights of present and future generations in the waters of the state.” Id. at 141, 9 P.3d at 453.

The public trust also prescribes a higher level of scrutiny for private commercial uses. Id. at 142, 9 P.3d at 454. Hawai‘i decisionmakers must, therefore, closely examine requests to use public resources for private gain to ensure that the public’s interest in the resource is fully protected. See id. Moreover, “permit applicants have the burden of justifying their proposed uses in light of protected public rights in the resource.” Id. at 160, 9 P.3d at 472. Agencies “may compromise public rights in the resource pursuant only to a decision made with a level of openness, diligence, and foresight commensurate with the high priority these rights command under the laws of our state.” Id. at 143, 9 P.3d at 455. After all, “[t]he duties imposed upon the state [and counties] are the duties of a trustee and not simply the duties of a good business manager.” Id. For example, the Hawai‘i Supreme Court ruled that the public trust requires that agencies do more than simply

impose requirements and conditions; they also have an obligation “to ensure that the prescribed measures are actually being implemented after a thorough assessment of the possible adverse impacts... on the State’s natural resources.” Kelly, 111 Hawai‘i at 231, 140 P.3d at 1011.

In addition to the public trust, the Hawai‘i Supreme Court also adopted the “precautionary principle,” ruling that “the lack of full scientific certainty should not be a basis for postponing effective measures to prevent environmental degradation” and that “where [scientific] unnecessary exists, a trustee’s duty to protect the resource mitigates in favor of choosing presumptions that also protect the resource.” Waiāhole I, 94 Hawai‘i at 154, 9 P.3d at 466. Although the Court recognized that the principle must vary according to the situation, it agreed with what it considered the principle’s quintessential form – that “at minimum, the absence of firm scientific proof should not tie the Commission’s hands in adopting reasonable measures designed to further the public interest.” Id. at 155, 9 P.3d at 467. Based on the Commission’s duties as trustee and the interest in precautions, the Court held that “the Commission should consider providing reasonable ‘margins of safety’ for instream trust purposes when establishing instream flow standards.” Id. at 156, 9 P.3d at 468.

Issues for Hawai‘i decisionmakers often arise in the context of permit or other applications that may impact streams, springs, groundwater, or traditional and customary Native Hawaiian practices dependent upon those resources, such as kalo cultivation or gathering practices. For example, a planning commission may receive a permit application from a water bottling company. Or, the Board of Land and Natural Resources may want to lease state land where streams are diverted. Many different scenarios emerge in which decision-makers must consider their duty to protect and conserve Hawai‘i’s precious water resources.

At bottom, the public trust provides independent authority to guide decisionmakers in fulfilling their mandates. For example, in examining the interplay between the constitutional public trust and an agency’s enabling statute, the Hawai‘i Supreme Court explained:

The Code and its implementing agency, the Commission, do not override the public trust doctrine or render it superfluous. Even with the enactment and any future development of the Code, the doctrine continues to inform the Code's interpretation, define its permissible "outer limits," and justify its existence. To this end, although we regard the public trust and Code as sharing similar core principles, we hold that the Code does not supplant the protections of the public trust doctrine.

Id. at 133, 9 P.3d at 445.

In addition to the guidance detailed above, the Hawai'i Supreme Court recently highlighted six principles that agencies must apply to fulfill their mandates and appropriately consider the public trust:

- (1) "The agency's duty and authority is to maintain the purity and flow of our waters for future generations and to assure that the waters of our land are put to reasonable and beneficial use";
- (2) Agencies "must determine whether the proposed use is consistent with the trust purposes";
- (3) Agencies need to "apply a presumption in favor of public use, access, enjoyment, and resource protection";
- (4) Agencies must "evaluate each proposal for use on a case-by-case basis, recognizing that there can be no vested rights in the use of public water";
- (5) "If the requested use is private or commercial, the agency should apply a high level of scrutiny"; and
- (6) Agencies must apply "a 'reasonable and beneficial use' standard, which requires examination of the proposed use in relation to other public and private uses."

Kauai Springs Inc. v. Planning Comm’n. 133 Hawai’i 141, 174, 324 P.3d 951, 984 (2014) (citations omitted). These requirements above establish “duties under the public trust independent of [any] permit requirements.” Id. at 177, 324 P.3d at 987.

The Court also underscored four affirmative[s] showings that permit applicants must make to carry their burdens under the trust:

- (1) “[T]heir actual needs and the propriety of draining water from public streams to satisfy those needs”;
- (2) The absence of practicable alternatives, including alternate sources of water or making the proposed use more efficient;
- (3) “[N]o harm in fact” to public trust purposes “or that the requested use is nevertheless reasonable and beneficial”; and
- (4) “If the impact is found to be reasonable and beneficial, the applicant must implement reasonable measures to mitigate the cumulative impact of existing and proposed diversions on trust purposes, if the proposed use is to be approved.”

Id. at 174-75, 324 P.3d at 984-85 (citations omitted). Absent these required showings, “a lack of information from the applicant is exactly the reason an agency is empowered to deny a proposed use of a public trust resource.” Id. at 174, 324 P.3d at 984. Hopefully, these guidelines will help decision makers to shoulder the responsibility and privilege of building prosperity through pono (just, balanced) management of our fresh water resources.

## **APPENDIX ~~6~~7 – Code of Conduct and Sanctions for Violation of the Code of Conduct Policy**

### **OFFICE OF HAWAIIAN AFFAIRS BOARD OF TRUSTEES EXECUTIVE POLICY**

#### **CODE OF CONDUCT AND SANCTIONS FOR VIOLATION OF THE CODE OF CONDUCT**

##### **Part I. Board of Trustees' Code of Conduct ~~40~~ 44**

**A. Purpose.** The purpose of this policy is to establish the standards of conduct required of each Trustee of the Office of Hawaiian Affairs Board of Trustees hereinafter referred to as “Trustees”. As public officials, Trustees are guided in their professional conduct by (1) fiduciary duties, (2) the Office of Hawaiian Affairs (“OHA”) Board of Trustees’ Executive Policies, and (3) Federal, State, and County laws applicable to Trustee conduct. All members of the OHA Board of Trustees, hereinafter referred to as “Board” shall adhere to the highest ethical standards of conduct reflected in state law and Board policies.

##### **B. Standards of Conduct.**

1. In order to support the vision, mission, values and goals of OHA and fulfill its statutory obligations, the Board must function as a collegial unit. The Board functions well as a unit when its individual members act ethically, are committed to working together, and operate in a non-partisan manner ~~and speak with one voice~~. The Board creates a positive climate when it acts with integrity and civility, and uses its influence appropriately.

2. This Code of Conduct is comprised of (1) fiduciary responsibilities; (2) the OHA Board of Trustees’ Executive Policies; and (3) laws applicable to Trustee conduct. All members of the Board shall be provided a copy of this Code of Conduct and Sanctions for Violation of the Code of Conduct contemporaneously with their taking of his or her official Oath of Office. All members of the Board shall annually sign statements affirming their compliance with their official oath of office and provisions of this Code of Conduct.

3. The Code of Conduct shall consist of the following  
components: A. Fiduciary Duties

- a. Duty of Care
- b. Duty of Loyalty

~~40~~ 44 **BR 16-01:** Code of Conduct and Sanctions for Violation of the Code of Conduct (First reading: February 25, 2016; Second reading March 15, 2016).

- c. Duty of Obedience
- d. Duty of Impartiality
- B. The OHA Board of Trustees Executive Policies:
- C. Statutory Standards of Conduct for public officials and state employees include:
  - a. Confidentiality (HRS §84-12)
  - b. Taking of the Oath of Office (The Constitution of the State of Hawai'i, Article XVI General and Miscellaneous Provisions, Section 4, Oath of office)
  - c. Employment (HRS §84-18 Restrictions on post employment)
  - d. Fair Treatment and Use of State and OHA Personnel, Assets, Resources, and Time for Other than OHA Business (HRS §84-13)
  - e. Financial Disclosure (HRS §84-17)
  - f. Conflicts of Interest (HRS §84-14)
  - g. Gifts (HRS §84-11)

**Subpart 1A. Standards of Fiduciary Duties and Responsibilities.**

A. Members of the Board serve a public interest role and thus have a clear obligation to conduct all affairs of OHA in a manner consistent with this concept. Members of the Board are expected to place the welfare of OHA above personal interests, the interests of family members, or others who may be personally involved in affairs affecting OHA. All decisions of the Board shall be made solely on the basis of a desire to promote the best interests of OHA and its beneficiaries.

1. Duty of Care and Informed Decision-Making. Trustees shall strive to make informed decisions based on sufficient information, thoughtful deliberation and comprehensive understanding of issues. To achieve that goal, Board members gather information by listening, asking questions, analyzing materials and exploring issues thoroughly in conjunction with other Trustees, staff, and constituency groups. In other words, thorough due diligence should be conducted and considered before decision making on all major issues.

2. Duty of Care and Duty of Loyalty and Protection of OHA Assets, Resources, Personnel, and Time. The Board established Executive Policies regarding a Trustee Sponsorship and Trustee Allowance program. Each Trustee must diligently and prudently expend those funds in a fair and impartial manner for the OHA beneficiaries and, when applying personal judgment, shall ensure that such application of judgment is consistent with his or her fiduciary responsibilities and in compliance with OHA's



policies and procedures.

3. Duty of Loyalty and Authority to Act. Each Board member is encouraged to contribute his or her talents and perspectives to the Board. Although Board members are free to voice their personal opinions, no Board member has the authority to solely act on his or her own to further a personal agenda or to direct OHA employees or operations.

4. Duty of Loyalty and Official Spokesperson. Trustees are the stewards of OHA and the advocates of its policies and programs. The official spokesperson for the Board is the Chairperson of the Board or the Chairperson's designee.

5. Duty of Loyalty and Duty of Obedience and Compliance With Support for Board Decisions. Trustees have a fiduciary duty to act with loyalty to the institution and in compliance with its governing framework and duly adopted decisions. Trustees are encouraged to exercise independent judgment and engage in open, respectful deliberation during the decision-making process, including expressing dissenting views. However, once the Board has taken official action, Trustees are expected to uphold and support those decisions, even if they personally disagree, and to comply with all duly enacted Executive Policies and directives. This duty reflects each Trustee's responsibility to act in the best interests of OHA and its beneficiaries, and to maintain the integrity and unity of the institution's governance. Continued expression of a differing opinion, even after a matter has been voted upon, does not constitute a lack of support for a decision. Members of the Board are allowed to communicate disagreement with a decision without fear of being silenced. Individual Trustees are able to express their opinions vigorously and openly during the decision-making process and may respectfully disagree with colleagues. However, once a decision has been reached and the Board has taken official action, it is each member's responsibility to support the decision. Similarly, individual Trustees are expected to adhere to duly enacted Board Executive Policies and actions.

6. Duty of Impartiality. While many decisions must by definition benefit some beneficiaries more than others, individual Trustees, however, must remain impartial and must not favor any beneficiary over another. This requirement to remain neutral becomes more difficult when the Trustee is also a beneficiary.

#### **Subpart 1B. Standards Established by Board Executive Policies A.**

##### Conflicts of Interest. (Implements HRS §84-14)

1. Conditions of Potential Conflict of Interest. Conditions of potential conflict of interest exists when the Board must consider any matter for OHA which also directly involves a:
  - a. Trustee or a member of the Trustee's family (which shall be a spouse, parents, siblings and their spouses, children and their spouses, and any household member);
  - b. public or private organization with which a Trustee is affiliated, as defined below; or
  - c. Trustee's personal financial interest as defined under chapter 84, HRS, as amended;
2. Disclosure by Trustee of Potential Conflict of Interest. Any affected Trustee, at the first knowledge of the matter, shall fully disclose, as noted below, the precise nature of the interest or involvement.
3. Exception to Disclosure Requirement. This disclosure requirement shall not apply to any Trustee who declares a conflict of interest and recuses himself/herself from

consideration of the matter at hand before the Board.

4. Definition of Affiliation. For purposes of this provision, an affiliation exists if a Trustee or a member of the Trustee's family is an owner (which shall be an ownership interest valued at more than \$5,000 or 10% or more ownership of the business), officer, director, trustee, partner, employee (which shall also include legal counsel, consultant, contractor, advisor, or representative) or agent of such organization.

5. Written Disclosures. All disclosures required under this Article must be directed in writing to the Board Chairperson who, together with the Board ~~Attorney~~ Counsel, shall be responsible for the administration of this Bylaw.

a. Disclosure Process. A Trustee who in the discharge of official duties would be required to take an action or make a decision that would substantially affect the Trustee's financial interests or those of an associated business, unless the effect on the Trustee is no greater than on other members of the Trustee's business classification, profession, or occupation, must take the following actions:

(1) Prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict of interest; and

(2) Deliver copies of the statement to the Board Chairperson for distribution to the Board.

b. Conflict of Interest. If a potential conflict of interest presents itself and there is insufficient time to provide the written statement under paragraphs (a) and (b) immediately above, the Trustee must orally inform the Board of the potential conflict in open meeting session.

6. Report to Chairperson of the Board. Matters covered under this provision shall be reported initially to the Chairperson for appropriate action. Should the Chairperson be the Trustee with a potential conflict, the matter shall be reported to the Vice Chairperson. Should both the Chairperson and the Vice Chairperson have a potential conflict, the matter shall be reported to the Chairperson of a Board standing committee.

7. Disclosed Information to Be Held in Confidence. Information disclosed to the Chairperson shall be held in confidence to the extent required by law.

8. Required Actions for Trustee with Potential Conflict of Interest. If a potential conflict of interest arises for a Trustee, the Board Chairperson assigns the matter in which the potential conflict arises, if possible, to another Trustee or other individual who does not have a conflict of interest. A Trustee with a potential conflict of interest shall:

a Abstain from influence over the action or decision in question. File a statement describing the potential conflict and the action taken if the Trustee is not permitted or is otherwise unable to abstain from action in connection with the

matter. The statement shall be filed within a week of the action taken.

“Abstain” means a Trustee who has a potential conflict of interest shall not chair a meeting, participate in any vote, offer any motion or discussion, or otherwise attempt to influence other Trustees on the matter giving rise to the potential conflict of interest.

9. The Board Chairperson shall promptly distribute copies of the statement to the Board members.

10. Determination of Conflicts. Questions concerning possible conflicts of interest shall be directed to the Chairperson of the Board. The Board shall resolve the questions by majority vote at a Board meeting in compliance with Chapter 92, HRS, as amended. Where any matter covered by Chapter 84, HRS, as amended, is involved, the potential conflict shall be referred to the Board Counsel for guidance and, if necessary, the Hawai‘i State Ethics Commission for disposition. Questions of potential conflict not covered by Chapter 84, HRS, as amended, and questions of conflict under Section 78-4, HRS, as amended, shall be referred to the Board Counsel for a legal opinion.

B. Employment. Except as provided in this subpart, a Trustee shall not seek or accept employment with departments with State of Hawai‘i or Counties within the State of Hawai‘i while serving as a Trustee. This provision does not prohibit any Trustee from employment as an adjunct faculty member from employment with a college or university in a non-administrative, part-time position.

#### **Subpart 1C. Laws and Prohibited Activities.**

A. Use of position to secure benefits. Except as otherwise provided by law or policy of the Board, a Trustee shall not use the position, authority, title, influence, or prestige of a Trustee to secure special privileges or exemptions not available to the general public for the benefit of the Trustee, Trustee’s family members, or others. (HRS §84-13)

B. Confidential or protected communications. Except as otherwise required by law or authorized by the Board, a Trustee shall not disclose to any unauthorized persons information or communication subject to confidentiality by action of the Board or other applicable law or policy, including proprietary information and/or privileged attorney/client communications. (HRS §84-12)

C. Use of influence. Except for those decisions that are subject to the direct authority of the Board, no Trustee shall attempt to influence OHA’s internal hiring process or the awarding of consulting or other contracts subject State Procurement Code and administrative rules. (HRS Chapter 103D - Hawai‘i Public Procurement Code and HRS Chapter 103F - Purchases of Health and Human Services, as amended).

D. Restrictions on Campaign Activities. Trustees must observe state law restrictions on campaign activities which prohibit the preferential use of OHA resources or incidents of office

for oneself or another candidate. The following activities by Trustees are violations of the OHA Code of Conduct and the state ethics code (HRS Chapter 84-Standards of Conduct):

1. Using OHA time, equipment, supplies, or OHA premises for campaign activities or campaign purposes. “Campaign activities” or “campaign purposes” include: ~~(a)~~ selling, purchasing, or distributing campaign fundraiser tickets, including complimentary tickets; ~~(b)~~ conducting campaign meetings; ~~(c)~~ distributing campaign literature or materials; ~~(d)~~ soliciting campaign assistance or support; or ~~(e)~~ producing campaign literature or materials or storing such materials.

a. OHA time means the actual time during which a state official or employee, etc., is supposed to be performing his or her state duties. State time thus excludes lunchtime, break time, vacation time, and so forth.

b. OHA equipment includes, for example, copy machines, fax machines, telephones, typewriters, computers, and vehicles such as OHA trucks and cars.

c. OHA supplies include stationery, paper, stamps, and other office supplies.

d. OHA premises include offices, conference rooms, working areas, and so forth. OHA premises or facilities that are available to the public for use (e.g., for holding meetings or conducting business) may also be used for campaign activities on the same basis as the facilities are available to the public.

2. Using state personnel during state time for the purpose of performing campaign tasks or activities.

3. Using the state mail or messenger service for campaign purposes.

4. Using state computers or e-mail accounts for campaign purposes.

5. Soliciting campaign contributions or campaign assistance by sending letters addressed to state officials or employees at their state offices.

6. Using one’s official position to give unwarranted advantages or preferential treatment to campaigns. The State Ethics Code prohibits state officials, employees, legislators, and board and commission members from using their official positions to coerce campaign contributions or campaign assistance from anyone. State officials, employees, legislators, and board and commission members should also avoid combining official business with campaign solicitations.

7. Selling fundraiser tickets to or soliciting the purchase of fundraiser tickets from subordinates or businesses or persons supervised or inspected.

8. Candidates walking through state agencies to meet with state employees for campaign purposes. The Hawai’i State Ethics Commission believes that the State Ethics Code

prohibits candidates from being allowed to walk through state agencies to meet with state employees for campaign purposes.

E. State Seal. The state seal may not be used by a state official or employee in conjunction with campaigning if such use gives the state official or employee or another any unwarranted advantage or preferential treatment in violation of HRS §84-13, as amended. State officials and employees are advised to contact the Hawai'i State Ethics Commission for advice before using the state seal on campaign materials. Anyone using the state seal in conjunction with a campaign may also wish to contact the Department of the Attorney General regarding the application of HRS §5-6, as amended.

F. Misdemeanor For Fundraising In Government Facilities. In addition to the State Ethics Code, HRS §11-354 makes it a misdemeanor for any person to solicit a campaign contribution in a government facility used for official duties by a state or county employee. This law does not apply to certain government facilities that are permitted to be used for political activities. HRS §11-354 is part of the campaign spending law.

G. Conflict Between Code of Conduct and Applicable Laws. The provisions of applicable law shall govern in the event of any conflict between the law and this Board Executive policy.

#### H Penalties For Violation of the State Ethics Code

1. An administrative fine of up to \$500 for each violation may be imposed by the Hawai'i State Ethics Commission.
2. Disciplinary action such as reprimand, probation, demotion, suspension, or discharge may be imposed by Hawai'i State Ethics Commission.
3. Any favorable state action is voidable, and the Attorney General may pursue all legal and equitable remedies.

## **Part II. Sanctions for Violations of the Trustee Code of Conduct**

### **A. Procedure for Responding to Violations or Breaches of the Code of Conduct**

1. In enacting and promulgating these sanctions for violation of the Code of Conduct, the Board is not in any way asserting that these sanctions are exclusive remedies for a Code of Conduct violation. The Board recognizes that jurisdiction over criminal behavior resides in federal, state, and county law enforcement authorities and the respective justice systems. Conduct identified as criminal behavior shall be referred to the appropriate law enforcement authorities without inordinate delay.

2. As to an internal OHA process for addressing violations, should evidence or

allegations of Code of Conduct violations by a Trustee of OHA come to the attention of the Chairperson of the Board, which after further review by the Chairperson appears to constitute a breach of the Code of Conduct, the Chairperson and the Vice Chairperson shall discuss the matter with the Trustee to obtain additional facts and perspective and to seek a mutually agreeable resolution.

3. Should the Code of Conduct continue to be violated by the Trustee after discussion with either the Chairperson or the Vice Chairperson, the Chairperson shall bring information on the violation forward to the BOT in executive session. Should the Code of Conduct thereafter continue to be violated, the Chairperson, after appropriate consultation with the Board Counsel, will place the matter on the agenda for appropriate action by the Board of Trustees. The Board shall discuss the matter in executive session, allowing the Trustee whose conduct is at issue to provide an explanation of the conduct. The Board may then by majority vote censure or sanction the Trustee.

## **B. Complaint Process**

1. A Trustee who believes that a fellow Trustee has violated the Code of Conduct may seek resolution of the matter through appropriate conciliatory measures prior to commencing an official complaint under the Code of Conduct.

2. A Trustee or the OHA ~~CEO~~ Administrator who wishes to commence an official complaint under the Code of Conduct shall file a letter of complaint with the Board Chairperson within THIRTY (30) days of the alleged event occurring and indicate the nature of the complaint and the section or sections of the Code of Conduct that are alleged to have been violated by the Trustee. The Trustee who is alleged to have violated the Code of Conduct and all other Trustees shall be forwarded a copy of the letter of complaint by the Board Chairperson, or where otherwise applicable in what follows, by the Vice-Chairperson, within FIVE (5) days of receipt by the Board Chairperson of the letter of complaint. If the complaint is with respect to the conduct of the Board Chairperson, the letter of complaint shall be filed with the Vice-Chairperson.

3. When a Trustee or the OHA ~~CEO~~ Administrator files a letter of complaint and a copy of that letter of complaint is forwarded to all Trustees, the filing, notification, content, and nature of the complaint shall be deemed to be strictly confidential, the public disclosure of which shall be deemed to be a violation of the Code of Conduct. Public disclosure of the complaint and any resulting decision taken by the Board may be disclosed by the Board Chairperson only at the direction of the Board, following the disposition of the complaint by the Board at a Code of Conduct hearing.

4. To ensure that the complaint has merit to be considered and reviewed, at least one other Trustee must provide to the Board Chairperson, within THREE (3) days of the notice in writing of the complaint being forwarded to all Trustees, a letter indicating support for having the complaint heard at a Code of Conduct hearing. Any Trustee who forwards such a letter of support shall not be disqualified from attending and deliberating upon the complaint at a Code of Conduct hearing convened to hear the matter, solely for having issued such a letter.

5. Where no letter supporting a hearing is received by the Board Chairperson in the THREE (3) day period referred to in section 5 above, the complaint shall not be heard. The Board Chairperson shall notify all other Trustees and the OHA ~~CEO~~ Administrator in writing that no further action of the Board shall occur.

6. Where a letter supporting a hearing is received by the Board Chairperson in the THREE (3) day period referred to in section 5 above, the Board Chairperson shall convene, as soon as is reasonably possible, a special meeting of the Board to allow the complaining Trustee to present his or her views of the alleged violation of the Code of Conduct.

7. At the special meeting of the Board, the Board Chairperson shall indicate, at the commencement of the meeting, the nature of the business to be transacted and that the complaint shall be heard in an *in-camera* session of the special meeting. Without limiting what appears below, the Board Chairperson shall ensure fairness in dealing with the complaint by adhering to the following procedures:

- a. The Code of Conduct complaint shall be conducted at an *in-camera* Code of Conduct hearing session of a special Board meeting convened for that purpose. All preliminary matters, including whether one or more Trustees may have a conflict of interest in hearing the presentations regarding the complaint, shall be dealt with prior to the presentation of the complaint on behalf of the complaining Trustee.
- b. The sequence of the Code of Conduct hearing shall be:
  - (1) The complaining Trustee or OHA ~~CEO~~ Administrator shall provide a presentation which may be written or oral or both;
  - (2) The respondent Trustee shall provide a presentation which may be written or oral or both;
  - (3) The complaining Trustee or OHA ~~CEO~~ Administrator shall then be given an opportunity to reply to the respondent Trustee's presentation;
  - (4) The respondent Trustee shall then be provided a further opportunity to respond to the complaining Trustee's presentation and subsequent remarks;
  - (5) The remaining Trustees of the Board shall be given the opportunity to ask questions of both parties;
  - (6) The complaining Trustee or OHA ~~CEO~~ Administrator shall be given the opportunity to make final comments; and
  - (7) The respondent Trustee shall be given the opportunity to make final comments.

c. Following the presentation of the respective positions of the parties, the parties and all persons other than the remaining Trustees who do not have a conflict of interest shall be required to leave the room, and the remaining Trustees shall deliberate in private, without assistance from administration. The Board may, however, in its sole discretion, call upon legal advisors to assist them on points of law or the drafting of a possible resolution.

d. If the remaining Trustees in deliberation require further information or clarification, the parties shall be reconvened and the requests made in the presence of both parties. If the information is not readily available, the presiding Chairperson may request a recess or, if necessary, an adjournment of the Code of Conduct hearing, or an adjournment to continue the current meeting to a later date.

e. In the case of an adjournment, no discussion by Trustees whatsoever of the matters heard at the Code of Conduct hearing may take place until the meeting is reconvened.

f. The remaining Trustees in deliberation may draft a resolution indicating what action, if any, may be taken regarding the respondent Trustee.

g. The presiding Chairperson shall reconvene the parties to the Code of Conduct hearing and request a motion to revert to the open meeting in order to pass the resolution.

h. All documentation that is related to the Code of Conduct hearing shall be returned to the Chairperson or designee immediately upon conclusion of the Code of Conduct hearing and shall be retained in accordance with legal requirements.

i. The presiding Chairperson shall declare the special Board meeting adjourned.

8. A violation of the Code of Conduct may result in the Board instituting, without limiting what follows, any or all of the following sanctions:

a. Having the Board Chairperson write a letter of censure marked “personal and confidential” to the offending Trustee, on the approval of a majority of those Trustees present and allowed to vote at the special meeting of the Board;

b. Having a motion of censure passed by a majority of those Trustees present and allowed to vote at the special meeting of the Board;

c. Having a motion to remove the offending Trustee from one, some or all Board committees or other appointments of the Board passed by a majority of those



Trustees present and allowed to vote at the special meeting of the Board, for a time not to exceed the Trustee's term as Trustee.

d. Any Board action favorable to a Trustee obtained in violation of this executive policy is voidable on behalf of the Board; provided that in any proceeding to void a Board action pursuant to this policy, the interests of third parties who may be damaged thereby shall be taken into account. Any proceeding to void a Board action shall be initiated within SIXTY (60) days after the determination of a violation under this policy. The Board may pursue all legal and equitable remedies and/or sanctions through the Board Counsel.

e. The offending Trustee shall not engage in interactions with OHA administrative staff.

f. The offending Trustee shall not have access to documents and information which are intended to deter or prevent misuse of that information.

g. The offending Trustee's shall not be allowed out of state travel.

h. The offending Trustee shall not have use of a Trustee allowance or requiring third party administration of the Trustee Allowance Fund.

i. The offending Trustee shall not have the privilege of publishing articles in *Ka Wai Ola* and OHA's internet sites.

9. The Board may, in its sole discretion, make public its findings at the special meeting or at a regular meeting of the Board.

## APPENDIX ~~7~~<sup>8</sup> – Hawai‘i Real Estate Strategic Plan (March 2025) ~~44~~<sup>45</sup>



### Hawai‘i Real Estate Strategic Plan March 2025

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#### **Hawai‘i State Constitution**

There is hereby established an Office of Hawaiian Affairs. The Office of Hawaiian Affairs shall hold title to all the real and personal property now or hereafter set aside or conveyed to it which shall be held in trust for native Hawaiians and Hawaiians.

#### **Hawai‘i Revised Statutes Section 10-3**

The purposes of the Office of Hawaiian affairs include:

1. The betterment of conditions of native Hawaiians;
2. The betterment of conditions of Hawaiians;
3. Serving as the principal public agency in this state responsible for the performance, development, and coordination of programs and activities relating to native Hawaiians and Hawaiians; except that the Hawaiian Homes Commission Act, as amended, shall be administered by the Hawaiian Homes Commission;
4. Assessing policies and practices of other agencies impacting on native Hawaiians and Hawaiians, and conducting advocacy efforts for native Hawaiians and Hawaiians;
5. Serving as a receptacle for reparations.

~~44~~<sup>45</sup> **ILM 25-07:** Approval of OHA Hawai‘i Real Estate Strategic Plan. (First reading: April 17, 2025; Second reading: May 1, 2025) This policy supersedes the Real Estate Vision, Mission, and Strategy Policy.

### **Hawai'i Revised Statutes Section 10-6**

The board of trustees of the Office of Hawaiian Affairs shall exercise power as provided by law: to manage and administer the proceeds from the sale or other disposition of the lands, natural resources, minerals and income derived from whatever sources for native Hawaiians and Hawaiians, including all income and proceeds from that pro rata portion of the trust referred to in section 4 of this article for native Hawaiians; to formulate policy relating to affairs of native Hawaiians and Hawaiians; and to exercise control over real and personal property set aside by state, federal or private sources and transferred to the board for native Hawaiians and Hawaiians.

### **Hawaii Revised Statutes Section 10H-2**

The purpose of this chapter is to provide for and to implement the recognition of the Native Hawaiian people by means and methods that will facilitate their self-governance, including the establishment of, or the amendment to, programs, entities, and other matters pursuant to law that relate, or affect ownership, possession, or use of lands by the Native Hawaiian people, and by further promoting their culture, heritage, entitlements, health, education, and welfare.

### **Mission – OHA's 15-Year Strategic Plan**

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

## A. Introduction (Purpose)

The purpose of this Hawai'i Real Estate Strategic Plan (the "HRE Plan") is to provide a roadmap that will guide decision making and improve management practices related to the Office of Hawaiian Affairs' ("OHA") ownership of investment and non-investment real estate in Hawai'i. OHA owns Hawai'i real estate to achieve multiple objectives, including economic, cultural, and environmental outcomes that are aligned with *Mana i Maui Ola* ("MiMO"), OHA's 15-Year Strategic Plan for 2020-2035. In addition, the HRE Plan aims to align all property activities with OHA's goals and mission, while prudently managing risks to the organization, including financial, legal, and reputational.

## B. Vision Statement

The Office of Hawaiian Affairs affirms its fiduciary trust obligation and will exercise informed and responsible decision making when stewarding Investment and Legacy Land resources for the betterment of Native Hawaiians and will become a recognized leader in indigenous land management

## C. Summary of OHA Land Assets

A schedule of OHA's real estate holdings is set forth in Table 1. The current portfolio includes both Investment real estate, which is owned primarily to fund mission-related spending ("Investment Lands"), and non-investment real estate, which is owned for cultural, environmental, or mission-related programming purposes (collectively "Legacy Lands").<sup>42 46</sup>

The focus of the HRE Plan is specific to Investment Lands and Legacy Lands, which are the substantive percentage of property owned or managed by OHA. OHA will not adopt a separate strategy for corporate real estate. Rather, office needs will be dictated by future staffing requirements. Other than OHA's headquarters, OHA should typically lease rather than own such facilities.<sup>43 47</sup>

<sup>42 46</sup> OHA's current policies identify corporate real estate as a separate real estate category. The HRE Plan defines corporate real estate as property used to office OHA's staff. Excluded are facilities used for programming, such as community centers or schools. Properties serving programmatic functions are a subset of Legacy Lands.

<sup>43 47</sup> While leasing of corporate real estate is preferred in order to allocate capital to mission-related spending, it may be appropriate to integrate corporate uses within Investment or Legacy Land Holdings when incidental to the primary function of the property holding. Ownership of corporate real estate may also be justified when a facility serves mission-critical purposes.

**TABLE 1  
OHA LAND HOLDINGS SUMMARY**

Property	Acreage	Island	Type	Date of Description Purchase	Physical
Kūkaniloko	5.00	O'ahu	Legacy	2/21/20	Undeveloped land surrounding birth stones
Pahua Heiau	1.15	O'ahu	Legacy	12/1/88	Lot consisting of heiau
Waialua Courthouse	1.03	O'ahu	Legacy	8/20/98	Single-story courthouse with separate pumphouse and parking lot.
Wahiawā Lands	511.55	O'ahu	Legacy	12/10/12	Undeveloped land previously used as pasture and pineapple production
Palaua Cultural Preserve	20.74	Maui	Legacy	12/7/12	Mostly undeveloped ancient fishing village set in luxury housing
Ho'omana	0.81	Kaua'i	Legacy	11/14/16	Single-story building used for use as a thrift store, food storage, and large multi-use room.
Kekaha Armory	1.46	Kaua'i	Legacy	1/14/98	Single-story building sectioned for classrooms, offices, a kitchen, and recording studio.
Wao Kele o Puna	25,855.89	Hawai'i	Legacy	7/15/06	Lowland Rainforest
Kaka'ako Makai	29.09	O'ahu	Investment	7/1/12	Mixed use commercial urban area; development land with improvements
Nā Lama Kukui	4.98	O'ahu	Investment	8/20/12	Mixed use commercial building & parking
Honolulu Harbor Shops	3.92	O'ahu	Investment	10/1/21	Retail commercial building & parking
Iwilei Business Center	NA	O'ahu	Investment	10/1/21	Warehouse & parking

## D. Strategic Interests in Hawaii Lands

OHA considers land to be of utmost importance to Native Hawaiians and is core to the Hawaiian worldview. The significance of land to OHA is stated in many of its documents, including but not limited to the Board of Trustees' Executive Policy Manual, as well as OHA's current 15-Year Strategic Plan (MiMO). For Hawaiians, land is not principally a commodity to be exploited. Whether an Investment or Legacy Land holding, it is a relative that is respected and cared for, who in turn cares for us.

To help fulfill its responsibilities to beneficiaries, OHA has the dual obligation to preserve and protect culturally significant lands, natural resources, and grow revenues to support OHA's programs. However, OHA's capacity to mālama 'āina is not infinite. Land decisions must be balanced against other beneficiary programs and desired outcomes set forth in MiMO. Understandably, tensions arise when the organization must make difficult decisions on where to allocate its resources to achieve the most impactful outcomes.

For Investment Lands, the primary strategic interest in owning Hawai'i real estate is to generate economic returns to fund OHA's programs for beneficiaries. Secondly, OHA may use its Investment Lands to achieve non-economic outcomes that align with MiMO so long as these activities do not compromise the primary goal of generating economic returns that

exceed investments benchmarks.

For Legacy Lands, OHA's strategic interests are to advance the goals set forth in MiMo. This includes a) strengthening the lāhui through natural and cultural resources that foster a connection to 'āina, 'ohana, and communities, b) preserving, protecting, and restoring Native Hawaiian natural and cultural sites and resources, landscapes, and traditional food systems, c) protecting traditional and customary Native Hawaiian rights, d) honoring Native Hawaiian commitments to auamo kuleana Hawai'i lands, and e) advancing self-governance through use of land as set forth in HRS 10H-2.

## E. Guiding Principles

In developing the recommended real estate strategies, alignment was sought with a) the State Constitution b) State Law, c) the Bylaws of the Board of Trustees d) OHA's 2020- 2035 Strategic Plan and e) existing internal policies. This resulted in six (6) guiding principles for OHA's real estate practices, which are summarized below.

- 1. Purposeful Stewardship of Lands:** OHA will prudently manage its real estate assets – both Investment and Legacy Lands – for the benefit of the Hawaiian Community in perpetuity. Investment Lands are owned primarily to generate total returns and cash flow that support OHA's spending needs. Legacy Lands are owned and managed for cultural, environmental, and programmatic outcomes aligned with the adopted business plan for each property and MiMO.
- 2. Disciplined Investment Management:** Investment Lands will be managed using sound investment principles, while maintaining an appropriate allocation within the Native Hawaiian Trust Fund ("NHTF") to Investment Lands.
- 3. Thorough Due Diligence and Business Case Alignment:** All new acquisitions, divestments, and capital commitments – for both Investment and Legacy Lands – must be supported by robust due diligence and a documented business case.
- 4. Clear Governance and Decision Authority:** All acquisitions and divestments are decisions reserved for the Board of Trustees ("BOT"). There shall also be clear delegations of authority enabling OHA staff to act decisively and responsibly on OHA's behalf.
- 5. Resource-Backed Execution:** OHA shall only pursue new property acquisitions when the financial and organizational resources are in place to support long-term success.

- 6. Community Engagement and Trusted Partner:** OHA will engage with the Native Hawaiian community and the public to optimize outcomes. OHA shall also be a trusted partner that will honor its commitments and make timely decisions.

## **F. Methodology/Framework**

The strategic planning framework used herein is the “ends-ways-means” model. This is a structured approach to defining the desired outcomes (Ends), identifying strategies and actions to achieve them (Ways), and then allocating resources to implement those actions (Means). The framework addresses the following three questions:

- What are the desired goals to be achieved by the organization?
- How will the organization achieve these goals?
- What resources are needed to make the transition successful?

While a useful framework that is commonly employed, challenges can arise when the selected ends are short-term or highly quantitative (e.g., growth in profitability, return on investment, etc.).<sup>44 48</sup>

Short-term goals are discouraged because it is almost impossible for an entity to create a sustainable competitive advantage in three to five years. Short-term goals also work to back companies into a mode of thinking that is based on forecasts (what do we think will happen) rather than vision focused (what do we want to happen).

The risk in focusing exclusively or disproportionately on quantitative outcomes is it diminishes the importance of non-quantitative goals. It is easy for the organization tied to quantitative goals to act as if nothing else is important. However, financial/quantitative goals are not commonly understood throughout all levels of an organization. For example, senior management may understand the need to allocate capital efficiently. However, a land manager may have an incomplete understanding of return on investment. Instead, they know the plumbing needs to be repaired for the building to function properly. For this person, what does have meaning is quality, getting the work done quickly, and making sure the tenant is happy (customer service). This illustration highlights that quantitative objectives can have little meaning for large segments of an organization. When this occurs, there is not a common vision or mission driving organizational behavior.

<sup>44 48</sup> Strategic Planning- Forward or Reverse, Robert H. Hayes, Harvard Business Review, November 1985.

This HRE Plan addresses the strategic goals and objectives (“ends”). The “ways” and “means” will be set forth in other OHA created plans (e.g., the Business Model / Operating Plan and the Implementation / Tactical Plan).

#### **G. Strategic Goals and Objectives (e.g., “Ends”)**

OHA’s land holdings are categorized into two distinct buckets - a) Investment Lands, which are those properties owned primarily to fund mission-related spending, and b) Legacy Lands, which are non-investment real estate owned for cultural, environmental, or mission-related programming purposes. While there is some overlap (e.g., risk reduction), the strategic goals for each land asset category are different. Therefore, the desired strategic outcomes are segmented herein.

#### **Strategies - Investment Lands**

Four (4) strategic goals and objectives are set forth for Investment Lands. Each is summarized below.

- **Strategy No. 1: Increase Financial Returns.** OHA shall institute a broad range of organizational and operational changes to improve the short-, mid-, and long- term financial performance of its Investment Lands. OHA shall also unlock embedded value when assets are not being operated at or developed to their highest and best use.
- **Strategy No. 2: Improve Performance Management and Reporting.** OHA shall adopt performance metrics consistent with other institutional investors for tracking the financial performance of its Investment Lands and provide regular quarterly reports to the Executive Team and Board of Trustees. This will create transparency as to the financial performance of the portfolio, which can be used to make strategic and tactical portfolio decisions over time.
- **Strategy No. 3: Reduce Concentration and Operational Risk.** Risk reduction encompasses investment management activities, as well as operational processes and procedures. One significant risk is the NHTF’s high allocation to investment real estate located in Hawai’i. To manage this risk, OHA should limit the allocation to Hawai’i real estate and diversify the remainder of the NHTF portfolio. Diversification is a risk management strategy that creates a mix of various investments within a portfolio in an attempt to limit exposure to any single asset or risk.



- **Strategy No. 4: Generate Non-Financial Outcomes Aligned with MiMO.** OHA shall optimize its ownership of Investment Lands by undertaking activities that align with the 2020-2035 Strategic Plan when such programs do not reduce the financial returns from OHA's Hawai'i Investment Lands.

### **Strategies - Legacy Lands**

Four (4) strategic goals and objectives are set forth for Investment Lands. Each is briefly summarized below.

- **Strategy No. 1: Achieve Long-Term Financial Stability for Stewardship Activities.** OHA shall develop a well-conceived financial plan to fulfill its stewardship commitments for each asset under its ownership and/or management and will assess new initiatives relative to OHA's financial capacity and the asset's potential to become self-sustaining. Financial plans should include, if appropriate, supplemental operational funds to be pursued through revenue generating economic development, public-private partnerships (P3s), grants, philanthropic support, and other revenue funding mechanisms.
- **Strategy No. 2: Optimize Environmental and Cultural Stewardship Outcomes.** OHA shall improve environmental and cultural outcomes on Legacy Lands under its ownership or management through clarity of objectives, alignment of its investment policies, and enhanced operational effectiveness.
- **Strategy No. 3: Expand Programmatic Outcomes on Legacy Lands.** OHA shall align its management activities to target operational outcomes that align with the 2020-2025 Strategic Plan (MiMO) upon the Legacy Lands under ownership or management.
- **Strategy No. 4: Reduce Operational Risks.** Risks for Legacy Lands encompass a broad range of natural and man-made impacts such as wildfires, landslides, flooding, invasive species, and trespass liabilities. It shall be OHA's strategy to develop mitigation tactics to reduce risks on a cost-effective basis, recognizing that not all risks can be mitigated.

## **H. Conclusions**

The foundation for future success will take time to build and nurture. Therefore, OHA should not expect a dramatic short-term improvement in financial and non-financial performance. However, once the recommendations herein are implemented, benefits will accrue over time. Moreover, OHA will develop internal capabilities to make course corrections needed to refine strategies and tactics that optimize returns over time.

Finally, the HRE Plan is a policy document that should be reviewed and updated (as needed) every five years. This discipline is appropriate as strategic priorities, OHA's resources, and/or the external environment in which OHA operates will evolve. To become a recognized leader in Hawai'i Real Estate, OHA will also need to evolve. The foundational aspects of this HRE Plan will provide OHA the platform to adapt its strategies to market conditions over time and capitalize on opportunities that present themselves.

## APPENDIX 8-9 – Kaka‘ako Makai Policy <sup>45 49</sup>



# OFFICE OF HAWAIIAN AFFAIRS KAKA‘AKO MAKAI POLICY <sup>3748</sup>

<sup>45 49</sup> **BOT 12-05** Approve a BOT policy amendment to the Kakaako Makai Policy, Section 3.A.2 originally adopted on **September 20, 2012**; 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)

**RM 17-05:** Approval of an ORAL Board of Trustees Policy Amendment relating to an allocation of revenue from OHA’s Kaka‘ako Makai Properties. (“Allocate 10% of gross revenue for grants and 30% allocation 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 revenues to LPM shall terminate at the end of FY 2019”) First reading: June 8, 2017, Second reading: August 1, 2017.

**RM 19-10** Approval of a Second Amendment to **BOT 12-05** - Kaka'ako Makai Policy Relating to the Allocation of Revenue from OHA's Kaka'ako Makai Properties to the Land Legacy Program (First reading: August 22, 2019; Second reading: September 5, 2019);

**RM 21-04:** Approval of a Third Amendment to BOT #12-05 - Kaka'ako Makai Policy Relating to the Allocation of Revenue from Kaka'ako Makai Properties to the Land Legacy Program, (First reading: April 22, 2021; Second reading: April 29, 2021)

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## **PURPOSE**

The purpose of this policy is to set forth guidelines for the management and development of its Office of Hawaiian Affairs' (OHA) Kaka'ako Makai parcels received through Act 15, Session Laws of Hawai'i, consistent with the existing Real Estate Vision, Mission, and Strategy Policy. The Real Estate Vision, Mission and Strategy Policy currently provides for real estate best practices and world class caliber development. Factors affecting management and development of the Kaka'ako Makai parcels focus upon five objectives:

1. Relationship to OHA's vision and strategic priorities;
2. Design and use, including cultural values;
3. Revenue generation and proceeds;
4. Timetable and process; and
5. Governance and decision-making

The following set of policy guidelines reflects the objective of maximizing revenue and total returns to increase OHA's programmatic reach without compromising OHA's kuleana to perpetuate Hawaiian culture in OHA's management and development of the parcels.

## **POLICY GUIDELINES**

### **1. Relationship to OHA's Vision and Strategic Priorities**

Create synergy between OHA's Kaka 'ako Makai parcels and OHA's vision and strategic priorities.

- A. Commercial kuleana to maximize revenues while providing economic development opportunities for Native Hawaiians.
  1. Create a sustainable revenue stream to support OHA's strategic priorities
  2. Create opportunities for Native Hawaiian self-sufficiency
  3. Create programmatic opportunities for employment of Native Hawaiians

- B. Cultural kuleana to incorporate Native Hawaiian culture in both intrinsic and extrinsic design elements and purposes.

## **2. Design and Use, including Cultural Values**

Ensure that cultural and stewardship values drive/provide the base for design and use decisions.

- A. Create a Hawaiian sense of place – a cohesive Hawaiian identity that creates a place in which the physical structures and environment are connected to the socio-psychological, cultural and spiritual aspects of living Hawaiian that reflects the past, present and future.

1. Understand that history can guide us – consider the trajectory of historical uses of the area
2. Incorporate cultural uses
3. Introduce Kaka‘ako Makai as a meeting place for Native indigenous leaders of the Western hemisphere and Pacific Islands
4. Encourage uses and activities that attract Hawaiians and locals to Kaka‘ako Makai
5. Incorporate the cultural identity of the area – stories, names, guardians, wind and elements – as a guide for planning, design and use
6. Proceed with our cultural /kanaka footprint

- B. Balance pono and commence.

1. Encourage cohesiveness among parcels/projects
2. Establish priority for qualified Hawaiian businesses and professionals
3. Incorporate mixed uses
4. Use green (environmentally friendly) technology

- 0. Prioritize the use of indigenous plants
- C. Collaborate with other Native Hawaiian organizations
  - 1. Work with Kamehameha Schools on potential partnerships with KS's adjoining properties
  - 2. Work with other Ali'i Trusts

#### **0. Revenue Generation and Proceeds**

Balance near-term revenue stream and/with long-term financial and strategic goals and decisions

- A. Near-term kuleana to balance near-term revenue generation for programmatic use with long-term vision.
  - 1. Create a sustainable revenue stream for strategic priorities
  - 2. Allocate 60% of net revenue for OHA's Legacy Land Program (net revenue equals gross revenue minus direct operating expenses, excluding Kaka'ako Makai planning and development-related costs)
  - 3. Set leases and other contractual arrangements at market value; anything below market value should be exceptions, and will require Board approval
- B. Long-term kuleana to balance revenue generation with OHA strategic goals.
  - 1. Maximize revenue generation, consistent with design, use, and cultural values
  - 2. Balance pono and commerce

#### **4. Timetable and Process**

Develop a timely, accountable process.

- A. Key planning considerations

1. Have an overall conceptual plan before considering or initiating major proposals
  2. Establish a timeline for tasks that need to be accomplished
- B. Key execution considerations
1. Engage professionals – finance, real estate, marketing, development, etc.
  2. Maintain the momentum, in keeping with fiduciary duties
  3. Proceed in ways that grow, preserve, and protect the assets
- C. Transparency and communication kuleana
1. Embrace community engagement – ensuring dialogue with the community and neighbors
  2. Have a robust communications and information-sharing infrastructure

## **5. Governance and Decision-Making**

Exercise appropriate leadership and management.

- A. Vision for master planning and property management.
1. Implement knowledge-based decision-making
  2. Establish efficient management
  3. Act in ways that are consistent with Kaka‘ako Makai being a flagship of actions, values and leadership
  4. Retain policy direction at the level of the Trustees
- B. Accountability
1. Lead with people who have financial, management, and development expertise



2. Complete an annual budget and a 5-year management and operating budget

## **UPDATE AND MAINTENANCE**

The OHA ~~Chief Executive Officer~~ Administrator shall be responsible for the update and maintenance of these policies. A review shall be done [on or before] June 30, 2025 to ensure that amendments or changes in laws are duly incorporated or as requested by the Chairperson of the Board of Trustees or Chairperson of a Standing Committee.

## **STATUS/EFFECTIVE DATE**

This document is effective as of September 20, 2012, 1<sup>st</sup> amendment and effective date August 1, 2017, 2<sup>nd</sup> amendment and effective date August 21, 2019 and 3<sup>rd</sup> amendment and effective date April 29, 2021.

## **APPENDIX ~~9~~10 – Economic Development Policy**

### **ECONOMIC DEVELOPMENT POLICY <sup>46</sup> 50**

#### **I. PURPOSE**

The purpose of this Economic Development Policy (“Policy”) is to ensure that revenue enhancement and other economic development projects undertaken by the Office of Hawaiian Affairs (“OHA”) are conducted in a manner consistent with best practices and aligned with OHA’s long-term strategies and current conditions.

#### **II. POLICY**

It is the policy of the Board to ensure the development of procedures for selecting economic development projects and the operating structures for the projects that reflect cultural priorities and current economic conditions. The Board believes that documented procedures are important to ensure consistency within OHA regarding the use of land, cultural assets and other resources, and OHA’s expectations for business conduct. Additionally, the principles reflected in the procedures can be incorporated in development and other economic development agreements, enabling projects that are developed will be consistent with OHA’s needs and priorities.

#### **III. SCOPE & AUTHORITY**

The projects covered by this Policy are all projects intended to increase the value of OHA assets, generate additional revenues, or achieve cultural and socio-economic priorities. Ka Puhana is delegated the authority to develop the procedures necessary to implement this Policy. Nothing in this delegation is intended to diminish the approval authority of the Board as stated in the State Constitution, State law, or other OHA policies and procedures.

#### **IV. PROCEDURES TO IMPLEMENT THE POLICY**

<sup>46</sup> 50 **RM 19-07:** Action regarding Economic Development, Debt Management, Spending and Investment, and Real Estate Policies (First reading: May 30, 2019; Second reading: June 6, 2019)

Ka Pouhana shall develop, for approval by the Board, procedures regarding economic development projects which shall be congruent with this Policy. The procedures shall model best practices and must address, at a minimum:

1. Procedures for analyzing and selecting economic development projects, including the requirements for the due diligence analysis and process prior to selecting the projects, the process for requesting approval by the Board, and reporting requirements to the Board.
2. Performance standards for OHA staff and external consultants, managers, or advisors.
3. Permissible/impermissible projects, if any.
4. Criteria for assessing different operating structures for the projects, including the evaluation criteria for selecting structures (such as LLCs and partnerships) so that diverse factors such as risk to OHA, control by OHA, and revenue potential can be weighed to achieve a structure that best fits OHA's needs.

The procedures shall detail how the policy principles will be implemented - what will be done, what resources will be used and what results will be expected.

## **V. EXCEPTIONS TO THE POLICY**

While adherence to this Policy is required in applicable circumstances, changes in the capital markets, programs and other unforeseen circumstances may produce situations that are not covered by the Policy or require modifications or exceptions to achieve Policy goals. In these cases, the Board may consider and approve exceptions to provisions within this Policy. When a request for exception is made to the Board, a memo detailing the rationale for any exception to the Policy must be submitted to the Board.

## **APPENDIX ~~10~~ 11 – Debt Management Policy**

### **DEBT MANAGEMENT POLICY <sup>47</sup> 51**

#### **I. PURPOSE**

The purpose of this Debt Management Policy (“Policy”) is to ensure that all debt issuances undertaken by the Office of Hawaiian Affairs (“OHA”) are completed in an efficient manner and in accordance with best practices.

#### **II. POLICY**

It is the policy of the Board to adhere to prudent financial management practices and commit to long-term capital and financial planning. This Policy will enable OHA to foster consistency and optimize the use of its limited resources to meet its long-term capital needs.

OHA believes that debt is an equitable means of financing projects and represents an important means of meeting fiscal responsibilities. Adherence to a policy is essential to ensure that OHA maintains a sound debt position and protects the credit quality of its obligations.

OHA intends to use debt efficiently to maximize the delivery of projects within acceptable levels of risk, balancing obtaining the best possible credit ratings, minimizing interest costs, and optimizing future flexibility.

##### **A. Purpose of Debt**

OHA shall not incur debt that is more than necessary to fund the OHA project or purpose for which the issuance was approved and any associated financing costs. Debt proceeds should be secured as close to the date of expenditure as possible, unless there are practical reasons to issue sooner, in which cases such reasons should be documented and approved by the Board.

<sup>47</sup> 51 **RM 19-07:** Action regarding Economic Development, Debt Management, Spending and Investment, and Real Estate Policies (First reading: May 30, 2019; Second reading: June 6, 2019)

Debt should improve OHA's net worth or help to generate value, including cultural value. Additionally:

1. OHA should not issue debt that it cannot repay or that causes it to incur undue financial risk. OHA should not take on debt without a repayment solution that is consistent with its spending and withdrawal policies and its budget.
2. Debt should be taken against an asset only for a financial gain. Prior to incurring debt, OHA must consider financial alternatives where its assets and portfolio are not totally at risk. OHA should leverage its assets wisely by using debt strategically and prudently.
3. A rigorous due diligence analysis should be conducted prior to issuance of debt, including impact of future budgets, sufficiency of revenues dedicated to debt service or operating costs of capital assets, and impact on ability to provide future services.

#### **B. Financial and Credit Limitations**

In addition to legal limitations, financial and credit limitations must also be considered, such as target coverage levels and credit ratings goals, before issuing new debt. In conjunction with this Policy, OHA will undertake a Debt Affordability Study ("Study") every two (2) years to optimize the use of limited debt capacity while meeting public spending goals and to ensure the prudent use of debt and to preserve enough future debt capacity. The Study analyzes the OHA's debt profiles and presents relevant financial metrics to assess debt affordability. Before the issuance of any new debt, the analysis and recommendations of the most recent Study should be considered. The financial and credit impact of new debt must be evaluated, in order that OHA will not issue debt that it cannot repay or that causes it to incur undue financial risk.

### **III. SCOPE & AUTHORITY**

The debt covered by this Policy is as defined in GASB Statement 88, namely: "[F]or this purpose, debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established." Debt includes, but is not limited to, issuances under Hawai'i Revised Statutes ("HRS") sections 10-22 and 10-23.

Nothing ~~in~~ in this Policy is intended to supersede the requirements of State or federal law, including Article VII, sections 12 and 13 of the State Constitution, HRS sections 13(2) and 1036, and HRS chapter 10, part II.

All debt is to be issued pursuant to the provisions, restrictions and limitations of the State Constitution, the HRS, the applicable provisions of the State of Hawai'i Debt Management Policy, applicable federal law, and other mandatory requirements.

#### **IV. PROCEDURES TO IMPLEMENT THE POLICY**

Ka Pouhana shall develop, for review by the Board, procedures regarding debt which shall be congruent with this Policy. The procedures shall model best practices for issuing debt. The procedures must at a minimum ~~include~~:

1. Procedures for incurring and managing debt, including the requirements for the due diligence analysis and process prior to incurring debt, the process for requesting approval by the Board, and reporting requirements to the Board
2. Performance standards for OHA staff and external consultants, managers, or advisors
3. Permissible/impermissible forms of debt

The procedures shall detail how the policy principles will be implemented - what will be done, what resources will be used and what results will be expected.

#### **V. EXCEPTIONS TO THE POLICY**

While adherence to this Policy is required in applicable circumstances, changes in the capital markets, programs and other unforeseen circumstances may produce situations that are not covered by the Policy or require modifications or exceptions to achieve Policy goals. In these cases, the Board may consider and approve exceptions to provisions within this Policy. A memo detailing the rationale for any exception to the Policy must be submitted to the Board.

## **APPENDIX ~~11~~12 – History and References Related to OHA Board of Trustees Executive Policy Manual**

### **Board Action**

There are three specific actions in relation to OHA Board of Trustees Executive Policy Manual, they are 1) adopt, 2) amend and 3) repeal.

### **Editing Style**

<b>Edit</b>	<b>Indication and Presented in this Document</b>
<b>Delete</b>	Strike through
<b>Add/Edit/Correction</b>	Underline or underscore
<b>Comments</b>	Within open and close parentheses

### **Source Referencing Style**

Modern Language Association (MLA) style is used to reference information source. All sources are within parentheses. The contents are in the following order. Starting from the organization (i.e., OHA) followed by a period, the document type (i.e. Board minutes), the page number or page range and finally the digital object identifier aka doi (i.e., BOT 81-11 file name from OHA's Ka Ipu O Ka 'Ike (KI'I) system).

<b>Board Action</b>	<b>Meeting Date</b>	<b>Note</b>
<b>Adopted</b>	May 9, 2000	<b>Source:</b> (OHA. Board minutes. Page 3-5 doi: BOT 00-
<b>Systematic</b>	Passed 1 <sup>st</sup>	18)
<b>Bylaws Review</b>	Reading	<b>Action Item:</b> PP 4-18-00. (April 18, 2000) to establish and adopt a policy wherein the Bylaws of the Office of Hawaiian Affairs are systematically reviewed, updated and published.

Board Action	Meeting Date	Note
		<p><b>Issue:</b> Should a policy be established and adopted wherein the Bylaws of the Office of Hawaiian Affairs are systematically reviewed, updated and published.</p> <p>Section 10-4(1), HRS provides the legal authority of OHA to “adopt, amend, and repeal bylaws governing the conduct of its business and the performance of the powers and duties granted to or imposed upon it by law”. This action seeks a policy to conduct systematic review, update and print amendments of the Bylaws to govern its conduct, business performance and use of powers and duties granted.</p> <p>The consists of three tasks: 1) The BOT shall, with the assistance and support of the <del>CEO</del> <u>Administrator</u>, review the content and format of its Bylaws on an annual basis. Said review shall commence after the end of the legislative session; 2) within one month of the BOT minutes indicating enactment of an amendment of the Bylaws, the <del>CEO</del> <u>Administrator</u> shall cause to be updated the then current edition of the Bylaws; and 3) the then current edition of the Bylaws shall be reprinted or republished at the discretion of the <del>CEO</del> BOT, at least every two years.</p> <p><b>Comment:</b> Certain Trustees expressed concerns having the <del>CEO</del> <u>Administrator</u> control this process when it is the duty and responsibility of Trustees to oversee and set the direction of OHA in accordance</p>



Board Action	Meeting Date	Note
Adopted Systematic Bylaws Review		<p>powers given and expressed in HRS §10-4 specifically “The office, under the direction of the board of trustees, shall have the following general powers”.</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 7</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>
	June 16, 2000 Passed 2 <sup>nd</sup> Reading	<p><b>Source:</b> (OHA. Board minutes. Page 6. doi: BOT 00-23)</p> <p><b>Action Item:</b> PP 4-18-00. (April 18, 2000)</p> <p><b>Comment:</b> Established power and adopt a policy wherein the Bylaws of OHA are systematically reviewed, updated, and published.</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 5</b></p> <p><b>Number of Opposition (No) Vote(s): 1</b></p> <p><b>Disposition:</b> Motion carried.</p>
	May 31, 2001 Passed 1 <sup>st</sup> Reading	<p><b>Source:</b> (OHA. Board minutes. Page 6. doi: BOT 01-24)</p>

Board Action	Meeting Date	Note
Action Item Preparation and Presentation		<p><b>Action Item:</b> PP 01-03-08 (March 8, 2001) seek to approve and adopt a policy with regard to the preparation and presentation of Office of Hawaiian Affairs Action Items.</p> <p><b>Issue:</b> Should the Office of Hawaiian Affairs approve and adopt a policy with regard to the presentation and presentation of OHA <del>a</del><u>A</u>ction <del>i</del><u>I</u>tems.</p> <p><b>Discussion:</b> Standing committees and the BOT primarily transact its businesses in the form of motions or resolutions. The <del>a</del><u>A</u>ction <del>i</del><u>I</u>tems seeks to enhance understanding, focus and clarity by providing greater specificity and meaning in preparing and presenting <del>a</del><u>A</u>ction <del>i</del><u>I</u>tems.</p> <p>Action Item structure include the following.</p> <ul style="list-style-type: none"> <li>• Action – describing a concise rendition of the proposal or desired outcome.</li> <li>• Issue – describing a concise statement of the essential or debatable point of the proposed action.</li> <li>• Discussion – providing an examination of the proposed action, its history, consequences, justification, necessity, and source documents critical to the quality deliberation.</li> <li>• Alternatives – describing a concise summation of alternative or discretionary courses of action.</li> </ul>

Board Action	Meeting Date	Note
		<ul style="list-style-type: none"> <li>• Recommendation – describing a concise restatement of the proposal.</li> <li>• Funding – an educated best estimate of the cost of the proposal with an indication of the source of funding.</li> <li>• Time Frame –an educated estimate of duration or time required to implement the proposed action.</li> <li>• Attachments – including any relevant supporting documentations or exhibits to the action.</li> </ul> <p>The primary purpose of this <del>a</del><u>A</u>ction <del>i</del><u>I</u>tem wasn't to alter the basic structure of existing <del>a</del><u>A</u>ction <del>i</del><u>I</u>tem but to enhance clarity, relevancy and specificity on who, what and how subsequent implementation will be carried out. Such enhancement and clarity will likely minimize execution disagreements, delays and inappropriate referrals in creating beneficiary benefits.</p> <p>It also seeks to minimize purview and oversight disagreements among existing committees.</p> <p>Legal references include HRS §92.-7 and HRS §103D-305.</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 5</b></p>

Board Action	Meeting Date	Note
Adopted Action Item Preparation and Presentation	Number of Opposition (No) Vote(s): 0	
	Disposition: Motion carried.	
	June 7, 2001 Passed 2 <sup>nd</sup> Reading	Source: (OHA. Board minutes. Page 3.-6 doi: BOT 01-25)  Action Item: PP 01-03-08 (March 8, 2001)  Vote: Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? Yes  Number of Affirmative (Yes) Vote(s): 6 Number of Opposition (No) Vote(s): 0
	Disposition: Motion carried.	
Adopted Numbering System Policy	May 31, 2001 Passed 1 <sup>st</sup> Reading	Source: (OHA. Board minutes. Page 5-6. doi: BOT 01-24)  Action Item: P 01-03-08  Action: This action seeks uniformity and consistency in the way aAction iItems are to be sorted and identified by committee purview, date of enactment, and sequence of enactment.  Note: A Trustee noted it was a good way to ensure each aAction iItem is identified with a unique ID and to track actions when they become policy or if the aAction iItem fail to pass, have an easy for staff to refer back to them. Another issue raised was, when a

Board Action	Meeting Date	Note
Adopted Numbering System Policy		<p>there were situations where the documents disappeared so those instances there were no way of referring back to documents. A solution was for all documents to be recorded/scanned with the unique reference and following a numbering system. Committee on Policy and Planning Minutes, March 8, 2001 and page 11 – 12.</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 6</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>
	June 7, 2001 Passed 2 <sup>nd</sup> Reading	<p><b>Source:</b> (OHA. Board minutes. Page 3. doi: BOT 01-25)</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 7</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>
	August 16, 2001 Passed 1 <sup>st</sup> Reading	<p><b>Source:</b> (OHA. Board minutes. Page 3-4. doi: BOT 01-34)</p> <p><b>Action Item:</b> PP 01-07-13 (July 13, 2001) To establish and adopt a Reasonable Accommodations for</p>

Board Action	Meeting Date	Note
		<p>Persons with Disabilities Policy. Reference includes the Hawaii Employment Practices Act (HEPA), enacted in 1963. Under HEPA, it is unlawful for an employer to discriminate because of race, sex, age, religion, color, ancestry, disability, marital status, sexual orientation, arrest and court record, assignment of income for child support payment and National Guard participation. Complaints must be filed with the Hawaii Civil Rights Commission within 180 days of alleged discrimination. This action also formally adopts the January 5, 1998 gubernatorial administrative directive of the Governor (Administrative Directive 98-1) on the State’s commitment to equal opportunity which includes the provision of reasonable accommodation to facilitate the employment of qualified individuals with disabilities.</p> <p><b>Issue:</b> Should the Office of Hawaiian Affairs formally adopt a Reasonable Accommodations of Persons with Disabilities Policy?</p> <p><b>Comment:</b> A motion was made to establish and adopt reasonable accommodations for persons with disabilities policy to be inserted into OHA Bylaws and refer to <del>a</del><u>Action</u> <del>i</del><u>Item</u> #PP-02.01.</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p style="text-align: right;"><b>Number of Affirmative (Yes) Vote(s): 7</b></p>

Board Action	Meeting Date	Note
Adopted Reasonable Accommodation	Number of Opposition (No) Vote(s): 0	
	Disposition: Motion carried.	
	August 30, 2001 Passed 2 <sup>nd</sup> Reading	Source: (OHA. Board minutes. Page 2-3. doi: BOT 01-39)  Vote: Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? Yes  Number of Affirmative (Yes) Vote(s): 8 Number of Opposition (No) Vote(s): 0
	Disposition: Motion carried.	
Defer Policy Formulation	August 30, 2001  Did not passed	Source: (OHA. Board minutes. Page 4-7. doi: BOT 01-39)  Action Item: BF 01-02-20. (February 20, 2001) This <del>a</del> Action <del>i</del> Item seeks to establish a <b>formal policy formulation process</b> to ensure that BOT actions are codified and updated in specific manuals to lead and guide OHA operations.  Comment: Confusion surfaced on this day as to it meaning and applied usage. Clarification was sought whether the action was something to be adopted as a bylaw, policy or guide. How was the proposed <del>a</del> Action <del>i</del> Item different from pass policy formulation? Administration responded that there were no differences. Because clarity and defensible

Board Action	Meeting Date	Note
Amended Integrated Strategic Plan with Budget Processes and Policy and Procedures Manual		weren't established, the BOT withdrawal the motion and defer the action to the committee to work on them.
		<b>Disposition:</b> Defer noted in BOT March 15, 2001 and August 30, 2001 minutes.
	June 20, 2002 Passed 1 <sup>st</sup> Reading	<p><b>Source:</b> (OHA. Board minutes. Page 45-46. doi: BOT 02-14)</p> <p><b>Action Item:</b> Action Item PP-17 (May 21, 2002) to amend the Office of Hawaiian Affairs Policy and Procedures Manual (January 1991) to "The OHA Board of Trustees shall set program priorities as</p> <hr/> <p>established by OHA's Master Plan through an</p> <hr/> <p>integrated process of strategic planning, community</p> <hr/> <p>input, and program evaluation through the Performance</p> <hr/> <p>and Program Budget (PPB) and Total Operating</p> <hr/> <p>Budget (TOB) process."</p> <hr/> <p><b>Issues/Discussion:</b> Shall OHA amend its Policy and Procedures Manual (Jan. 1991) Section 2.0 Powers and Duties of Trustees, Subsection 2.5 Program Priorities (Attachment A) to assure that the process of planning in OHA: 1) includes and involves all stakeholders, and 2) is systemized within the structure of OHA?</p> <p>Provided a pathway to formulating OHA Strategic Plan. The outline include Trustees directives through workshop meetings to generate its vision and mission statements; community meetings to gain a deeper understanding of beneficiaries issues and needs;</p>



Board Action	Meeting Date	Note
		<p>research to gain further insights of beneficiaries issues and priorities and validation of the direction and focus; working groups to categorize priorities into core themes/focuses (i.e. advocacy, culture, education, economic development, environment and resource management, social services, nation building and values and principles); obtaining BOT approval of specific goals and targets and budget; approval of first year action plan; integrating and coordinating strategic planning with budgetary processes.</p> <p>Further discussed findings of OHA Strategic Plan, Core Group on systemizing the process of planning and allowing priorities be guided and driven by the <del>s</del>Strategic <del>p</del>Plan, stakeholders, the community and the budging process (linking Strategic Plan to the budget and complement the Total Operating Budget). Because the process is ongoing and changing, OHA had institutionalize and people have benefited from:</p> <p>Kākou - We work together, unified to accomplish our mission, and</p> <p>Po‘okela – We do our absolute best and continuously seek improvement</p> <p>Amended to “The OHA Board of Trustees shall set program priorities as established by OHA’s Master Plan through an integrated process of strategic planning, community input, and program evaluation</p>

Board Action	Meeting Date	Note
Amended Integrated Strategic Plan with Budget Processes and Policy and Procedures Manual		through the Performance and Program Budget (PPB) and Total Operating Budget (TOB) process.
		<p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s):</b> 9</p> <p><b>Number of Opposition (No) Vote(s):</b> 0</p>
		<b>Disposition:</b> Motion carried.
Amended Integrated Strategic Plan with Budget Processes and Policy and Procedures Manual	July 23, 2002	<b>Source:</b> (OHA. Board minutes. Page 8-9. doi: BOT
	Passed 2 <sup>nd</sup>	02-18)
	Reading	<p><b>Action Item:</b> Action Item PP-17 (May 21, 2002)</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s):</b> 5</p> <p><b>Number of Opposition (No) Vote(s):</b> 0</p>
Amended Bylaws are Systematically Reviewed		<b>Disposition:</b> Motion carried.
	June 20, 2002	<b>Source:</b> (OHA. Board minutes. Page 46-48. doi: BOT
	Passed 1 <sup>st</sup>	02-14)
	Reading	<p><b>Action Item:</b> PP 02-20 (May 29, 2002)</p> <p><b>Issue:</b> Should OHA amend the policy wherein the OHA Bylaws are systematically reviewed, updated and</p>

Board Action	Meeting Date	Note
		<p>published to include the OHA Policy and Procedure Manual and the OHA Financial Manual of Guides?</p> <p><b>Discussion:</b> The Bylaws of OHA governs the conduct of its businesses and the performance of the powers and duties granted to or imposed upon it by law. HRS §10-4(1). As of the date of this policy, only the Bylaws was required to be reviewed on an annual basis after the end of the Legislative session. The expressed ideal would be to have all of OHA manuals current such as OHA Policies and Procedures Manual and OHA Financial Manual of Guides.</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p style="padding-left: 40px;"><b>Number of Affirmative (Yes) Vote(s): 9</b></p> <p style="padding-left: 40px;"><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>
<p><b>Amended</b></p> <p>Bylaws are Systematically Reviewed</p>	<p>July 23, 2002</p> <p>Passed 2<sup>nd</sup></p> <p>Reading</p>	<p><b>Source:</b> (OHA. Board minutes. Page 9-10. doi: BOT 02-18)</p> <p><b>Action Item:</b> PP 02-20 (May 29, 2002)</p>
		<p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p style="padding-left: 40px;"><b>Number of Affirmative (Yes) Vote(s): 5</b></p> <p style="padding-left: 40px;"><b>Number of Opposition (No) Vote(s): 0</b></p>

Board Action	Meeting Date	Note
Adopted OHA Grants Program	October 30, 2002 Passed 1 <sup>st</sup> Reading	<b>Disposition:</b> Motion carried.
		<p><b>Source:</b> (OHA. Board minutes. Page 21-22. doi: BOT 02-31)</p> <p><b>Action Item:</b> PM 02-8.1 and PP 02-24 (August 1, 2002)</p> <p><b>Action and Issue:</b> This <del>a</del><u>A</u>ction <del>i</del><u>I</u>tem formally establishes governing policies for OHA Grants Program. These policies address the minimum criteria, levels of funding request, matching funds required, award authority and award schedule. Note: On April 28, 1993, the BOT created the Grants, Subsidies, Purchase of Services, and Donations (GSPD) program. The State Procurement Office (SPO) raised concerns during FY 01 questioning the appropriateness of OHA grants. As a result, the grant review process was delayed while additional opinions were sought from OHA's BOT attorney and subsequently from the State Attorney general's office.</p> <p>As a result, OHA stopped processing and accepting grant applications after receiving the Attorney General's opinion, dated September 25, 2001. On June 25, 2002, the Governor signed into law Act 182 (OHA Grant bill (SB2477)) which allowed OHA to once again award and process grants.</p>

Board Action	Meeting Date	Note
		<p>The <del>a</del><u>A</u>ction <del>i</del><u>I</u>tem seeks to establish a formalized process to deal appropriately with procurement challenges and to address community criticisms of the review processing being slow and inefficient.</p> <p>The following OHA Grants Program consists of the minimum criteria for funding requests:</p> <ol style="list-style-type: none"> <li>1. The requesting organization must show proof of IRS tax-exempt non-profit status in the State of Hawai‘i (or operate as a government agency).</li> <li>2. The proposed program/project must benefit Native Hawaiians individually or as a group.</li> <li>3. The proposed program/project must support OHA’s Strategic Plan conform to the program priorities established by the BOT.</li> </ol> <p>OHA Grants Program funding methods consist of 4 levels of funding and detail award authority and award schedule.</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 8</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>

Board Action	Meeting Date	Note
		<p><b>Comment:</b> In addition to administrative requirements to grantees to obtain consistency and uniformity among all grantees awarded, it would be a good idea to require grant applicants to follow and abide by cost principles of allowable costs and avoid using general and trust funds on unallowable use of funds in accordance with established cost principles. State of Hawaii cost principle website <a href="https://spo.hawaii.gov/for-state-county-personnel/programs/procurement/solicitation/health-human-services/methods-of-procurement/competitive-procurement/cost-principles-hrs-chapter-103f-purchases-of-health-and-human-services/">https://spo.hawaii.gov/for-state-county-personnel/programs/procurement/solicitation/health-human-services/methods-of-procurement/competitive-procurement/cost-principles-hrs-chapter-103f-purchases-of-health-and-human-services/</a></p> <p>Consider establishing a conflict-of-interest policy where grant applicants must disclose in writing any direct or potential of conflict of interest.</p> <p>Consider grant applicant of mandatory disclosure of all violations of state and/or federal laws such as fraud, bribery and any violations that could potentially affect grant award, eroding public trust in OHA and jeopardizing public safety. Also, grant application to disclose any suspension and debarment.</p> <p>To ensure appropriate usage of OHA’s funds, consistency, trust and uniformity consider single or program/grant specific audit when awarded dollar amount exceeding a certain grant value. Consider the frequency of the audit for any multi-years grants and</p>

Board Action	Meeting Date	Note
<b>Adopted</b> OHA Grants Program		<p>whether it is required prior to the next start period to ensure expenditure are in accordance with cost principles, adequate internal controls and expended in compliance with the BOT priorities and OHA strategic goals and objectives.</p>
	December 10, 2002 Passed 2 <sup>nd</sup>	<p><b>Source:</b> (OHA. Board minutes. Page 6-8. doi: BOT 02-33)</p>
	Reading	<p><b>Action Item:</b> PM 02-8.1 and PP 02-24 (August 1, 2002)</p> <p>To formally establish the OHA grants program and governing policies as presented with this <del>a</del><u>Action</u> <del>i</del><u>Item</u>.</p> <p>And as further amended at the Committee on Policy and Planning meeting of October 15, 2002, these policies will address the minimum criteria levels of funding requests, matching funds required, award authority and award schedule.</p> <p><b>Comment:</b> On page 7, Trustee Mossman asked “if I wanted to find out about this policy where would I go?” Mr. Namu‘o explained that “it would be published in our Policy Manual.”</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 8</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p>

Board Action	Meeting Date	Note
<b>Adopted</b> Appreciation for honorable services	<b>Disposition:</b> Motion carried.	
	May 1, 2003 Passed 1 <sup>st</sup> Reading	<b>Source:</b> (OHA. Board minutes. Page 3-6. doi: BOT 03-10)  <b>Action Item:</b> ARM-BAE 03-01 (April 30, 2003)  <b>Issue:</b> Whether or not OHA should create a Board policy to appreciate and honor former OHA Trustees living or deceased.  <b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b> <b>Number of Affirmative (Yes) Vote(s): 8</b> <b>Number of Opposition (No) Vote(s): 1</b>  <b>Disposition:</b> Motion carried.
<b>Adopted</b> Appreciation for honorable services	<b>Disposition:</b> Motion carried.	
	May 22, 2003 Passed 2 <sup>nd</sup> Reading	<b>Source:</b> (OHA. Board minutes. Page 4-5. doi: BOT 03-11)  <b>Action Item:</b> ARM-BAE 03-01 (April 30, 2003)  <b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b> <b>Number of Affirmative (Yes) Vote(s): 8</b> <b>Number of Opposition (No) Vote(s): 0</b>  <b>Disposition:</b> Motion carried.



Board Action	Meeting Date	Note
Amended OHA BOT Executive Policy Manual	November 2, 2006 Passed 1 <sup>st</sup> Reading	<p><b>Source:</b> (OHA. Board minutes. Page 10-15. doi: BOT 06-22)</p> <p><b>Action Item:</b> ARM 06-08o (October 17, 2006)</p> <p><b>Issue:</b> OHA Bylaws and OHA BOT policies were in need of review, updating and revision.</p> <p><b>Discussion:</b> The working group describes the purpose of the Bylaws as a guide of the Board it its official and formal actions and Board governance. Executive policies are viewed as the Board’s guidelines and provides a framework for the operation of the Board and OHA as an organization [to carry out the mission, related regulations and will and decision of the Board.] For example, policy on American with Disabilities Act was embedded within the Bylaws and wasn’t considered to be governing the Board action. As a result, it was appropriately place in the Executive Policy Manual.</p> <p>With the definitions and distinctions, the working group found policies statement that should appropriately be place in the Bylaws and vice versa. The working group also updated the numbering system to</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p>

Board Action	Meeting Date	Note
Amended OHA BOT Executive Policy Manual		<p><b>Number of Affirmative (Yes) Vote(s):</b>  <b>7 Number of Opposition (No) Vote(s):</b>  <b>0 Number of Abstain: 2</b></p> <p><b>Disposition:</b> Motion carried.</p>
	November 8, 2006 Passed 2 <sup>nd</sup> Reading	<p><b>Source:</b> (OHA. Board minutes. Page 7-9 doi: BOT 06-23)</p> <p><b>Action Item:</b> ARM 06-08o (October 17, 2006)</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 8</b>  <b>Number of Opposition (No) Vote(s): 0</b></p>
		<b>Disposition:</b> Motion carried.
Amended Ensure consistency of meaning and substance between Bylaws and Executive Policy related to Fiduciary Duty of Confidentiality	November 1, 2007 Passed 1 <sup>st</sup> Reading	<p><b>Source:</b> (OHA. Board minutes. Page 6-10. doi: BOT 07-23o.)</p> <p><b>Action Item:</b> ARM-BAE 07-22 (October 24, 2007)</p> <p>Cross Reference:  Amended Article VI <b>Issue:</b> Amendment to OHA Bylaw VI was recommended by the BOT Attorney. An amendment to conform the OHA BOT Executive Policy Subseries 1030 (Trustee Duties, Responsibilities, and Conduct) Manual to the Bylaw amendment is proposed to ensure consistency of meaning and substance between Bylaw and Executive Policy related to confidentiality of</p>

Board Action	Meeting Date	Note
Amended Ensure consistency of meaning and substance between Bylaws and Executive Policy related to Fiduciary Duty of Confidentiality		<p>communication, proprietary or otherwise privileged material received in Executive Meeting.</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 6</b></p> <p><b>Number of Opposition (No) Vote(s): 1</b></p> <p><b>Disposition:</b> Motion carried.</p>
	November 8, 2007 Passed 2 <sup>nd</sup> Reading	<p><b>Source:</b> (OHA. Board minutes. Page 3-4. doi: BOT 07-25o.)</p> <p><b>Action Item:</b> ARM-BAE 07-22 (October 24, 2007)</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 6</b></p> <p><b>Number of Opposition (No) Vote(s): 1</b></p> <p><b>Disposition:</b> Motion carried.</p>
	October 2, 2008 Passed 1 <sup>st</sup> Reading	<p><b>Source:</b> (OHA. Board minutes. Page 8-11. doi: BOT 08-29)</p> <p><b>Action Item:</b> ARM 08-03 (October 1, 2008)</p> <p><b>Issue:</b> To expand the use of Trustee Allowance Policy in line with Trustee and community expectations based different funding. The first fund consists of an annual</p>

Board Action	Meeting Date	Note
		<p>allowance which is issued to State legislators under HRS 24-1 to cover incidental expenses connected with legislative duties such as “expenses such as meals required by meeting held early or late in the day...expenditures connected with social, political, and charitable functions which a legislator is expected to attend...and postage of newsletters, and other mailings to constituents. The second use of fund is the Protocol Fund which is issued to state Heads of departments (Comptroller’s Memorandum No. 2003-22 dated September 29, 2003). The memorandum describes the use of fund for department’s program objectives with acceptable charges in areas of meals and refreshments while entertaining private and public sector officers on official business, fellow cabinet members on tour of department, and fellow employees during staff meetings conducted by designated representatives, token gifts (including leis) when welcoming or visiting government officials and miscellaneous clients groups, and gifts such as plaques, framed commendations, or trophies to recognize services rendered to the department by board members commission members and volunteers.</p> <p>There were three (3) proposed amendments expressed in exhibit A – C.</p> <ul style="list-style-type: none"> <li>• Exhibit “A” proposed amendment to the Biennium Budget Preparation Policy.</li> <li>• Exhibit “B” proposed amendment to the Travel and Related Expenditures policy.</li> </ul>

Board Action	Meeting Date	Note
Amended OHA BOT Executive Policy Manual		<ul style="list-style-type: none"> <li>Exhibit “C” proposed language to the Trustee Annual Allowance policy. Subsections include a statement of purpose, allowable and disallowable expenditures, receipt of allowance, quarterly allowance report, return of funds and OHA property.</li> </ul> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 7</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>
	October 16, 2008 Passed 2 <sup>nd</sup> Reading	<p><b>Source:</b> (OHA. Board minutes. Page 4-7. doi: BOT 08-31)</p> <p><b>Action Item:</b> ARM 08-03 (October 1, 2008)</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 6</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>
	September 10, 2009	<p><b>Source:</b> (OHA. Board minutes. Page 4-8. doi: BOT 09-30)</p>
Adopted OHA Strategic Plan		

Board Action	Meeting Date	Note
<b>Amended</b> OHA BOT Executive Policy Manual		<p><b>Action Item:</b> BOT 09-01 (May 7, 2009) establish Strategic Plan Priorities</p> <p><b>Action Item:</b> BOT 09-03 include the OHA Strategic Plan</p> <p><b>Note:</b> Priorities and 10 Strategic Results and using these roles to align the agency to optimize OHA’s ability to effectively fulfill its mission pursuant to HRS Chapter 10 by administration. Approval of the OHA’ Strategic Plan 2010 to 2016 supersedes the six Strategic Priorities approved by the BOT on May 7, 2009.</p>
	August 19, 2010 Passed First Reading	<p><b>Source:</b> (OHA. Board minutes. Page 7-10. doi: BOT 10-21)</p> <p><b>Action Item:</b> ARM 10-06, (August 11, 2010)</p> <p><b>Issue:</b> Whether or not the BOT should authorize the amendment of OHA BOT Executive Policy Manual based on 1.2.c which requires the Manual to be updated as needed, but no less than annually. During FY 2010, OHA began implementing a new strategic plan that resulted in the reorganization of OHA (positions, titles and operating units).</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 6</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p>

Board Action	Meeting Date	Note
Amended OHA BOT Executive Policy Manual	<b>Disposition:</b> Motion carried.	
	September 2, 2010 Passed Second Reading	<b>Source:</b> (OHA. Board minutes. Page 4. doi: BOT 10-22)  <b>Action Item:</b> ARM 10-06, (August 11, 2010)  <b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b>  <b>Number of Affirmative (Yes) Vote(s):</b> 7 <b>Number of Opposition (No) Vote(s):</b> 1
	<b>Disposition:</b> Motion carried.	
Amended OHA Strategic Plan	December 15, 2011 Approved	<b>Source:</b> (OHA. Board minutes. Page 5-6. doi: BOT 11-38).  <b>Action Item:</b> BOT 11-05 (December 15, 2011)  <b>Issue:</b> Update Strategic Results targets and extension of the Strategic Plan to 2018.  <b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b>  <b>Number of Affirmative (Yes) Vote(s):</b> 6 <b>Number of Opposition (No) Vote(s):</b> 0
	<b>Disposition:</b> Motion carried.	
	September 20, 2012	<b>Source:</b> (OHA. Board minutes. Page 9-10. doi: BOT 12-33).

Board Action	Meeting Date	Note
Investment Policy Statement	Passed 1 <sup>st</sup> Reading	<p><b>Action Item:</b> ARM 12-08 (September 5, 2012)</p> <p><b>Issue:</b> Whether or not the BOT should approve the proposed modifications to the Investment Policy Statement. The modifications include adjustments to the Trust Fund’s strategic asset allocation and long-term targets, liquidity policy, revised strategic benchmark indexes and the addition of a risk management policy. By effecting the changes, the Trust Fund may be better positioned to achieve its longterm goals.</p> <p>Clarification was asked and staff responded that the actions will provide OHA with more options to diversify invest asset classification worldwide and make OHA’s short term investments safer so that it can take more risk with long term investments.</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 7</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>
Amended Investment Policy Statement	September 27, 2012  Passed 2 <sup>nd</sup> Reading	<p><b>Source:</b> (OHA. Board minutes. Page 9-10. doi: BOT 12-34).</p> <p><b>Action Item:</b> ARM 12-08</p>



Board Action	Meeting Date	Note
Amended Policy on Proposed Legislative Measure		<p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 8</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>
	February 9, 2012	<p><b>Source:</b> (OHA. Board minutes. Page 7-10. doi: BOT 12-05).</p>
	Passed 1 <sup>st</sup>	
	Reading	<p><b>Action Item:</b> BAE 12-01 (February 8, 2012)</p> <p><b>Issue:</b> At times the Hawai‘i State Legislature introduce bills that weren’t proposed by OHA, seek OHA funding or seek to place entities within OHA, or seek both.</p> <p><b>Language:</b> 2.1d. The BOT shall take a position of <u>Oppose on any legislative measure that places an entity into OHA, or that requires an OHA funding allocation, without prior consultation with, and approval by, the BOT.</u></p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 8</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>

Board Action	Meeting Date	Note
Amended Policy on Proposed Legislative Measure		<b>Comment:</b> The language from the BOT minute was approved and amended from the <del>a</del> Action <del>i</del> Item language found in BAE 12-01.
	February 16, 2012	<b>Source:</b> (OHA. Board minutes. Page 9-10. doi: BOT 12-06).
	Passed 2nd Reading	<b>Action Item:</b> BAE 12-01 (February 8, 2012)  <b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b> <b>Number of Affirmative (Yes) Vote(s): 7</b> <b>Number of Opposition (No) Vote(s): 0</b>  <b>Disposition:</b> Motion carried.
Adopted Policy Relating to Ceded Lands	February 7, 2013	<b>Source:</b> (OHA. Board minutes. Page 14-16. doi: BOT 13-03).
	Passed 1 <sup>st</sup> Reading	<b>Action Item:</b> BAE 13-02 (Dated: February 6, 2013)  <b>Issues:</b> Adopting this policy reaffirm its policy to protect the ceded lands corpus until the unrelinquished claims of Native Hawaiians are resolved, and OHA shall oppose the alienation of any ceded lands by the State of Hawai‘i, except in the following limited situations: <ul style="list-style-type: none"> <li>• OHA shall not oppose a resolution submitted to the Hawai‘i State Legislature pursuant to Act 176 (2009) and Act 169 (2011) for the sale of</li> </ul>

Board Action	Meeting Date	Note
		<p>the fee simple interest of apartments, townhouses, and houses for home ownership, where [1] there is already an agreement in an existing contract with the state agency allowing the homeowner to purchase the fee simple interest for home ownership, [2] there have been prior sales in the same development to the extent that the units have previously been substantially sold, or [3] sales of the fee simple interest were approved by the responsible state housing agency prior to the filing of the lawsuit OHA v. Hawaii Finance and Development Corporation, Civil No. 94-4207-11, First Circuit Court, State of Hawai‘i, November 4, 1994.</p> <ul style="list-style-type: none"> <li data-bbox="779 1008 1520 1512"> <p>OHA shall not oppose the sale or transfer of remnants by the Department of Land and Natural Resources, State of Hawai‘i, so long as OHA determines that the land proposed by DLNR as a remnant meets OHA’s understanding of the definition of remnant or that the land does not have competing, more important values to the Native Hawaiian community.</p> </li> <li data-bbox="779 1533 1520 1793"> <p>By not opposing the sales of any ceded lands, OHA does not waive any right or claim that it has to a pro rata share of the proceeds of the sale.</p> </li> </ul>

Board Action	Meeting Date	Note
<b>Adopted Relating to Ceded Lands</b>		<ul style="list-style-type: none"> <li>By not opposing the sales of any ceded lands, OHA does not directly or indirectly release or limit the claims of the Native Hawaiian people or a Native Hawaiian governing entity.</li> </ul> <p><b>Action Item:</b> BAE 13-02 (Dated: February 6, 2013)</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s):</b> 8</p> <p><b>Number of Opposition (No) Vote(s):</b> 0</p> <p><b>Disposition:</b> Motion carried to adopt this new subsection.</p>
	February 21, 2013 Passed 2 <sup>nd</sup> Reading	<p><b>Source:</b> (OHA. Board minutes. Page 7-9. doi: BOT 13-04).</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s):</b> 8</p> <p><b>Number of Opposition (No) Vote(s):</b> 0</p> <p><b>Disposition:</b> Motion carried</p>
	March 7, 2013 Board moved into Executive Session	<p><b>Source:</b> (OHA. Board minutes. doi: BOT 13-05).</p> <p><b>Action Item:</b> ARM/BAE 13-01 to approve the OHA Executive Policy Manual related to subsection 3.10.j</p>
<b>Amended Relating to Enhancing Trustee Staffing</b>		

Board Action	Meeting Date	Note
<b>Amended Relating to Enhancing Trustee Staffing Amended Trustee Sponsorship and Allowance Fund (TSAF)</b>		<p>BOT Staffing, 2.10.k reference to OHA Bylaws, article XIV (Board of Trustees Staff) and 3.10.1 staffing configuration to deal with increasing complexity and diversity of OHA projects such as investments, land development and management, and partnership agreements.</p> <p><b>Issue:</b> The <del>a</del><u>A</u>ction <del>i</del><u>I</u>tem sought to enhance the capacity of Trustees to deal with increasing complexity and diverse OHA projects such as investments, land development and management, and partnership agreements.</p> <p><b>Disposition:</b> Executive session.</p>
	<p>March 21, 2013 Board moved into Executive Session</p>	<p><b>Source:</b> (OHA. Board minutes. doi: BOT 13-06).</p> <p><b>Disposition:</b> Executive session.</p>
	<p>November 21, 2013 Passed 1<sup>st</sup> Reading</p>	<p><b>Source:</b> (OHA. Board minutes. Page 3-4. doi: BOT 13-35).</p> <p><b>Action Item:</b> ARM 13-11 (November 20, 2013) repeal subsection 3.5.n Trustee Annual Allowance and adopted and replaced it with 3.5.n Trustee Sponsorship and Annual Allowance Fund (TSAAF).</p> <p><b>Issue:</b> Amended to allow each Trustee to have a combined source of funds consisting of a sponsorship fund and an annual Trustee to Sponsorship and Allowance Fund and to expand and clearly define the</p>

Board Action	Meeting Date	Note
Amended Trustee Sponsorship and Allowance Fund (TSAF)		types of allowable expenditures that could be disbursed from the combined funds.
		<b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b> <b>Number of Affirmative (Yes) Vote(s): 5</b> <b>Number of Opposition (No) Vote(s): 0</b>
		<b>Disposition:</b> Moves to waive the 72 hour requirement.
	December 5, 2013	<b>Source:</b> (OHA. Board minutes. Page 8-9. doi: BOT 13-36).
Amended	Passed 2nd Reading	<b>Action Item:</b> ARM 13-11 (November 20, 2013)
		<b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b> <b>Number of Affirmative (Yes) Vote(s): 6</b> <b>Number of Opposition (No) Vote(s): 1</b>
		<b>Disposition:</b> Motion carried to approve BOT Executive Policy Amendment relating to Trustee Sponsorship and Allowance Fund as shown in Attachment “A” and Corresponding and Conforming Changes to BOT Executive Policies as shown in Attachment “B”.
	December 18, 2013	<b>Source:</b> (OHA. Board minutes. Page 3. doi: BOT 13-37).

Board Action	Meeting Date	Note
Amended	Failed 1 <sup>st</sup> Reading	<p><b>Action Item:</b> BAE 13-04 (did not pass)</p> <p><b>Disposition:</b> Amendment to OHA BOT Executive Policy Manual Subseries 2030 Ka Wai Ola failed to pass Committee on Beneficiary Advocacy and Empowerment</p>
	January 23, 2014	<p><b>Source:</b> (OHA. Board minutes. Page 15-24. doi: BOT 14-02).</p>
	Passed 1 <sup>st</sup> Reading	<p><b>Action Item:</b> BOT 14-01</p> <p><b>Issue:</b> At present, both Standing Committees have purviews which deal with land and natural resources issues and land management issues. The duplicative purviews should be eliminated and a third Standing Committee was created to handle and address land acquisition and land management to ensure that OHA's land holdings are properly managed and its strategic priorities met.</p> <p>Action <b>Items</b> described findings from the State Auditor's Report No. 13-07 issued in September 2013 as a performance audit. The general statement of findings include but not limited to the following.</p> <ul style="list-style-type: none"> <li>i. OHA's real estate vision, mission and strategy is not supported by Board-adopted land policies.</li> <li>ii. OHA's land management infrastructure is inadequate, unable to support neither</li> </ul>

Board Action	Meeting Date	Note
		office's growing portfolio nor any future land involvements.
		iii. Without the policies, procedures, and staff to help guide and support the increased real estate activity, OHA's Board of Trustees cannot ensure that its acquisitions are based on strong financial foundation.
		iv. OHA's real estate portfolio is unbalanced, with revenues generated from commercial properties unable to offset expenses from legacy and programmatic land holdings.
		To resolve these issues and concerns, the State Auditor recommends the following supporting guidelines and recommendations to develop and adopt policies.
		i. A robust real estate investment policy that includes a spending policy, ethics code, general objectives, long-term return goals, asset category definitions, forms of ownership, prohibited investments, and portfolio reporting requirements;
		ii. Asset allocation guidelines outlining an optimal mix of legacy, programmatic, corporate, and investment properties, along with return expectations for each asset class;
		iii. Clearly articulated goals for OHA's real estate portfolio and individual acquisitions, including



Board Action	Meeting Date	Note
Amended		<p>whether legacy and programmatic land costs should be supported by corporate and investment property income; and</p> <p>iv. A business plan for the Land Management Division that elevates the program to its own line of business with support commensurate to OHA’s level of land ownership responsibilities, including an adequate number of qualified personnel to manage its growing real estate portfolio.”</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 8</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried to amend 1.3.n. of the Executive Policy Manual related to Transactions Involving the Acquisition or Conveyance of Land.</p>
	<p>February 6, 2014</p> <p>Passed 2<sup>nd</sup> Reading</p>	<p><b>Source:</b> (OHA. Board minutes. Page 3-6. doi: BOT 14-04).</p> <p><b>Action Item:</b> BOT 14-01</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 6</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p>

Board Action	Meeting Date	Note
<b>Adopted</b> Policy Guidelines for Committee on Land and Property		<b>Disposition:</b> Motion carried.
	June 19, 2014	<b>Source:</b> (OHA. Board minutes. Page 11-12. doi: BOT 14-19).
	Passed 1 <sup>st</sup> Reading	<b>Action Item:</b> LAP 14-02 (June 10, 2014)
		<p><b>Issus and Discussion:</b> Approve and adopt the Policy Guidelines for Committee on Land and Property. The purview includes development of policies and criteria for OHA’s land acquisitions, dispositions, development, management and the use of real estate in which OHA has interest. The purview also includes developing policies relating to OHA’s real estate allocation, desire returns, balancing OHA’s real estate portfolio including legacy lands, corporate real estate, programmatic lands, and investment properties.</p> <p>The contents of the general guidelines include but limited to the following.</p> <ul style="list-style-type: none"> <li>• Protect, preservation and enhancement</li> <li>• Balancing of OHA’s real estate portfolio</li> <li>• OHA real estate strategy</li> <li>• OHA real estate business plan</li> <li>• OHA real estate investment policy</li> <li>• Oversight of the use and condition of OHA’s real estate; policy for proper use and stewardship of such real estate</li> <li>• Avoid short timelines</li> <li>• Plan for subsequent review of capital budget</li> </ul>

Board Action	Meeting Date	Note
		<p>Project Related Best Practice</p> <ul style="list-style-type: none"> <li>• Request for proposals</li> <li>• General guidelines for RFPs <ul style="list-style-type: none"> <li>○ Establish clear criteria and requirements</li> <li>○ Retention of appropriate consultant(s) to establish RFP</li> <li>○ Competitive bids</li> <li>○ Conformance with OHA procurement procedures</li> </ul> </li> <li>• Establish clear responsibility for oversight and completion <ul style="list-style-type: none"> <li>○ Single accountable project leader</li> <li>○ Role of continuing committee oversight</li> <li>○ Conflict resolution</li> </ul> </li> <li>• Effective use of the committee</li> <li>• Conformance with OHA Board policies and guidelines</li> </ul> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 9</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>
	July 3, 2014	<p><b>Source:</b> (OHA. Board minutes. Page 13-14. doi: BOT 14-21).</p> <p>Passed 2<sup>nd</sup></p> <p>Reading <b>Action Item:</b> LAP 14-02 (June 10, 2014)</p>

Board Action	Meeting Date	Note
Amended Standing Committee Reorganized		<p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 8</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>
	July 30, 2015	<b>Source:</b> (OHA. Board minutes. Page 4-5. doi: BOT 15-25.)
	Passed 1 <sup>st</sup>	
	Reading	<b>Action Item:</b> BOT 15-03 (July 23, 2015)
		<p><b>Issues:</b> As part of a larger effort to help ensure that the BOT can perform and function in the best possible manner with the least waste of time and effort, this <b>aAction iItem</b> is designed to enhance the ability of the BOT to oversee, as effectively and efficiently as possible, OHA’s land assets to assure that those assets are well managed and that its financial situation remains sound. This action combines the Committee on Asset and Resource Management and the Committee on Land and Property into the Committee on Resource Management.</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 7</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p>

Board Action	Meeting Date	Note
Amended Standing Committee Reorganized		<b>Disposition:</b> Motion carried.
	August 27, 2015	<b>Source:</b> (OHA. Board minutes. Page 4-6. doi: BOT 15-29.)
	Passed 2 <sup>nd</sup>	
	Reading	<b>Action Item:</b> BOT 15-03 (July 23, 2015)
		<b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b>
		<b>Number of Affirmative (Yes) Vote(s):</b> 7
		<b>Number of Opposition (No) Vote(s):</b> 2
		<b>Disposition:</b> Motion carried.
Adopted Water Policy and Water Backgrounder	November 5, 2015	<b>Source:</b> (OHA. Board minutes. Page 6-11. doi: BOT 15-35).
	Passed	
	1 <sup>st</sup> Reading	<b>Action Item:</b> BAE 15-06 (October 21, 2015)
		<b>Issue:</b> Adopt Water Policy and Water Backgrounder as an appendix to the OHA BOT Executive Policy Manual.
		This new policy created a new section 2070 Wai
		<b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b>
		<b>Number of Affirmative (Yes) Vote(s):</b> 8
		<b>Number of Opposition (No) Vote(s):</b> 0

Board Action	Meeting Date	Note
<b>Adopted</b> Water Policy and Water Backgrounder	November 19, 2015 Passed 2 <sup>nd</sup> Reading	<p><b>Disposition:</b> Motion carried.</p> <p><b>Source:</b> (OHA. Board minutes. Page 3-5. doi: BOT 15-36).</p> <p><b>Action Item:</b> BAE 15-06 (October 21, 2015)</p> <p><b>Issue:</b> Adopt Water Policy and Water Backgrounder as an appendix to the OHA BOT Executive Policy Manual.</p> <p>This new policy created a new section 2070 Wai</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s):</b> 7</p> <p><b>Number of Opposition (No) Vote(s):</b> 0</p> <p><b>Disposition:</b> Motion carried.</p>
		<p><b>Source:</b> (OHA. Board minutes. Page 6-11. doi: BOT 15-35).</p> <p><b>Action Item:</b> BAE 15-07 (October 21, 2015)</p> <p><b>Issue:</b> Adopt a policy that recognize the cultural significance of iwi kupuna and provides protection and guidance for agency action for this important cultural resource.</p> <p>Under this policy, OHA shall:</p>
<b>Adopted</b> Iwi Kupuna	November 5, 2015 Passed 1 <sup>st</sup> Reading	

Board Action	Meeting Date	Note
		<ol style="list-style-type: none"> <li>1. Formulate consistent responses in the planning, consultation, and decision making regarding the care, management, and protection of iwi kupuna; and</li> <li>2. Ensure that all relevant OHA land management and planning documents, contractual agreements and grant agreements include an acknowledgement of a higher cultural standard of care regarding the care, management, and protection of iwi kupuna, which may exceed minimal requirements set forth in law and rule; and</li> <li>3. Consult with the Native Hawaiian Historic Preservation Council for guidance on iwi issues when deemed necessary by the <del>Chief Executive Officer</del> <u>Administrator</u>.</li> </ol> <p>This new policy created a new section 2080 Care, Management, and Protection of Iwi Kupuna.</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 8</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>
<b>Adopted</b> Iwi Kupuna	November 19, 2015	<b>Source:</b> (OHA. Board minutes. Page 3-5. doi: BOT 15-36).

Board Action	Meeting Date	Note
Adopted International Engagement	Passed 2 <sup>nd</sup> Reading	<p><b>Action Item:</b> BAE 15-07 (October 21, 2015)</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s):</b> 7</p> <p><b>Number of Opposition (No) Vote(s):</b> 0</p> <p><b>Disposition:</b> Motion carried.</p>
	February 11, 2016 Passed 1 <sup>st</sup> Reading	<p><b>Source:</b> (OHA. Board minutes. Page 5-6. doi: BOT 16-03).</p> <p><b>Action Item:</b> BAE 16-01 (January 27, 2016)</p> <p><b>Issue:</b> Historically, ka po‘e ko Hawai‘i pae ‘āina have traversed the ea of Kanaloa to engage, learn, and bring home knowledge systems, tools, foods, and ideologies. The genealogy of our gods, our place names, our people, our political systems trace their origins throughout Polynesia and beyond. Ka Mo‘i Kalālaua and Ka Mo‘i Wahine Lili‘uokalani were known for international relationship building as a primary objective under their leadership of the aupuni, <i>kingdom</i>. It is in this tradition of our ancestors and our enlightened mission and vision that we see value in pursuing a policy on international engagement.</p> <p>The approval of the International Engagement policy align with OHA mission which is “to mālama Hawai‘i’s people and environment resources, and OHA’s assets,</p>



Board Action	Meeting Date	Note
Adopted International Engagement		<p>toward ensuring the perpetuation of the culture, the enhancement of lifestyle and the protection of entitlements of Native Hawaiians, while enabling the building of a strong and healthy Hawaiian people and nation, recognized nationally and internationally.”</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 6</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>
	February 25, 2016 Passed 2nd Reading	<p><b>Source:</b> (OHA. Board minutes. Page 2-3. doi: BOT 16-04).</p> <p><b>Action Item:</b> BAE 16-01 (January 27, 2016)</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 5</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>
	April 27, 2016 Passed 1 <sup>st</sup> Reading	<p><b>Source:</b> (OHA. Board minutes. Page 3-5. doi: BOT 16-09; ARM-BAE 06-17: Land Acquisition &amp; Management Policy - amended to RM-16-02: Policy on Trespassing and Illegal Camping on OHA Property.</p>

Board Action	Meeting Date	Note
<b>Adopted</b> Trespassing and Illegal Camping on OHA Property		<b>Action Item:</b> RM 16-02 (April 27, 2016)  Whether the BOT should approve a “Policy on Trespassing and Illegal Camping on OHA Property”.  <b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b>  <b>Number of Affirmative (Yes) Vote(s): 8</b> <b>Number of Opposition (No) Vote(s): 0</b>  <b>Disposition:</b> Motion carried.
	May 26, 2016 Passed 2 <sup>nd</sup> Reading	<b>Source:</b> (OHA. Board minutes. Page 6-7. doi: BOT 16-10).  <b>Action Item:</b> RM 16-02 (April 27, 2016)  <b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b>  <b>Number of Affirmative (Yes) Vote(s): 7</b> <b>Number of Opposition (No) Vote(s): 0</b>  <b>Disposition:</b> Motion carried.
	June 8, 2017 Passed 1 <sup>st</sup> Reading	<b>Source:</b> (OHA. Board minutes. Page 5-6. doi: BOT 17-20).  <b>Action Item:</b> RM 17-05 and RM 17-11 (May 24, 2017)

Board Action	Meeting Date	Note
Amended Revenue allocation from OHA's Kaka'ako Makai properties		<p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a "Adoption and Amendment of Policies"? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 9</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>
	August 1, 2017 Passed 2 <sup>nd</sup> Reading	<p><b>Source:</b> (OHA. Board minutes. Page 19-20. doi: BOT 17-25).</p> <p><b>Action Item:</b> RM 17-05 and RM 17-11 (May 24,2017)</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a "Adoption and Amendment of Policies"? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 6</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p> <p><b>Disposition:</b> Motion carried.</p>
	January 11, 2018 Passed 1 <sup>st</sup> Reading	<p><b>Source:</b> (OHA Board minutes. Pages 4 – 16.)</p> <p><b>Action Item:</b> RM 18-01 Amendment to Board of Trustees Executive Policy Manual – Series 3050 Fiscal-Biennium Budget Realignment and Adjustment 3.5.f.</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a "Adoption and Amendment of Policies"? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 6</b></p>

Board Action	Meeting Date	Note
<b>Amended</b> Fiscal Biennium Budget Realignment and Adjustment	<b>Number of Opposition (No) Vote(s): 1</b>	
	<b>Disposition:</b> Motion carried.	
	February 7, 2018	<b>Source:</b> (OHA Board minutes. Pages 7 – 8.)
	Passed 2 <sup>nd</sup>  Reading	<b>Action Item:</b> RM 18-01 Amendment to Board of Trustees Executive Policy Manual – Series 3050 Fiscal-Biennium Budget Realignment and Adjustment 3.5.f.  <b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b>  <b>Number of Affirmative (Yes) Vote(s): 8</b> <b>Number of Opposition (No) Vote(s): 0</b>  <b>Disposition:</b> Motion carried.
<b>Adopt</b> <b>Policy Related to</b> <b>Budget</b> <b>Preparation,</b> <b>format and</b> <b>reporting</b> <b>requirements</b>	9/27/2018	<b>Action Item:</b> RM 18-12 Amendment to the Board of Trustees Executive Policy Manual on Budget
	Passed 1 <sup>st</sup>  Reading	Preparation, Format and Reporting Requirements.
	10/11/2018 2 <sup>nd</sup> Reading	<b>Issue:</b> Whether or not the Board of Trustees should update the budget preparation, format and reporting requirements.  This action solidifies expenditures to be linked to OHA’s Strategic Plan and program evaluation be linked to the budget process and seeks to clear up ambiguity on providing sufficient details on operation performance, public reporting and transparency in accordance with UIPA. Also seeking to find out how

Board Action	Meeting Date	Note
		<p>other agencies are defining and providing “sufficient information” and seeking legal counsel on defining public vs confidential information. Also time was needed to assess and analyze the impact of the action on staff and the design of Oracle accounting system to review and evaluate program performance and meet UIPA public reporting and transparency requirements in a timely and accurate manner.</p> <p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p style="padding-left: 40px;"><b>Number of Affirmative (Yes) Vote(s): 5</b></p> <p style="padding-left: 40px;"><b>Number of Opposition (No) Vote(s): 1</b></p> <p><b>Exclusion</b></p> <p>It was decided to exclude the <b>fiscal transparency</b> as stated below as more time is needed to vet and operationalize and clarify the meaning of sufficient legally and from what other agencies figured out.</p> <p><b>3.4.k.</b> OHA shall maintain an official, searchable web portal accessible to the public that affirmatively discloses, at minimum, all appropriate financial information from fiscal year 2022 and beyond, as described in the following subsections.</p> <p>Biennium Budgets and Multi-Year Financial Plans; Variance Reports;</p>

Board Action	Meeting Date	Note
<b>Adopted Policy Related to Budget Preparation, format and reporting requirements</b>		<p>Statements of the Native Hawaiian Trust Fund Investment portfolio that display quarterly holdings and investment returns;</p> <p>A digital and searchable data set of the annual check registers including the amount, date, vendor name, and program that is associated with the payment; and</p> <p>A digital and searchable data set of all grant, sponsorship and other funding awarded by OHA, including a listing of the names of all applicants, the names of all recipients, award amount, funding type, and means of financing.</p> <p><b>3.4.I.</b> The aforementioned financial information shall be uploaded onto the searchable web portal no later than 120 days after the conclusion of each fiscal year beginning with fiscal year 2022.</p>
	10/11/2018 Passed 2 <sup>nd</sup>  Reading	<p><b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 6</b></p> <p><b>Number of Opposition (No) Vote(s): 1</b></p>
	8/22/2019 Passed 1 <sup>st</sup> Reading	Amended language to “Allocate 20% of gross revenue for grants and 50% of net revenue for OHA Legacy Land Program (net revenue equals gross revenue minus direct operating expenses, excluding Kaka‘ako Makai planning and development-related costs) (*The 50% allocation of net revenues to LLP shall terminate at the end of FT 2021)”
<b>Amended Kaka‘ako Makai Policy Related to Allocation of Revenue</b>		

Board Action	Meeting Date	Note
<b>Adopted 'Ōlelo Hawai'i Version of the OHA Mission and Vision Statements</b>		<b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a "Adoption and Amendment of Policies"? <b>Yes</b> <b>Number of Affirmative (Yes) Vote(s): 6</b> <b>Number of Opposition (No) Vote(s): 0</b>
	9/5/2019 Passed 2 <sup>nd</sup> Reading	<b>Vote:</b> Affirmative by majority of 5 votes in accordance with policy 1.2.a "Adoption and Amendment of Policies"? <b>Yes</b> <b>Number of Affirmative (Yes) Vote(s): 7</b> <b>Number of Opposition (No) Vote(s): 0</b>
	March 21, 2019 Passed 2 <sup>nd</sup> Reading	Approval of the 'Ōlelo Hawai'i Version of the OHA Mission and Vision Statements as well as Replacing the Term "Nation" to "Lāhui" in the Mission and Vision Statements EPM. <b>Vote:</b> Number of Affirmative (Yes) Vote(s): Number of Opposition (No) Vote(s):
<b>Amended BOT Executive Policy Amendments Relating to a Trustee Protocol Allowance</b>	April 11, 2019 1 <sup>st</sup> Reading	Approval of BOT Executive Policy Amendments Relating to a Trustee Protocol Allowance to Cover Expenses Incurred in the course of a Trustee's Duties and Responsibilities.
	May 2, 2019 Passed 2 <sup>nd</sup> Reading	<b>Vote:</b> Affirmative by majority of 8 votes in accordance with policy 1.2.a "Adoption and Amendment of Policies"? <b>Yes</b> <b>Number of Affirmative (Yes) Vote(s): 8</b> <b>Number of Opposition (No) Vote(s): 0</b>
	May 30, 2019 Passed	Approve the formation of a Permitted Interaction Group (PIG) to Investigate the Alignment and Update
<b>Adopted</b>		

Board Action	Meeting Date	Note
<b>Formation of a Permitted Interaction Group (PIG) to Investigate the Alignment and Update of the Existing Board of Trustees By-Laws</b>		<p>of the Existing Board of Trustees By-Laws for OHA's Board Governance Framework.</p> <p><b>Vote:</b> Affirmative by majority of 8 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 8</b>  <b>Number of Opposition (No) Vote(s): 0</b></p>
	May 30, 2019 Passed	<p>Approve the Formation of a Permitted Interaction Group (PIG) to Investigate the Incorporation of Completed and Approved Work Products of the Board Governance Framework PIG, <del>L</del>-Lahui-Level Policies PIG, Board of Trustees By-Laws PIG, <del>T</del>-Trustee-Level Policies PIG, and <del>C-CEO</del> <u>Administrator</u>-Level Policies; and Alignment and Update of Existing Board Governance Documents.</p> <p><b>Vote:</b> Affirmative by majority of 8 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 8</b>  <b>Number of Opposition (No) Vote(s): 0</b></p>
<b>Adopted Office of Hawaiian Affairs Board of Trustees’</b>	February 20, 2020 Passed	<p>Approve the Office of Hawaiian Affairs Board of Trustees' Updated By-Laws.</p>



Board Action	Meeting Date	Note
Updated By-Laws.		<p><b>Vote:</b> Affirmative by majority of 8 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 8</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p>
Adopted Formation of a Permitted Interaction Group (PIG) to Investigate the Development of T-Level Trustee Policies	September 10, 2020 Passed	<p>Approve the Formation of a Permitted Interaction Group (PIG) to Investigate the Development of T-Level Trustee Policies for OHA's Board Governance Framework.</p> <p><b>Vote:</b> Affirmative by majority of 9 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 9</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p>
Adopted Strategic Plan 2020-2035	September 17, 2020 Passed	<p>Approval of Strategic Plan 2020-2035; Reworded Strategies, New Endowment Strategies and Strategic Outcomes.</p> <p><b>Vote:</b> Affirmative by majority of 9 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 9</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p>

Board Action	Meeting Date	Note
Amended Kaka'ako Makai Policy Relating to the Allocation of Revenue from Kaka'ako Makai Properties to the Land Legacy Program	April 22, 2021 1 <sup>st</sup> Reading	Approval of a Third Amendment to BOT #12-05 - Kaka'ako Makai Policy Relating to the Allocation of Revenue from Kaka'ako Makai Properties to the Land Legacy Program.
	April 29, 2021 Passed	<b>Vote:</b> Affirmative by majority of 9 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b>
		<b>Number of Affirmative (Yes) Vote(s): 9</b> <b>Number of Opposition (No) Vote(s): 0</b>
Amended Executive Policy Manual Section, Budget Management Policy	April 22, 2021 1 <sup>st</sup> Reading	Amendment to the Executive Policy Manual Section, Budget Management Policy.
	April 29, 2021 PASSED	<b>Vote:</b> Affirmative by majority of 9 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b>
		<b>Number of Affirmative (Yes) Vote(s): 9</b> <b>Number of Opposition (No) Vote(s): 0</b>
Amended Native Hawaiian Trust Fund (NHTF) Investment Policy Statement and the Debt Management	August 5, 2021 1 <sup>st</sup> Reading	Amendments to the Native Hawaiian Trust Fund (NHTF) Investment Policy Statement and the Debt Management Policy (DMP) Implementation Procedures.
	August 12, 2021 Passed	<b>Vote:</b> Affirmative by majority of 8 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b>

Board Action	Meeting Date	Note
<b>Policy (DMP) Implementation Procedures</b>		<p><b>Number of Affirmative (Yes) Vote(s): 8</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p>
<b>Adopted COVID-19 Vaccination and Testing Policy</b>	<p>November 4, 2021 1st Reading</p> <p>November 18, 2021 Passed</p>	<p>Approve COVID-19 Vaccination and Testing Policy for the Office of Hawaiian Affairs and its Implementation by the Administration.</p> <p><b>Vote:</b> Affirmative by majority of 6 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 6</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p>
<b>Adopted New OHA Policy Framework</b>	<p>December 9, 2021 1st Reading</p> <p>December 29, 2021 Passed</p>	<p>Approve and Implement New OHA Policy Framework.</p> <p><b>Vote:</b> Affirmative by majority of 6 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 6</b></p> <p><b>Number of Opposition (No) Vote(s): 0</b></p>
<b>Amended Budget Management Policy Updates</b>	<p>April 14, 2022 Passed</p>	<p>Approve the addition of item 3.45.g. to section 3045 Budget Management of the Executive Policy Manual as follows (and at Attachment A in its entirety):</p> <p>3.45.g. Multi-Year, Carryover. Multi-year budgets and/or carryover budget provisions (e.g., programs,</p>

Board Action	Meeting Date	Note
re: Carryover Provisions		<p>projects), as a part of the budget evaluation activities described above, are to be presented to the Board for action including all projected impacts on related policies (e.g., spending, cash management) and other considerations (e.g., funding source).</p> <p><b>Vote:</b> Affirmative by majority of 8 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 8</b>  <b>Number of Opposition (No) Vote(s): 0</b></p>
<b>Approved a Revision to the Office of Hawaiian Affairs Board of Trustees Bylaws - Standing Committees Change – Splitting of the Committee on Resource Management (RM) into the Committee on Budget and Finance (B&amp;F)</b>	<p>October 16, 2024 1<sup>st</sup> Reading</p> <p>October 24, 2024 Passed</p>	<p>Approve a revision to the Office of Hawaiian Affairs (OHA) Board of Trustees (BOT) Bylaws to split the Committee on Resource Management (RM) into the Committee on Budget and Finance (BF) and the Committee on Investment and Land Management (ILM), as set forth in Attachment A.</p> <p><b>Vote:</b> Affirmative by majority of 7 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 7</b>  <b>Number of Opposition (No) Vote(s): 1</b></p>

Board Action	Meeting Date	Note
and the Committee on Investment and Land Management (ILM)		
Approved, the Adoption of a new Office of Hawaiian Affairs Native Hawaiian Trust Fund (NHTF) Investment Policy Statement	<p>October 24, 2024 1<sup>st</sup> Reading</p> <p>October 31, 2024 Passed</p>	<p>Approve the Adoption of a new Office of Hawaiian Affairs Native Hawaiian Trust Fund (NHTF) Investment Policy Statement</p> <p><b>Vote:</b> Affirmative by majority of 7 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 7</b> <b>Number of Opposition (No) Vote(s): 1</b></p>
Approved, the Adoption of Office of Hawaiian Affairs Telework Policy	<p>May 15, 2025 1<sup>st</sup> Reading</p> <p>May 29, 2025 Passed</p>	<p>Approve the Adoption of the Office of Hawaiian Affairs 2025 Telework Program Guidelines</p> <p><b>Vote:</b> Affirmative by majority of 7 votes in accordance with policy 1.2.a “Adoption and Amendment of Policies”? <b>Yes</b></p> <p><b>Number of Affirmative (Yes) Vote(s): 7</b> <b>Number of Opposition (No) Vote(s): 1</b></p>



V. New Business

C. Action Item BOT #25-11: Revisions to the Office of Hawaiian Affairs Board of Trustees Bylaws (Updated as of March 20, 2025) to establish an optional Board Legal Counsel position under Article XIV (Board of Trustees Staff) to serve as a full-time, in-house legal advisor and resource to the Board of Trustees exclusively, and other miscellaneous revisions to ensure consistency and clarity. (2nd reading)



**OFFICE OF HAWAIIAN AFFAIRS**  
Action Item

**BOARD OF TRUSTEES**

*August 18, 2025*

**BOT #25-11**

**Action Item Issue:** Revisions to the Office of Hawaiian Affairs Board of Trustees Bylaws (Updated as of March 20, 2025) to establish an optional Board Legal Counsel position under Article XIV (Board of Trustees Staff) to serve as a full-time, in-house legal advisor and resource to the Board of Trustees exclusively, and other miscellaneous revisions to ensure consistency and clarity.

**Prepared by:**  
(By request)

08/18/2025

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Summer Sylva  
Board of Trustees Chief of Staff

Date

**Reviewed by:**

8/18/2025

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Kapono Kiakona  
Board Legal Counsel

Date

**Reviewed by:**

08/18/2025

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Kaiali'i Kahele  
Chairperson, Board of Trustees

Date

# Action Item BOT #25-11: Revisions to the Office of Hawaiian Affairs Board of Trustees Bylaws – August 18, 2025

## I. PROPOSED ACTION

Approve revisions to the Office of Hawaiian Affairs Board of Trustees Bylaws (Updated as of March 20, 2025) to establish an optional Board Legal Counsel position under Article XIV (Board of Trustees Staff) to serve as a full-time, in-house legal advisor and resource to the Board of Trustees exclusively, and other miscellaneous revisions to ensure consistency and clarity, as set forth in Attachment A.

## II. ISSUE

Whether the Office of Hawaiian Affairs Board of Trustees will approve revisions to the Office of Hawaiian Affairs Board of Trustees Bylaws (Updated as of March 20, 2025) to establish an optional Board Legal Counsel position under Article XIV (Board of Trustees Staff) to serve as a full-time, in-house legal advisor and resource to the Board of Trustees exclusively, and other miscellaneous revisions to ensure consistency and clarity, as set forth in Attachment A.

## III. BACKGROUND & DISCUSSION

At the request of the BOT Chairperson, a proposed revision to the OHA BOT Bylaws was drafted to incorporate changes recommended by the Chair.

Initial proposed revisions to the Bylaws were presented to the BOT on June 30, 2025 as part of a budget proviso included in the FY26 FY27 Biennium Budget as outlined below:

### Fiscal Year 2026

A	B	C		J	L	P	Q	R	V
ROW	Fiscal Year	APPR	REQUESTED PROGRAM	EXPENSE CATEGORY	ACCOUNT CODE DESCRIPTION	FY2026 SALARY (@100%)	FY2026 FRINGE (64.25%)	FY2026 PERSONNEL TOTAL	EXPENSE DESCRIPTION / BUDGET PROVISIO
9007	2026	930	1200	PERSONNEL & FRINGE	Board Legal Counsel (Vacant) (New in FY26)	75,000	48,188	123,188	Estimated start date: 1/1/26. Provided that the allocation of funds for the position of Board Legal Counsel shall be contingent upon the formal adoption by the Board of Trustees of an amendment to the Office of Hawaiian Affairs Board of Trustees Bylaws (Updated as of March 20, 2025) authorizing the establishment of such a position; and further that if no such amendment is adopted during the fiscal biennium, the allocated funds shall remain unexpended and may be reprogrammed or reallocated through Board action.

### Fiscal Year 2027

A	B	C		J	L	M	Q	S	T	U	V
ROW	Fiscal Year	APPR	REQUESTED PROGRAM	EXPENSE CATEGORY	ACCOUNT CODE DESCRIPTION	SERVICE CODE	FY2027	FY2027 SALARY (@100%)	FY2027 FRINGE (64.25%)	FY2027 PERSONNEL TOTAL	EXPENSE DESCRIPTION / BUDGET PROVISIO
9031	2027	930	1200	PERSONNEL & FRINGE	Board Legal Counsel (Vacant) (New in FY26)			150,000	96,375	246,375	Merit-based salary adjustment (annual review): ...3% for meeting expectations (\$154500).



The BOT approved the FY26 FY27 Biennium Budget, inclusive of the expense provisions and budget provisos related to the newly-created Board Legal Counsel position, by a super majority vote on June 30, 2025.

Following the June 30, 2025 BOT meeting, Chair Kahele directed revisions to be made to the BOT Bylaws, consistent with the BOT-approved Biennium Budget, to formally establish a Board Legal Counsel position as an optional, full-time, in-house position dedicated exclusively to serving the legal needs of the Board of Trustees. Additional amendments were proposed to enhance clarity and ensure consistency throughout the document. The establishment of an in-house counsel function is anticipated to improve continuity, increase operational efficiency, and generate long-term cost savings when compared to the recurring use of outside counsel for discrete legal services at market billing rates. This structural enhancement reflects a strategic investment in institutional capacity while continuing to recognize the value of external legal support as needed.

The revisions (“[NEW]”) are identified and described in the sections below:

**[NEW] Revisions to Board of Trustees Staff positions (Article XIV. Board of Trustees Staff) —**

Revisions to this section include the formal articulation of the Board Legal Counsel position as an optional in-house role, to be established at the discretion of the Board Chairperson. The added language clarifies the responsibilities and expectations of the position, which is designed to provide direct legal support to the Chairperson, Chief of Staff, and the full Board of Trustees.

Key areas of support include governance and compliance matters, procurement and contract oversight, Board procedures, conflict of interest safeguards, and the review and development of legal memoranda, standard operating procedures, and other Board-related documents. The Board Legal Counsel will also advise on OHA’s escheat rights and related kuleana and land matters, ensuring that the Board’s positions and actions align with statutory obligations, fiduciary responsibilities, and the protection of Native Hawaiian beneficiary interests.

Additionally, the Board Legal Counsel will provide technical and legal support to the Board Chairperson in their role as a senior-level designee to the Senior Executive Board (SEB) of the Co-Trustees of the Papahānaumokuākea Marine National Monument.

The Board Legal Counsel may further coordinate with OHA’s Corporate Counsel or external legal advisors, as appropriate, to ensure alignment with broader legal strategies and risk mitigation.

The position is structured to serve the Board of Trustees collectively as its sole client, and is intended to enhance institutional capacity, improve continuity of legal support, and reduce long-term legal expenditures associated with contracting external counsel for discrete services. In this capacity, and in accordance with Section 3.11.h of the OHA BOT Executive Policy Manual, the Board Legal Counsel shall render legal opinions on questions raised by the Board and prepare legal documents when requested by the Board. The position is advisory in nature and shall report directly to the Board Chairperson.

Explicit “(Optional Position)” language was also added to the description for a Deputy Chief of Staff position to clarify that this position, like the Board Legal Counsel position, may or may not

be filled at the discretion of the Board Chairperson.

The proposed revisions are presented in clean (Attachment A) and redline (Attachment B) versions, along with the current, unamended OHA BOT Bylaws (March 20, 2025).

**IV. TIMEFRAME**

If adopted as an amendment to the OHA BOT Bylaws, the changes to the Bylaws will take effect immediately following the second reading and approval vote of the BOT.

Under Article XIII of the OHA BOT Bylaws, “Proposed Bylaw amendments shall be submitted to the Board in writing. Before these Bylaws may be amended by a proposed Bylaw, it must be approved by Super Majority (6) vote of all Board members at least twice.”

**V. BUDGET AUTHORIZATION**

No funding above amounts allocated to this position in the FY26 FY27 BOT-approved Biennium Budget is required.

**VI. RECOMMENDATION**

Approve revisions to the Office of Hawaiian Affairs Board of Trustees Bylaws (Updated as of March 20, 2025) to establish an optional Board Legal Counsel position under Article XIV (Board of Trustees Staff) to serve as a full-time, in-house legal advisor and resource to the Board of Trustees exclusively, and other miscellaneous revisions to ensure consistency and clarity, as set forth in Attachment A.

**VII. ALTERNATIVES**

- A. Take no action.
- B. Approve only certain revisions to the OHA BOT Bylaws.

**VIII. ATTACHMENTS**

- A. Updated BOT By-Laws (clean version containing proposed amendments)
- B. Updated BOT By-Laws (redline version containing proposed amendments)
- C. Current OHA BOT Bylaws (March 20, 2025)



**OFFICE OF HAWAIIAN AFFAIRS**

**BOARD OF TRUSTEES**

**BYLAWS**

**Updated as of September 4, 2025**

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## **ARTICLE I. AUTHORIZATION**

These Bylaws are adopted pursuant to Hawai‘i Revised Statutes ("HRS") § 10-4(1), as amended.

## ARTICLE II. DEFINITIONS

As used herein:

**"Ad Hoc Committee"** means a Committee created by the Board for a one-time purpose or to focus on examining a specific subject and subject to a deadline by which the work must be completed or else the Ad Hoc Committee is dissolved.

**"Administrator"** means the Administrator of the Office of Hawaiian Affairs as stated in HRS § 10-10.

**"Advisory Committee"** means a Committee established to assist Standing Committees in an advisory capacity on matters within the purview of a Standing Committee.

**"Agency"** means the Office of Hawaiian Affairs.

**"Board"** means the Board of Trustees of the Office of Hawaiian Affairs.

**"Board Packet"** means documents that are compiled by the Board or a Committee and distributed to its members before a meeting for use at that meeting, as provided by HRS § 92-7.5, as amended. A Board Packet may exclude certain non-public information per HRS § 92-7.5, as amended.

**"Chair" or "Chairperson"** means the Chairperson of the Board of Trustees of the Office of Hawaiian Affairs as stated in HRS § 10-8.

**"Committee"** means a body that includes one or more Trustees established under Article VIII of these Bylaws.

**"Committee Chairperson"** means the Chairperson of a Standing Committee, Advisory Committee, Ad Hoc Committee, Permitted Interaction Group, Council, or Commission of the Office of Hawaiian Affairs.

**“Government Record”** means information maintained by OHA in written, auditory, visual, electronic, or other physical form with the exception of records excluded under HRS § 92F-3.

**"Majority"** means more than half of the members in good standing, who are both present and voting at a meeting.

**"Meeting"** means the convening of a Board or Committee for which a quorum is required to consider an agenda and to decide or to deliberate toward a decision on matters over which the Board or Committee has supervision, control, jurisdiction, or advisory power.

**"Chance Meeting"** means a social or informal assemblage of two (2) or more Trustees at which matters relating to official business are not discussed.

**"Executive Session"** means a session closed to the public upon an affirmative vote taken at an open meeting of two-thirds of the members present; provided the affirmative vote constitutes a Simple Majority (5) of the Board or committee members, as provided by HRS § 92-4, as amended. A session closed to the public shall be limited to matters exempted by HRS § 92-5, as amended. The reason for holding such a session shall be publicly announced and the vote of each member on the question of holding a session closed to the public shall be recorded, and entered into the minutes of the meeting.

**"Open Meeting"** means a meeting of the Office of Hawaiian Affairs that is open to the public and all persons are permitted to attend any meeting unless otherwise provided in the constitution or as closed, as provided by HRS § 92-3, as amended.

**"Limited Session"** means a session of the Office of Hawaiian Affairs that is held at a location that is dangerous to health or safety, or if the Board determines that it

is necessary to conduct an on-site inspection of a location that is related to the Board's business at which public attendance is not practicable, and the Director of the Office of Information Practices concurs, as provided by HRS § 92-3.1, as amended.

**"Special Board Meeting"** means a special meeting of the Board called by the Chairperson or a Simple Majority (5) of all Board members.

**"Office" or "OHA"** means the Office of Hawaiian Affairs.

**"Officer"** means the Chairperson and Vice Chairperson of the Office of Hawaiian Affairs.

**"Official Business"** means an activity or activities authorized by the Chairperson for members of the Board. These activities include, when authorized, the following:

1. attending a meeting relevant to the work of the Board, Committee, or Office;
2. participating in a seminar or conference sponsored in whole or in part by the Office;
3. attending either as a representative of the Board, Office or as a participant, a meeting, seminar, or conference of a community, county, island, state, national, or international organization on a subject matter of direct concern to the Board, Committee, or Office;
4. participating in any training program to maintain or improve the skills of Trustees or OHA employees in the performance of their duties and/or;
5. conducting studies and investigations on matters before the Board, Committee, or Office.



**"Permitted Interaction Group" or "PIG"** means a group where two (2) or more, but less than a quorum of Board or Committee members may discuss between themselves matter relating to official board business to enable them to perform their duties faithfully, as long as no commitment to vote is made or sought, and Board or Committee members do not constitute a quorum of their board, as provided by HRS § 92-2.5, as amended.

**"Quorum"** means the minimum number of Trustees or members of a Committee who must be present for valid transaction of business.

**"Reading"** means a presentation of an action item or motion before the Board by the presentation of the action item, its title, or its number where the action is affirmatively voted on. A formal procedure as outlined by the Board's Operations Manual indicates a reading as a stage in the enactment process.

**"Simple Majority"** means five (5) of the nine (9) votes entitled to be cast by the Board.

**"Special Councils or Commission"** means a Council or Commission established by the Board to address a specific subject matter.

**"Super Majority"** means six (6) of the nine (9) votes entitled to be cast by the Board.

**"Standing Committee"** means a constituted Committee of the Board as detailed in Article VIII, section A of the Bylaws.

**"Vice Chair" or "Vice-Chairperson"** means the Vice-Chairperson of the Board of Trustees of the Office of Hawaiian Affairs.

### **ARTICLE III. DUTIES OF THE BOARD**

The Board shall exercise power as provided by Article XII, §§ 5, 6 of the Constitution of the State of Hawai‘i and HRS §§ 10-5, 10-6 as amended.

#### **ARTICLE IV. MEMBERS**

- A.** The membership of the Board shall be as provided by Article XII, § 5 of the Constitution of the State of Hawai‘i and HRS § 10-7, as amended.
- B.** Board members shall be elected in accordance with HRS Chapter 13D, as amended, and vacancies shall be filled in accordance with HRS § 17-7, as amended.

## ARTICLE V. OFFICERS

- A. Election and Certification.** The Office of Hawaiian Affairs shall be governed by the Board of Trustees, Office of Hawaiian Affairs. The Board, at its first meeting after an election, shall elect from its own membership a Chairperson and a Vice-Chairperson who shall serve at the pleasure of the Board. Their election shall be immediately certified by the Board to the Lieutenant Governor. The concurrence of a Simple Majority (5) of all Trustees shall be necessary to make any action of the Board effective, provided that due notice shall be given to all Board members.
- B. Vote.** Voting for Chairperson and Vice-Chairperson of the Board shall be determined by a method determined by a Simple Majority (5) of all Board members.
- C. Vacancy.** A vacancy in the Office of Chairperson or Vice-Chairperson shall exist under the following circumstances:
1. When the Chairperson or Vice-Chairperson is removed by a Simple Majority (5) of all Board members; or
  2. When the Chairperson or Vice-Chairperson resigns from the position held; or
  3. In the case of illness or death of the Chairperson or Vice-Chairperson; or
  4. At the end of the term of office of the Chairperson or Vice-Chairperson.
- D. Succession.** In the event of a vacancy in the Office of the Chairperson, the Vice-Chairperson shall succeed as Chairperson until the following Board meeting at which time a Chairperson is elected by a Simple Majority (5) of all Board

members. In the event of a vacancy in the Chairperson and Vice-Chairperson positions, the longest serving Board member shall serve as Chairperson Pro Tempore until the following Board meeting at which time a Chairperson and a Vice-Chairperson are elected by a Simple Majority (5) of all Board members.

If the Vice-Chairperson is elected to become the Chairperson, the Board shall elect a Vice-Chairperson at the same meeting. The election(s) shall be immediately certified by the Board to the Lieutenant Governor as provided by HRS § 10-8, as amended.

- E. Chairperson Emeritus or Emerita.** The title of Chairperson Emeritus or Chairperson Emerita may be bestowed by a Simple Majority (5) to any Board member who previously served as Chairperson of the Board.

## ARTICLE VI. DUTIES OF OFFICERS AND MEMBERS

**A. Chairperson.** The Chairperson, in addition to presiding at all regular and special Board meetings, shall:

1. appoint or remove the Committee Chairperson and Committee Vice-Chairperson of all Standing Committees, subject to the approval of the Board;
2. appoint members of Ad Hoc Committees and Permitted Interaction Groups, and designate the Committee Chairperson and Committee Vice-Chairperson of such Ad Hoc Committees or Permitted Interaction Groups;
3. acknowledge communications, petitions, requests, and proposals on behalf of the Board and refer same to the Administrator, appropriate Committee of the Board and/or Permitted Interaction Group for action and/or recommendation;
4. serve as the primary liaison with elected officials of county, state, and federal governments and other agencies and organizations to ensure that there are effective working relationships between all of the above and the Board;
5. approve all press releases and public announcements which state the official position of the Board;
6. approve agenda items for all meetings of the Board; and
7. perform such other duties as may be required by law or such as may properly pertain to such office.

**B. Vice-Chairperson.** The Vice-Chairperson shall:

1. assume the duties and responsibilities of the Chairperson in the absence of the Chairperson; and
2. shall undertake such other duties as may be assigned by the Chairperson.

## ARTICLE VII. ADMINISTRATOR

The Board shall have the power to exercise control over the Office through the Administrator.

- A. Appointment.** The Board, by a Simple Majority (5) of all Board members, shall appoint an Administrator who shall serve a term to be determined by the Board as required by HRS § 10-10, as amended.
- B. Staff.** The Administrator may employ and retain such employees as deemed necessary to carry out the function of the Office as required by HRS § 10-12, as amended.
- C. Removal.** The Board, by a Super Majority (6) of all Board members, may remove the Administrator for cause at any time with a due process hearing, as required by HRS § 10-10, as amended.
- D. Function.** The Administrator shall function as the chief executive officer.



## **ARTICLE VIII. COMMITTEES OF THE BOARD**

- A. Establishment of Standing Committees.** To facilitate consideration of policy matters that must be approved by the Board, Standing Committees are established. Authority to act on all matters is reserved to the Board, and the functions of each Standing Committee shall be to consider and make recommendations to the Board.

There shall be a minimum of three (3) Standing Committees of the Board. Each Committee shall be led by a Committee Chairperson and a Committee Vice-Chairperson. The Board may increase the number of Standing Committees, but the membership of the Standing Committees shall be all nine (9) Trustees. The three (3) Standing Committees, subject to increase, shall consist of the Committee on Budget and Finance (BF), Committee on Investment and Land Management (ILM), and Committee on Beneficiary Advocacy and Empowerment (BAE).

1. **Committee on Budget and Finance.** The Committee shall:
  - a. handle all fiscal and budgetary matters and ensure proper management, planning, evaluation, and use of OHA's trust funds;
  - b. develop policies that strengthen OHA's fiscal controls and financial management;
  - c. review, approve, or disapprove appropriate grants that support OHA's overall mission;

- d. evaluate OHA programs to determine their effectiveness to decide whether to continue, modify, or terminate a program;
- e. in consultation with the Chairperson of the Committee on Beneficiary Advocacy and Empowerment carry out the recruitment and selection of the OHA Administrator;
- f. provide oversight of Special Councils or Commissions as assigned by the Board.

2. **Committee on Investment and Land Management.** The Committee shall:

- a. handle all Native Hawaiian Trust Fund investments (financial assets portfolio and Hawai'i commercial real estate) and legacy land matters and ensure proper management, planning, evaluation, investment, and use of OHA's trust assets;
- b. review and approve all Hawai'i real estate acquisition expenditures that impact the OHA Debt Management, Economic Development, Investment, and Spending policies;
- c. develop policies on land use, native rights, and natural and cultural resources, including: the inventory, identification, analysis and treatment of land, native rights, and natural and cultural resources;
- d. develop policies and criteria for OHA's land acquisitions, dispositions, development, management, and the use of real property in which OHA has an interest;

- e. develop investment policies relating to OHA's Native Hawaiian Trust Fund, desired returns and risk, spending, debt management, and balancing the financial assets portfolio and Hawai'i commercial real estate portfolio;
- f. oversee the use and condition of OHA's real estate, and develop and execute policies for the proper use and stewardship of such real property;
- g. develop policies and programs for OHA's ownership, financing, and development of real property, including capital improvements, debt management, economic development, investment and spending policies, and forms of ownership for OHA's real property;
- h. develop policies relating to OHA's real estate asset allocation, desired returns, and balancing OHA's real estate portfolio including legacy lands, corporate real property, programmatic lands, and investment properties;
- i. in consultation with the Committee Chairperson of the Committee on Budget and Finance or the Committee on Beneficiary Advocacy and Empowerment with responsibilities over the subject matter, and in coordination with other resources (e.g., Board Counsel, Administrator, Corporate Counsel, Ethics Commission), develop training and orientation programs for Trustees, including materials relating to Trustees

roles, fiduciary responsibilities, and ethical obligations, as provided by HRS Chapter 84, as amended, and Board staff;

- j. oversee the performance of OHA's rights and obligations with respect to real estate not owned by OHA in its own name; and
- k. provide oversight of Special Councils or Commissions as assigned by the Board.

3. **Committee on Beneficiary Advocacy and Empowerment.** The Committee shall:

- a. plan, coordinate, and implement programs and activities that encourage Hawaiians to participate in governance;
- b. facilitate OHA's legislative agenda and advocacy efforts with federal, state, and county officials, private and community organizations, and groups involved in Hawaiian issues;
- c. review and support the passage of legislation that benefits Hawaiians and supports Hawaiian issues, and work to defeat legislation which is contrary to the interest of OHA and its beneficiaries;
- d. review, approve, or disapprove program grants that support OHA's legislative and advocacy efforts;
- e. develop programs that focus on beneficiary health, human services, economic stability, education, and native rights;
- f. develop policies and programs relating to housing, land use, the environment, and natural resources;

- g. evaluate all OHA programs to ensure that the programs have a positive impact on beneficiaries; and
- h. provide oversight of Permanent Special Councils or Commissions as assigned by the Board.

**B.** The Committee Chairperson of each Standing Committee shall be responsible for approving agenda items for all meetings under that Committee Chairperson's Committee. Each Standing Committee shall consider all matters referred to it in accordance with Section L, Article VIII, of these Bylaws and make appropriate recommendations to the Board in a timely manner, but no later than twelve (12) calendar days before a Board meeting, and shall make progress reports to the Board periodically or when requested by the Chairperson of the Board. The Standing Committee Vice-Chairperson shall assume the duties and responsibilities of the Committee Chairperson in the absence of the Committee Chairperson.

**C.** Standing Committees may meet in joint session when subject matter falls under the purview of more than one of the Standing Committees. In the case of an unbudgeted funding decision, a joint meeting of the Beneficiary Advocacy and Empowerment Committee and the Committee on Budget and Finance, led by the Committee Chairperson of the Committee on Budget and Finance, shall be mandatory.

**D. Advisory Committees.**

- 1. Standing Committees may create Advisory Committees as necessary to serve in an advisory capacity to the Standing Committees. Advisory

Committees shall assist in the resolution or study of issues arising in the specific areas of concern assigned to their respective Standing Committee. To avoid duplication in the consideration of issues, the Standing Committees shall create only one Advisory Committee to study or undertake the resolution of a single subject or issue. Each Standing Committee shall have no more than three (3) Advisory Committees at any one time. All communications and advice from an Advisory Committee shall be made to the Committee Chairperson of the Standing Committee, no later than twelve (12) calendar days before a Standing Committee Meeting. All communication and advice to an Advisory Committee shall be made by the Committee Chairperson of the Standing Committee or designee.

2. The Advisory Committee Chairperson and membership shall be appointed by the Standing Committee Chairperson, upon advice and counsel of Standing Committee members. The term of the Advisory Committees shall expire with the completion of the assigned task or at the discretion of the Standing Committee Chairperson. There shall be no less than three (3) members to each Advisory Committee, at least one (1) of whom shall be a Board member, who shall be appointed by the Standing Committee Chairperson. All Advisory Committee members, with the exception of Board members, shall serve on a voluntary basis without compensation, other than reasonable expenses, such as travel, parking, and meals.

**E. Ad Hoc Committees.**

1. From time to time, there shall be such Ad Hoc Committees, as designated by the Chairperson, the members of which shall be appointed by the Chairperson, and subject to approval of the Board by a Simple Majority (5) vote. There shall be a minimum of three (3) members on each Ad Hoc Committee, at least one of whom shall be a Board member and who shall be the Chairperson of the Ad Hoc Committee.
2. The term of the Ad Hoc Committees shall expire at the completion of the assigned task or at a specific time that is determined for each Ad Hoc Committee at the time of the appointment of said Committee or at the discretion of the Chairperson.
  - a. All communications and advice from an Ad Hoc Committee shall be made to the Chairperson of the Board no later than ten (10) days before a Board meeting.
  - b. All communications and advice to an Ad Hoc Committee shall be made by the Chairperson of the Board.
  - c. All Ad Hoc Committee members, with the exception of Board members, shall serve on a voluntary basis without compensation, other than reasonable expenses, such as travel, parking, and meals.
  - d. In the event that two (2) or more Board members are appointed to an Ad Hoc Committee, HRS Chapter 92, as amended, will apply,

unless one of the appointed Board members is also the Chairperson of the Board.

**F. Permitted Interaction Groups ("PIG").**

1. The Chairperson may place on the agenda for Board consideration a request for the formation of a PIG in accordance with HRS § 92-2.5, as amended. The request shall set forth the title of the PIG, its scope, its suggested membership, and duration.
2. The purpose of the PIG shall be either to:
  - a. investigate a matter relating to the official business of the Board ("Investigative PIG") or
  - b. to present, discuss, or negotiate any position that the Board has adopted ("Negotiating PIG").
3. The membership, purpose, scope, and duration of the PIG shall be approved by the Board prior to the commencement of an investigation or presentation, discussion, or negotiation of any position adopted by the Board at a meeting of the Board.
4. Upon creation of an Investigative PIG, its members shall proceed to investigate the matter within their purview and prepare a report together with the PIG's findings and recommendations that shall be presented to the Board for consideration by the Trustees. No discussion, deliberation, or decision making shall occur at the time that the report is presented.



5. A Negotiating PIG shall present the results of its negotiations to the Board for deliberation and decision making by the Trustees at the same time or subsequent meeting.
6. Deliberation and decision making on the matter investigated, if any, must occur only at a duly noticed meeting of the Board held subsequent to the meeting at which the finding and recommendations of the Investigative PIG were presented at the Board.
7. The report of any PIG may be accepted, rejected, recommitted subjected to the PIG for further consideration or dissolved at the deliberation and decision-making meeting, upon a Simple Majority (5) vote of the Trustees.

**G. Permanent Special Councils or Commissions.**

1. There shall be such Permanent Special Councils or Commissions as the Board deems appropriate to create. The Board shall designate a Standing Committee that shall exercise oversight of said Council or Commission. The Special Council shall determine the duration of said Council or Commission.
2. Council members or Commissioners shall be appointed by the Standing Committee to which oversight authority is granted pending confirmation of the Board through a Simple Majority (5) vote of all Board members.
3. Membership of each Council or Commission shall be composed of at least one (1) Board member.

4. The subject matter and purview of said Councils or Commissions shall be clearly defined and limited to only those areas so recommended by the Standing Committee having oversight thereof and subject to the approval of the Board by a Simple Majority (5) vote of all Board members. Oversight by the appropriate Standing Committee shall include, but not be limited to, review of budgetary concerns for the operation of said Council or Commission, and affirmation of requests for actions by such Council or Commission for the continued operations of such Council or Commission.
5. Such Council members or Commissioners, with the exception of any Board member, shall serve terms as established by the Board and shall serve on a voluntary basis without compensation, other than reasonable expenses, such as travel, parking, and meals.

#### **H. Quorum and Voting for Committees, Councils and Commissions.**

1. For Advisory, Ad Hoc, and Standing Committees, Councils and Commissions, a majority of the members of the Committee, Council or Commission shall constitute a quorum. Except for Ad Hoc Committees, three (3) members shall constitute a quorum to do business.
2. The concurrence of a quorum shall be required for any Committee (other than a Standing Committee), Council or Commission to make any recommendation to the Board or Standing Committee where appropriate, for Board or Standing Committee approval.

3. A Simple Majority (5) of the Trustees shall be required for a Standing Committee to make any recommendation to the Board, provided that a quorum is present at the time of the vote.
- I.** Authority to act on all matters is reserved to the Board and the functions of the Advisory and Ad Hoc Committees, Councils, Commissions, and Permitted Interaction Groups shall be to investigate, consider, and make recommendations to the Standing Committee and the Board, respectively.
- J. Staff Assignments.** The Administrator shall assign to each Standing, Advisory, and Ad Hoc Committee, and to each Council, Commission and Permitted Interaction Group, appropriate Administration staff to conduct research, analyze data, draft findings, and report and provide project management and support for and to advise the respective Committee, Council, Commission or Permitted Interaction Group and to maintain records of the proceedings of same.
- K. Committee Recommendations.** The Chairperson of the Board of Trustees shall place a Committee recommendation on a Board of Trustees agenda no later than thirty (30) calendar days after receipt of the recommendation.
- L. Committee Referrals.** Referrals to a Committee, Council, Commission, or Permitted Interaction Group by a Simple Majority (5) vote of all Board members shall be placed on an agenda by the chairperson of the Committee, Council, Commission, or Permitted Interaction Group no later than thirty (30) calendar days after receipt of the referral.
- M.** Waiver of any matter by committee to the Board of Trustees shall require a Super Majority (6) vote of all Board members.

## **ARTICLE IX. MEETINGS**

- A.** Board meetings shall be convened at the call of the Chairperson or by a quorum, as often as may be necessary for transaction of the Board's business as required in HRS § 10-8, as amended. The Board shall meet at least once annually on each of the islands of Hawai'i, Maui, Moloka'i, Lāna'i, Kaua'i, and O'ahu. At each meeting, the Board may fix the time and place for its next regular meeting.
- B.** Board meetings may be convened by the Chairperson. In addition, upon written request of a Simple Majority (5) of all Board members, the Administrator shall schedule a meeting of the Board to take place within twelve (12) calendar days after receipt of such request, provided that the notice requirement is met pursuant to HRS §§ 92-7, 41, as amended.
- C.** Emergency meetings may be called by the Chairperson in accordance HRS § 92-8, as amended.
- D.** Committee meetings shall be called by the Committee Chairperson.
- E.** The Board shall give written public notice of any regular, special, emergency or rescheduled Board or Standing Committee, at least six (6) calendar days before the meeting and in the manner as required by HRS §§ 92-7, 41, as amended. All meetings of the Board or its Committees, excluding PIGS, shall be open to the public, except for executive session meetings as required by HRS § 92-3, as amended.
- F.** Appearances before the Board or Standing Committee, Committee, Council, or Commission shall be in accordance with HRS Chapter 92, as amended.

1. Any verbal presentation on an agenda item before the Board or any Standing Committee shall be limited to fifteen (15) minutes unless such requirement is waived by the Chairperson of the Board or Standing Committee.
2. To ensure the orderly conduct of board business, each testifier before the Board or Standing Committee, Committee, Council, or Commission shall be limited to five (5) minutes per agenda item.
3. The Board or Standing Committee, Committee, Council, or Commission may extend or restrict the time allowed for all testifiers by a majority vote of the members present.
4. Unless a testifier's testimony is related to a specific agenda item, the testifier may only give testimony under "Community Concerns" if the item is placed on the agenda.

**G. Minutes of Meetings.** The Board and each Standing Committee, Committee, Council or Commission shall keep written or recorded minutes of all meetings as required under HRS § 92-9, as amended. The Board shall adopt standardized forms for use in the recordation of minutes of meetings. Written minutes of all preceding meetings shall be available as provided by HRS § 92-9(a), as amended. The written minutes shall include, but need not be limited to:

1. the date, time, and place of the meeting;
2. the members of the Board, Standing Committee, Council, or Commission recorded as either present, absent, or excused;

3. the substance of all matters proposed, discussed, or decided; and a record, by individual member, of motions made, motions seconded, and votes taken to include dissenting votes and abstentions;
4. staff assignments for investigation and the date staff reports are due;
5. departure and arrival of members from meetings to show matters discussed before arrival, while there, or after departure; and
6. if an electronic audio or video recording of the meeting is available online, a link to the electronic audio or video recording of the meeting, to be placed at the beginning of the minutes; and
7. any other information that any member of the Board, Standing Committee, Council, or Commission requests be included or reflected in the minutes.

Alternatively, the Board, Standing Committee, Council, or Commission may post a digital or analog recording of the meeting and a written summary as provided by HRS § 92-9(b).

**H. Board Packet.** At the time the Board Packet is distributed to its members, the Board or Committee shall also make the Board Packet available for public inspection in the Board's office, as required by HRS § 92-7.5. The Board shall provide notice to persons requesting notification of meetings pursuant to HRS Section 92-7(e), as amended, that the Board Packet is available for public inspection in the Board's office and shall provide reasonably prompt access to the Board Packet to any person upon request. The Board is not required to mail

Board Packets. As soon as practicable, the Board shall accommodate requests for electronic access to the Board Packet.

- I. Referrals.** The Board shall adopt procedures for research, due diligence and analysis, and referrals to staff via the Administrator.
- J.** The Board may hold additional community meetings, informational meetings and public hearings, as needed.

## **ARTICLE X. QUORUM AND VOTING**

A Simple Majority (5) of all Board members shall constitute a quorum to conduct business as required by HRS § 10-8, as amended. The concurrence of a Simple Majority (5) of all Board members shall be necessary to make any action of the Board valid provided that due notice shall be given to all Board members.

An abstention shall not be considered a positive or negative vote. A procedural motion may be passed by a majority vote of the Board members present. Upon the request of any Board member, the Board Secretary or staff of the Committee Chairperson shall call the roll.

- A.** Unless a Board member is excused from voting, such Board member's silence shall be recorded as an abstention.
- B.** A Board member may use a "kanalua" response when called upon to vote and if repeated when polled again, that vote shall be recorded as an "abstention", or when polled to vote again, the second time may either vote "yes" or "no".

The Board Secretary or staff of the Committee Chairperson shall record each vote in the minutes and report to the chairperson, who shall announce the result to the Board or Committee.



## **ARTICLE XI. LEGAL COUNSEL**

- A.** Legal Counsel shall be present at all regular meetings and certain committee meetings of the Board when requested by the Chairperson or Committee Chairperson of the relevant Committee.
- B.** The Chairperson or designee, subject to prior approval of the Board, may request any written or verbal legal opinion from OHA's Corporate Counsel, Department of the Attorney General or from any other external legal counsel. Where a request is made in writing and a legal opinion is rendered by the Department of the Attorney General, or any other external legal counsel, such opinion along with a copy of the written request for such opinion shall be immediately distributed to all Board members in written form.
- C.** The Administrator of the Office Hawaiian Affairs or designee, subject to prior approval of the Board, may request any written or verbal legal opinion from the Department of the Attorney General, or any other external legal counsel. Where a request is made in writing and a legal opinion is rendered by the Department of the Attorney General or any other external legal counsel, such opinion along with a copy of the written request for such opinion shall be immediately distributed to all Board members in written form.

## **ARTICLE XII. PARLIAMENTARY AUTHORITY**

The most recent edition of Robert's Rules of Order shall apply in situations not covered by these Bylaws, applicable statutes, or opinions of Board Counsel, Corporate Counsel, or external counsel.

### **ARTICLE XIII. AMENDMENTS TO BYLAWS**

Proposed Bylaw amendments shall be submitted to the Board in writing. Before these Bylaws may be amended by a proposed Bylaw, it must be approved by a Super Majority (6) vote of all Board members at least twice.

#### ARTICLE XIV. BOARD OF TRUSTEES STAFF

- A. **Chief of Staff.** The Board Chairperson shall appoint a Chief of Staff who will serve as the Chairperson's chief policy advisor. The Chief of Staff shall manage all operations and staff of the Board Chairperson's O'ahu and island offices(s) (if applicable), while coordinating the Chairperson's activities with other Trustees' offices. Additionally, the Chief of Staff is responsible for coordinating Trustee Aide and Secretary staff functions and activities and shall act as a liaison between the Board staff and the Administrator. The Chief of Staff is expected to synthesize and communicate ideas, memos, and official correspondence concisely, coherently and comprehensively. The Chief of Staff shall report directly to the Chairperson of the Board.
- B. **Board Legal Counsel (Optional Position).** The Board Chairperson shall have the option to appoint a Board Legal Counsel to serve as a legal and procedural advisor to the Board of Trustees. This position shall support the Chairperson, Chief of Staff, and Board of Trustees by providing guidance on governance matters, statutory and policy compliance, procurement and contract review and oversight, Board procedures, and conflict of interest safeguards. The Board Legal Counsel may assist with drafting and reviewing legal memoranda, standard operating procedures, and other board-related documents, and may coordinate with OHA's Corporate Counsel Paia or external counsel as appropriate. The Legal Counsel's client is the Board of Trustees as a whole, and the position is intended to support the collective legal interests and responsibilities of the Board. In this capacity, and in accordance with Section 3.11.h of the OHA BOT Executive Policy Manual, the Board Legal Counsel shall render legal opinions on questions raised by the Board and prepare legal documents when requested. This position is advisory in nature and shall report directly to the Board Chairperson.
- C. **Deputy Chief of Staff (Optional Position).** The Board Chairperson shall have the option to appoint a Deputy Chief of Staff, who serves under the Chief of Staff and assists in managing and executing the operations, functions, and activities of the Chairperson's office. If the Board Chairperson exercises the option to appoint a Deputy Chief of Staff, the Deputy Chief of Staff position

shall replace one of the two full-time Trustee Aide or Trustee Secretary positions otherwise allocated to the Board Chairperson.

- D. Board Secretary.** The Board Chairperson shall appoint a Board Secretary who will serve as the personal assistant to the Chairperson of the Board. The Board Secretary requires performing highly specialized and complex clerical and administrative tasks to support the efficient functioning of the Chairperson's office and Board of Trustees operations. The Board Secretary is expected to synthesize and communicate ideas, memos, and official correspondence concisely, coherently and comprehensively.
- E. Trustee Aide and Secretary.** Each Board member shall be entitled to a maximum of two (2) full-time positions. To carry out the duties of their office, each Trustee shall choose their staff positions from the following job classifications: Trustee Aide and Trustee Secretary. Each Board member shall have the sole discretion to select their staff positions from the job classifications listed above that best suit the needs of their office. Each Trustee Aide or Trustee Secretary shall report directly to, and be managed by, their respective Board member.

Changes to the type, number, and compensation of Board of Trustees staff positions shall be subject to approval of the Board by a Simple Majority (5) vote.

## **ARTICLE XV. CONFLICT OF INTEREST**

Board members shall comply with the provisions of this Bylaw and are subject to the standards of conduct and financial interest disclosure requirements of HRS Chapter 84, as amended, to include attending a live ethics training within ninety (90) days of taking office and once every four (4) years thereafter, pursuant to HRS § 84-42. For the purpose of this Bylaw Article:

- A.** An ‘affiliation’ exists if a Board member or a member of the Board member’s family is an owner (an ownership interest valued at more than \$5,000 or 10% or more ownership of the business), officer, director, trustee, partner, employee (which shall also include legal counsel, consultant, contractor, advisor, or representative), or agent of such organization.
- B.** All Board members must disclose to the Chairperson and the Board their membership(s) or affiliation(s) with any organizations or person(s) who are eligible to receive grants from, may be in competition with for resources or eligible to procure from or contract with the Office of Hawaiian Affairs. Board members shall disqualify themselves any time an action is being considered by the Board which would affect the funding, procurement or contracts of that organization or person. Disclosure by declaration shall be made before Board action on the matter.

Board members have a clear obligation to conduct all affairs of OHA in the best interest of beneficiaries. Board members are expected to place the welfare of OHA above personal interests or the interests of family members or others who may be personally involved in affairs affecting OHA. All decisions of the Board

are to be made solely based on a desire to promote the best interest of OHA and its beneficiaries and in alignment with a Board member's fiduciary duties.

- C. Board members violating this Article shall be subject to disciplinary action, as set forth in Article XVIII herein.

## **ARTICLE XVI. CONFIDENTIALITY**

- A.** All information, data, and documents that do not qualify as Government Records that are received or reviewed by a Board member acting in his or her official capacity shall be deemed confidential and shall not be released or utilized by any Board member for any purpose other than OHA Board or Committee business.
- B.** The unanimous vote of all Board members after full consultation with Board Counsel shall be required before any confidential communication, proprietary, or otherwise privileged communications or material received may be publicly released, except that Board Executive Session Minutes may be released after redaction by Board Counsel under HRS § 92-9 and pursuant to Board of Trustees Operations Manual, Rule 21 (July 2007).



## ARTICLE XVII. ORDER AND DECORUM

- A. While the chairperson is putting any question to, or addressing the Board, or when a person is speaking, all persons present are expected to conduct themselves with decorum and provide respect to the speaker. While a person is speaking, no one shall pass between such speaker and the chairperson.
- B. When a Board member or other person properly before the Board wishes to speak, the speaker shall address the chairperson, be recognized before proceeding, and shall confine remarks to the question under discussion.
- C. If a Board member or other person, in speaking or otherwise, transgresses these rules, any Board member may raise a question of order. The chairperson shall then decide the question of order without debate, subject to an appeal to the Board. In addition, the chairperson may call for the sense of the Board on any question of order.
- D. Whenever any person is called to order while speaking, such person shall be in possession of the floor after the question of order is decided and may proceed with the matter under discussion within the ruling made on the question of order.
- E. All persons attending Board meetings, including staff, witnesses, members of the media, and the general public, are expected to respect the dignity of the Board.
- F. Board members who repeatedly violate any provision of any of the above sections of this Article shall be subject to disciplinary action, as set forth in Article XVIII herein.
- G. **Defamation.** OHA is concerned that no defamatory material or statements are presented at Board and Committee meetings. In the event that this situation

should develop, it will be necessary to call this to the attention of the persons making those statements, and request that they desist in their action. Such information may be stricken from the record.

- H. Disorderly Conduct.** A disruptive Board member or meeting attendee shall be called upon by the chairperson of the Board or Committee to cease and desist all willfully disruptive behavior that prevents and compromises the conduct of a meeting. If the disruption continues, the person may be removed from the meeting pursuant to HRS §92-3. Removal may include muting of a Board member's or testifier's microphone, removal from the interactive conference technology meeting platform, or removal of the disruptive person from the in-person meeting room.

**ARTICLE XVIII. TRUSTEE CODE OF CONDUCT AND SANCTIONS FOR  
VIOLATION OF THE CODE OF CONDUCT**

The professional conduct of a Board member shall be guided by the Code of Conduct and Sanctions for Violations of the Code of Conduct, hereinafter referred to as the “Code of Conduct,” which shall be created as a stand-alone executive policy of the Board of Trustees and made part of the OHA Board of Trustees’ Executive Policy Manual as a stand-alone policy.

The Sanctions for Violations of the Code of Conduct shall contain procedures that are fitting to the position of an elected Trustee and while ensuring that due process is afforded to a Trustee whose matter is being considered by the Board of Trustees.

The purpose of this Article is to establish guidelines relating to the Trustee Code of Conduct, including standards for the ways in which Board members interact with one another staff, and beneficiaries in the pursuit of setting OHA policy and managing its trust.

## **ARTICLE XIX. HAWAIIAN LANGUAGE USAGE**

All Board members and staff are expected to use Hawaiian language and the proper spelling and grammar of Hawaiian words when preparing official correspondence and documents for OHA, as required by Article XV, § 4 of the Constitution of the State of Hawai‘i, as amended.

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V. New Business

- D. Request for approval to waive Action Item BF #25-72: Approval of Revisions to Designated Staff Salaries in the FY 2026–2027 Biennium Budget, Including Temporary Assignment (TA) Adjustments and Clarifications, Implementation of Ad Hoc Recommendations, and Corrections to Misprinted Salary Ranges from the Committee on Budget and Finance to the Board of Trustees pursuant to the Office of Hawaiian Affairs Board of Trustees Bylaws (March 20, 2025) Article VIII, Section M.
- E. Action Item BF #25-72: Approval of Revisions to Designated Staff Salaries in the FY 2026–2027 Biennium Budget, Including Temporary Assignment (TA) Adjustments and Clarifications, Implementation of Ad Hoc Recommendations, and Corrections to Misprinted Salary Ranges.



**OFFICE OF HAWAIIAN AFFAIRS**  
Action Item


BOARD OF TRUSTEES

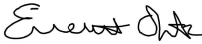
September 4, 2025

**BF #25-72**


**Action Item Issue:** Approval of Revisions to Designated Staff Salaries in the FY 2026–2027 Biennium Budget, Including Temporary Assignment (TA) Adjustments and Clarifications, Implementation of Ad Hoc Recommendations, and Corrections to Misprinted Salary Ranges.

**Prepared by:**   
\_\_\_\_\_  
Summer Sylva, Chief of Staff, Board of Trustees August 29, 2025  
Date

**Reviewed by:**   
\_\_\_\_\_  
Corey Nakamoto, Human Resources Director August 29, 2025  
Date

**Reviewed by:**   
\_\_\_\_\_  
Everett Ohta, General Counsel August 29, 2025  
Date

**Reviewed by:**   
\_\_\_\_\_  
Stacy Ferreira, Chief Executive Officer August 29, 2025  
Date

**Reviewed by:**   
\_\_\_\_\_  
Kaiali'i Kahele, Chairperson, Board of Trustees August 29, 2025  
Date

**Action Item BF #25-72: Approval of Revisions to Designated Staff Salaries in the  
FY 2026–2027 Biennium Budget**

**I. PROPOSED ACTIONS**

Approve Revisions to Designated Staff Salaries in the FY 2026–2027 Biennium Budget, Including Temporary Assignment (TA) Adjustments and Clarifications, Implementation of Ad Hoc Recommendations, and Corrections to Misprinted Salary Ranges.

*A. Motion #1 re Removal of TA Salary Differentials*

Approve removal of Temporary Assignment (TA) salary differentials from identified positions, consistent with the Board's August 7, 2025 action terminating the previously applied 10% TA adjustment.

*B. Motion #2 re Implementation of Ad Hoc Committee Recommendations*

Approve implementation of Ad Hoc Committee recommendations setting the salary for the Legacy Land Manager position at \$102,843, effective July 1, 2025, as previously adopted by the Board on May 15, 2025 (BOT #25-07) and reaffirmed on June 30, 2025 (BF #25-51); and

*C. Motion #3 re Correction of Misprinted Salary Range Data*

Approve correction of misprinted salary range data for vacant Strategy Consultant positions to reflect the appropriate SR24 (not SR25) classification and posting range.

The Salary Revisions described herein to bring the FY 2026–2027 Biennium Budget into alignment with Board directives, updated policy implementation, and administrative corrections will go into effect upon BOT approval and will remain in effect until further BOT action. Upon approval, this Action Item shall supersede all prior BOT and administrative actions relating to the same subject matter.

**II. ISSUE**

Whether the Board of Trustees (BOT) will recommend approval of Revisions to Designated Staff Salaries in the FY 2026–2027 Biennium Budget, Including Temporary Assignment (TA) Adjustments and Clarifications, Implementation of Ad Hoc Recommendations, and Corrections to Misprinted Salary Ranges.

**III. BACKGROUND & DISCUSSION**

This action item seeks approval to revise designated staff salaries reflected in the FY 2026–2027 Biennium Budget in order to implement Board-adopted changes, correct technical misprints, and ensure compliance with recently terminated and pending salary policies.



**Action Item BF #25-72: Approval of Revisions to Designated Staff Salaries in the  
FY 2026–2027 Biennium Budget**

*A. Temporary Assignment (TA) Salary Adjustments*

Pursuant to the Board of Trustees' action on August 7, 2025, the previously applied 10% Temporary Assignment (TA) salary differential was terminated. As a result, designated staff salaries in the adopted FY 2026–2027 Biennium Budget that included the TA differential must now be adjusted to reflect base salaries, including associated fringe and merit-related projections.

The following staff positions are affected and must be corrected effective August 7, 2025:

- *Director, 'Ōiwi Well-Being & 'Āina Momona*: Adjust from \$115,980 to \$105,432
- *Public Policy Advocate I – O'ahu*: Adjust from \$80,232 to \$72,948

A revised Temporary Assignment Salary Differential policy is currently pending Board consideration. If approved, the updated policy would authorize:

- A 10% increase for administrative staff temporarily assuming full duties of a vacant position one wage band higher; and
- A 5% increase for administrative staff temporarily assuming duties within the same (lateral) wage band.

Until the revised policy is formally adopted by the Board, no new TA differentials shall be applied.

While the revised TA policy for administrative staff remains pending, this action item affirms that TA salary differentials for Board of Trustees Staff are governed under a separate framework. Pursuant to the *Implementation of Compensation Policy for BOT Staff* issued on October 28, 2022, Trustee Aides assigned to Standing Committee Chairs receive a 10% differential, while those assigned to the Board Chair receive a 15% differential—applied only for the duration of the temporary assignments. This action item also confirms the Board of Trustees' continued application of these authorized TA salary differentials for BOT staff assigned to the Board Chairperson or Standing Committee Chairs for the duration of their temporary assignments.

These TA salary differentials are reflected in the FY 2026–2027 Biennium Budget as *temporary* and are subject to adjustment upon the conclusion of the relevant assignments.

The following BOT Staff positions and corresponding salary differentials are noted below for clarity and tracking purposes:

- *Trustee Aide–BOT Chair*: \$75,288 Base Rate to \$86,580 TA Differential (15%)
- *Trustee Aide–Committee Chair*: \$76,404 Base Rate to \$84,048 TA Differential (10%)
- *Trustee Aide–Committee Chair*: \$75,288 Base Rate to \$82,824 TA Differential (10%)
- *Trustee Secretary–Committee Chair*: \$61,020 Base Rate to \$67,128 TA Differential (10%)

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***B. Implementation of Ad Hoc Committee Recommendations for Legacy Land Manager***

Pursuant to the Ad Hoc Committee’s Report Examining OHA Staff Salaries (dated May 2, 2025) and consistent with its recommendations to promote equitable, living-wage compensation and support limited, well-justified adjustments beyond established salary ranges, the salary for the Legacy Land Manager position was reviewed and set at \$102,843, effective July 1, 2025.

Importantly, this salary reflects the Committee’s objective market assessment; recognition of the role’s specialized responsibilities; and alignment with OHA’s strategic goals and compensation standards.

The Board of Trustees formally adopted the Ad Hoc Committee’s recommendations on May 15, 2025 via Action Item BOT #25-07, and reaffirmed them with the adoption of the FY 2025–2027 Biennium Budget on June 30, 2025 via Action Item BF #25-51. On August 7, 2025, the Board further directed the Administration to “[i]mmediately implement the Board of Trustees’ approved salary rates as adopted in Action Item BF #25-51” to ensure full and unequivocal execution of the BOT’s salary actions.

***C. Correction of Misprinted Salary Ranges***

This action item also includes a technical correction to a salary range misprint in the FY 2026–2027 Biennium Budget related to the “Vacant” Strategy Consultant positions.

- *Incorrect classification (original budget proviso):* SR25, Midpoint: \$81,396, Range: \$72,372–\$91,620
- *Correct classification:* SR24, Midpoint: \$78,312, Range: \$69,600–\$88,152

Although no incumbent staff were impacted (the error applied only to vacant positions), correction is necessary to: prevent confusion in internal budget references and public records; ensure alignment with recruitment materials and salary offers; and preserve consistency across OHA’s HR and budgetary documentation.

**IV. TIMEFRAME**

The Revisions to Designated Staff Salaries in the FY 2026–2027 Biennium Budget will go into effect upon BOT approval and will remain in effect until further BOT action.

**V. BUDGET AUTHORIZATION**

No additional funds are needed for Revisions to Designated Staff Salaries in the FY 2026–2027 Biennium Budget.

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**VI. RECOMMENDATION**

Approve the Revisions to Designated Staff Salaries in the FY 2026–2027 Biennium Budget, Including Temporary Assignment (TA) Adjustments and Clarifications, Implementation of Ad Hoc Recommendations, and Corrections to Misprinted Salary Ranges.

*A. Motion #1 re Removal of TA Salary Differentials*

Approve removal of Temporary Assignment (TA) salary differentials from identified positions, consistent with the Board's August 7, 2025 action terminating the previously applied 10% TA adjustment.

*B. Motion #2 re Implementation of Ad Hoc Committee Recommendations*

Approve implementation of Ad Hoc Committee recommendations setting the salary for the Legacy Land Manager position at \$102,843, effective July 1, 2025, as previously adopted by the Board on May 15, 2025 (BOT #25-07) and reaffirmed on June 30, 2025 (BF #25-51); and

*C. Motion #3 re Correction of Misprinted Salary Range Data*

Approve correction of misprinted salary range data for vacant Strategy Consultant positions to reflect the appropriate SR24 (not SR25) classification and posting range.

The Revisions to Designated Staff Salaries in the FY 2026–2027 Biennium Budget will go into effect upon BOT approval and will remain in effect until further BOT action. Upon approval, this Action Item shall supersede all prior BOT and administrative actions relating to the same subject matter.

**VII. ALTERNATIVES**

- A. Take no action.
- B. Approve only certain proposed actions.
- C. Amend the proposed action.



VI. Executive Session§

- A. Discuss and Take Action on Ka Pouhana's Request to Serve in Volunteer Roles: The Board anticipates convening in an executive meeting pursuant to HRS § 92-5(a)(2) and (4) to consult with its legal counsel regarding the Board's powers, duties, privileges, immunities, and liabilities with respect to matters relating to its financial affairs, employees, and operations. The consultation will include discussion, deliberation, and action regarding the Ka Pouhana/Administrator's request to engage in external volunteer service, including participation on the Board of Regents for Chaminade University and as an Honorary Commander for the Hickam Honorary Commanders Program, and to confirm appropriateness of such service under the terms of the Ka Pouhana/Administrator's employment contract.
- B. Discussion and Status Update on Personnel Related Investigation of Former OHA Staff: The Board anticipates convening in an executive meeting pursuant to HRS § 92-5(a) (4) to consult with its legal counsel regarding the Board's powers, duties, privileges, immunities, and liabilities with respect to matters relating to its financial affairs, employees, and operations. The consultation will include a preliminary report on the pending personnel-related investigation of a former OHA staffer and related ethical, fiduciary, and agency protocol implications, if any.
- C. Legal Matters. The Board anticipates convening in an executive meeting pursuant to HRS § 92-5(a)(4) to consult with its legal counsel regarding the Board's powers, duties, privileges, immunities, and liabilities with respect to matters relating to its prior legal counsel.

- There are no attachments for these items