PHONE (808) 594-1888 BOARD OF TRUSTEES Colette Y. Machado, *Chairperson* Brendon Kalei'āina Lee, Vice Chairperson Leina'ala Ahu Isa, At-Large Dan Ahuna, Kaua'i & Ni'ihau Kalei Akaka, O'ahu Keli'i Akina, At-Large Carmen Hulu Lindsey, Maui Robert K. Lindsey, Jr., Hawai'i Island John Waihe'e IV, At-Large



STATE OF HAWAI'I OFFICE OF HAWAIIAN AFFAIRS

MEETING OF THE BOARD OF TRUSTEES

DATE: Thursday, May 30, 2019

TIME: 9:30 am

PLACE: OHA Board Room, Nā Lama Kukui 560 N. Nimitz Hwy., Suite 200 Honolulu, HI 96817

AGENDA

- I. Call to Order
- II. Public Testimony*
- III. Unfinished Business

A. CEO's 15-Minute Update on Ho'oulu Lāhui Aloha and OHA Activities

- IV. New Business
 - A. Native Hawaiian Legal Corporation: Introduction of its Board members and presentation of its current programs and projects

V. Executive Session[‡]

- A. Consultation with Board Counsel Robert G. Klein, Esq. and Kumabe HR LLC re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities regarding the Board's obligations and responsibilities to conduct its performance appraisal of OHA's CEO in accordance with Section III of Contract 3147. *Pursuant to HRS §92-5(a)(2),(4)*.
- B. Consultation with Board Counsel Robert G. Klein re: questions and issues affecting OHA's duties, liabilities, privileges, and immunities in transitioning to an interim CEO after the expiration of Contract Number 3147. *Pursuant to HRS §92-5 (a)(2),(4)*.
- C. Consultation with OHA attorneys William Yuen, Esq., Judy Tanaka, Esq., and Board Counsel Robert G. Klein, Esq., re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities regarding OHA's role as a member of Hi'ilei Aloha LLC and Ho'okele Pono LLC and Action Item RM #19-08: Approval of Resolutions of the Board of Trustees Office of Hawaiian Affairs, Reorganization Documents, and LLC Manager Position Description relating to Hi'ilei Aloha LLC and Ho'okele Pono LLC. Pursuant to HRS §92-5(a)(4).
- D. Consultation with Board Counsel Robert G. Klein, Esq., re: questions and issues pertaining to the board's duties, liabilities, privileges, and immunities regarding Action Item BAE-RM #19-05: to approve the Scope of Work and Qualifications and Requirements defined in the proposed RFQ in selecting a professional executive search and consulting firm to assist the Joint BAE-RM Committees for the recruitment and selection of a Chief Executive Officer. *Pursuant to HRS §92-5(a)(2),(4).*
- E. Consultation with OHA attorney Everett Ohta, Esq. and Board Counsel Robert G. Klein, Esq, re: questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities regarding H. B. 172 HD1 SD2 CD1 (2019), relating to the budget of the Office of Hawaiian Affairs. *Pursuant to HRS §92-5(a)(4)*.
- F. Consultation with Board Counsel Robert G. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, and liabilities concerning processing complaints alleging violations of the Trustee Code of Conduct policy. *Pursuant to HRS §92-5(a)(2),(4)*.
- IV. New Business ContinuedB. Committee on Resource Management



STATE OF HAWAI'I OFFICE OF HAWAIIAN AFFAIRS

- Action Item RM #19-07: Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies, 1st Reading[†]
- 2. Action Item RM #19-08: Approval of Resolutions of the Board of Trustees Office of Hawaiian Affairs, Reorganization Documents, and LLC Manager Position Description relating to Hi'ilei Aloha LLC and Ho'okele Pono LLC.[†]
- C. Joint Committees on Beneficiary Advocacy and Empowerment and Resource Management
 - 1. Administration's presentation and recommendation to the JOINT BAE/RM Committee to review and approve action item BAE/RM #19-04; related to Community Grant recommendations.[†]
 - 2. Action Item BAE/RM #19-05: To approve the Scope of Work and Qualification Requirements as defined in the proposed RFQ in selecting a professional executive search and consulting firm to assist the Joint BAE-RM Committees for the recruitment and selection of a Chief Executive Officer.[†]
 - 3. Action Item BAE/RM #19-06: To approve and authorize the disbursement of \$40,500 from the fiscal year 2020 Core operating budget (Object code 56530) and \$40,500 from the Fiscal Year 2021 Core Operating Budget (Object Code 56530) to fund Ahupua'a O Moloka'i.[†]
- D. Deliberation and decision making on the Report by the Permitted Interaction Group on the Development of L-Lahui policies of its findings and recommendations. Pursuant to HRS 92-2.5(b)(1)(C)
- E. Action Item BOT #19-06: Approve the L-Lahui Level Policies[†]
- F. Action Item BOT #19-07: Approve the formation of a Permitted Interaction Group to investigate the Board of Trustees By-Laws.[†]
- G. Action Item BOT #19-08: 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, L-Lahui Policies PIG, Board of Trustees By-Laws PIG, T-Level Policies PIG, and C-CEO Level Policies; and alignment and update of existing Board governance documents.[†]
- VI. Community Concerns*
- VII. Announcements
- VIII. Adjournment

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

- *Notice: Persons wishing to provide testimony are requested to submit 13 copies of their testimony to the Chief Executive Officer at 560 N. Nimitz. Suite 200, Honolulu, HI, 96817 or fax to 594-1868, or email <u>BOTmeetings@oha.org</u> 48 hours prior to the scheduled meeting. Persons wishing to testify orally may do so at the meeting, provided that oral testimony shall be limited to five minutes.
- [†] Notice: The 72 Hour rule, pursuant to OHA BOT Operations Manual, Section 49, shall be waived for distribution of new committee materials.

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

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Trustee Colette Y. Machado Chairperson, Board of Trustees

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Meeting of the Board of Trustee, May 30, 2019 Agenda Continued

Office of Hawaiian Affairs Board of Trustee Meeting May 30, 2019 9:30 am

V. Executive Session[‡]

- A. Consultation with Board Counsel Robert G. Klein, Esq. and Kumabe HR LLC re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities regarding the Board's obligations and responsibilities to conduct its performance appraisal of OHA's CEO in accordance with Section III of Contract 3147. Pursuant to HRS §92-5(a)(2),(4).
- B. Consultation with Board Counsel Robert G. Klein re: questions and issues affecting OHA's duties, liabilities, privileges, and immunities in transitioning to an interim CEO after the expiration of Contract Number 3147. *Pursuant to HRS §92-5 (a)(2),(4)*.
- C. Consultation with OHA attorneys William Yuen, Esq., Judy Tanaka, Esq., and Board Counsel Robert G. Klein, Esq., re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities regarding OHA's role as a member of Hi'ilei Aloha LLC and Ho'okele Pono LLC and Action Item RM #19-08: Approval of Resolutions of the Board of Trustees Office of Hawaiian Affairs, Reorganization Documents, and LLC Manager Position Description relating to Hi'ilei Aloha LLC and Ho'okele Pono LLC. *Pursuant to HRS §92-5(a)(4)*.
- **D.** Consultation with Board Counsel Robert G. Klein, Esq., re: questions and issues pertaining to the board's duties, liabilities, privileges, and immunities regarding Action Item BAE-RM #19-05: to approve the Scope of Work and Qualifications and Requirements defined in the proposed RFQ in selecting a professional executive search and consulting firm to assist the Joint BAE-RM Committees for the recruitment and selection of a Chief Executive Officer. *Pursuant to HRS §92-5(a)(2),(4)*.
- E. Consultation with OHA attorney Everett Ohta, Esq. and Board Counsel Robert G. Klein, Esq, re: questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities regarding H. B. 172 HD1 SD2 CD1 (2019), relating to the budget of the Office of Hawaiian Affairs. *Pursuant to HRS §92-5(a)(4)*.
- F. Consultation with Board Counsel Robert G. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, and liabilities concerning processing complaints alleging violations of the Trustee Code of Conduct policy. *Pursuant to HRS* \$92-5(a)(2),(4).
- [‡]- Any material that is relevant to this section will be distributed at the table during Executive Session. Confidential Material for Item V.A. was distributed prior to meeting to each Trustee. Please bring the envelope to the meeting, material will be collected in Executive Session.

Office of Hawaiian Affairs Board of Trustee Meeting May 30, 2019 9:30 am

IV. New Business

B. Committee on Resource Management

 Action Item RM #19-07: Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies, 1st Reading[†]

MEETING OF THE COMMITTEE ON RESOURCE MANAGEMENT COMMITTEE REPORT

May 22, 2019

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

Madame Chair Machado,

Your Joint Committees on Resource Management and Beneficiary Advocacy and Empowerment, having met on May 22, 2019 and after full and free discussion, recommends approval of the following action to the Board of Trustees:

- A. Approve the Economic Development Policy, noting that Administration will return with the implementation procedures for Board action;
- B. Approve the Debt Management Policy, noting that Administration will return with the implementation procedures for Board action;
- C. Acknowledge the Spending Policy language and the existing Native Hawaiian Trust Fund (NHTF) Spending policy, as Amended, noting Administration will return with consolidated policy document for Board action; and
- D. Acknowledge the Investment and Real Estate Policy language and the existing NHTF Investment and Real Estate Vision, Mission, and Strategy policies, noting Administration will return with consolidated policy document(s) for Board action.

Relevant attachments are included for your information and reference. Attachment(s):

- 1) Action Item RM #19-07
- 2) RM #19-07 Roll Call Sheet

Committee on Resource Management for May 22, 2019 Page 1 of 2

Respectfully submitted:

Trustee, Chair Dan Ahuna

Trustee John Waihe'e, IV, Member

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Trustee Leina'ala Ahu Isa, Member

Trustee Robert Lindsey, Member

Carmen Hulu Lindsey, Member

Colline y Machado Trustee Colette Machado, Member

Excuse

Trustee Brenden Lee, Member

Trustee Keli'i Akina, Member

Trustee Kalei Akaka, Member

Committee on Resource Management for May22, 2019 Page 1 of 2

PHONE (808) 594-1888

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



STATE OF HAWAI'I OFFICE OF HAWAIIAN AFFAIRS

MEETING OF THE COMMITTEE ON RESOURCE MANAGEMENT

DATE: Wednesday May 22, 2019 TIME: 10:00 am PLACE: OHA Board Room, Nā Lama Kukui 560 N. Nimitz Hwy., Suite 200 Honolulu, HI 96817

AGENDA

- I. Call to Order
- II. Public Testimony*
- III. New Business
 - A. RM #19-07: Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies

IV. Adjournment

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

Notice: Persons wishing to provide testimony are requested to submit 13 copies of their testimony to the Chief Executive Officer at 560 N. Nimitz. Suite 200, Honolulu, HI, 96817 or fax to 594-1868, or email BOTmeetings@oha.org 48 hours prior to the scheduled meeting.

Persons wishing to testify orally may do so at the meeting, provided that oral testimony shall be limited to five minutes. Notice: The 72 Hour rule, pursuant to OHA BOT Operations Manual, Section 49, shall be waived for distribution of new committee materials.

Trustee Dan Ahuna Chairperson, Committee on Resource Management

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OFFICE OF HAWAIIAN AFFAIRS

Action Item Committee on Resource Management May 22, 2019

RM #19-07

Action Item:

Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies

Prepared by:

Ka Pou Nui, Chief Operating Officer

Sylvia Hussey, Ec

Reviewed by:

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

Reviewed by:

Dan Ahuna Committee on Resource Management, Chair

Reviewed by:

Robert K. Lindsey, Jr. Committee on Resource Management, Vice Chair

5 16 19 Date

Date

5/16/19

5/17

I. Proposed Action

Administration recommends the Board of Trustees (BOT):

- A. Approve the **Economic Development Policy**, noting that Administration will return with the implementation procedures for Board action;
- B. Approve the **Debt Management Policy**, noting that Administration will return with the implementation procedures for Board action;
- C. Acknowledge the **Spending Policy** language and the existing Native Hawaiian Trust Fund (NHTF) Spending Policy, as Amended, noting Administration will return with a consolidated policy document for Board action; and
- D. Acknowledge the **Investment and Real Estate Policy** language and the existing NHTF Investment and Real Estate Vision, Mission, and Strategy policies, noting Administration will return with consolidated policy document(s) for Board action.

II. Issue

Whether the BOT should take action on the four policies associated with the Fiscal Sustainability Plan (FSP): Economic Development, Debt Management, Spending and Investment and Real Estate.

III. Background¹ and Context

Overview. In 2016 OHA understood the need to become fiscally sustainable. Fiscal sustainability was defined as the ability of a government or government agency to sustain its current rate of spending, revenue and other policies in the long run. To do this, OHA needed to change the way it operated and therefore began implementing the Fiscal Sustainability Plan ("FSP"). To propel OHA's progress in these efforts, the Committee formed five work groups representing the BOT, OHA Administration, and staff experts to address five main areas that may pose risks to OHA's fiscal sustainability. The five areas were: spending policy, pension benefits, legal and taxable structure, Department of Hawaiian Home Lands, and real estate investment.

Disclaimer

Source: Fiscal Year 2018-2019 Summary, Next Steps Checklist, May 2019, transmitted via letter dated May 15, 2019 .

The information contained in this report is confidential to the Office of Hawaiian Affairs ("OHA") and may not be disclosed without the express written consent of OHA Board of Trustee ("BOT") Chair, Resource Management ("RM") Committee Chair, OHA executive management, and Spire Hawai'i LLP ("Spire"). This information is intended solely for the use of OHA and is not intended to be, and should not be, used by anyone other than OHA. This report should not be used for any other purposes or reproduced in any form that is inconsistent with its intent or is not authorized. If you are not authorized, please note that the use, further transmission, or disclosure of the contents of this report is strictly prohibited. Under the standards promulgated by the American Institute of Certified Public Accountants ("AICPA"), Spire considers all material confidential. However, we defer to OHA counsel on the issue of whether any material is subject to disclosure under Statelaw.



Each group started by conducting a risk assessment, and analyzing the risks that may prevent OHA from achieving its objectives in each area. The work groups developed suggested action steps to implement the changes in OHA operations, organization, and management reporting needed to address these risks, and discussed the pros and cons of each suggestion. The working groups were

precedent-setting, and marked the first time the Board and the Administrative engaged in intensive collaboration. The participants overwhelmingly endorsed the working group effort as innovative and satisfying. Due to resource constraints the work groups had their last meetings in December 2017, however, it is important to note the important tasks identified by the groups that have not been completed.

In response to the State Auditor, OHA stated that it would "[h]ave the FSP Working Groups continue to: (a) develop and narrow down possible solutions, (b) meet with key stakeholders for input, (3) develop long- and short- terms plans that identify the monetary sources and staffing needs for implementation, and assess the risks of potential challenges and how to address them. More specifically, the Spending policy working group will recommend clearer definitions, purposes, and procedures; specifics for periodic policy review; alignment with budget planning; a maximum cap; and appropriate spending rate. The Spending Policy and Real Estate working groups will discuss improvements to the IPS and consideration of an investment policy that would apply to real estate investments."

Even if the working groups are currently inactive, it is essential that the tasks they identified be completed to fulfill this commitment to the Auditor. Given the prospective audit schedule, it is important that significant progress be made within the next six to 12 months. (Note: The Audit Analysis consists of estimates for the timing of potential audits in the future, summaries of the State Auditor's findings, summaries of the State Auditor's recommendations for action by the Board and the Administration and OHA's commitments for action, as stated in the Auditee Response.)

Working Groups. The following section describes the objectives of each working group, the short- and long-term tasks identified by each group, the support provided by Spire to the group and what needs to be done (next steps) in order to address the working group tasks. the next steps are presented in table form. Each table has "objectives" that are relatively broad, and specific "items" within the scope of the objective. The tables enable each item to be checked off as it is

completed. There is also an "objective" check off that can be marked once all items have been completed. (Note: This is not intended as an exhaustive checklist, as other items that need to be completed may be identified during implementation.)

Real Estate Investment Working Group. Objective of the working group: To (1) establish a robust real estate management and investment plan, (2) create optimal organizational structures and real estate system and (3) formulate recommendations for proactive action, if necessary.

Short- and long-term tasks identified by the working group:

Short-term: Hold workshop for trustees re: alternative business forms for real property development

Long-term: Develop policies that support real estate investment

Work completed by the working group: The group discussed the current state of OHA's asset management. It also discussed the need for a board workshop to (1) provide the status of current development projects, (2) explain the present and potential obstacles to development, (3) obtain board input about critical issues, such as timeline and governance (use of LLCs, board involvement in project execution).

Spending Policy Working Group. Objective of the working group: The purpose of this work group was to review OHA's Spending Policy (including the Fiscal Reserve Guidelines) and other OHA fiscal policies to identify changes that need to be made to address present and future needs.

Short- and long-term tasks identified by the working group:

Short-term:

- 1. Revise spending policy and fiscal reserve guidelines to address audit findings
- 2. Determine appropriate spending rate formula to serve OHA objectives

Long-term:

- 1. Revise IPS and HDAP to accommodate present and future investment strategies, present to BOT for adoption
- 2. Develop spending and debt policies applicable to real estate investments and OHA operations

Work completed by working group: The group researched and discussed policy and legal issues to be considered by OHA, so that it can operate within the State structure while it retains its autonomy, ability to form entities, and manages its funds. These discussions included:

- Potential legislative changes that could be made to provide OHA greater autonomy, based on statutory autonomy and exemptions enjoyed by other semi-autonomous agencies of the State (UH, HCDA, HTDC).
- Methodology for separating the core and non-core functions of OHA and discussion about whether different funding and withdrawal rules should apply to each.

• Analysis of the fiscal reserve the State Auditor's findings concerning it, and how it could be revised to address the audit findings.

Legal and Taxable Structure Working Group. Objective of the working group: The objective of the working group was to identify the optimal legal and reporting structure of OHA's business development functions.

Short- and long-term tasks identified by the working group:

- Short-term: Refine Decision Matrix and Decision Tree with the assistance of legal counsel, present to the RM Committee/BOT for adoption as decision making tools
- Long-term: Develop guidance regarding OHA's role (funder v. intermediary v. direct services) to guide strategic planning and OHA operations (such as for budgeting and spending)

Work completed by the working group: The group discussed OHA's future needs for LLCs or other business forms, defined foundational principles OHA should consider when using business forms, drafted a decision tree and matrix and drafted subsidiary plan guidelines.

Pension Benefits Working Group. Objectives of the working group: The purposes of this working group were to verify the accuracy of OHA's pension liability and conduct discussions with Budget and Finance (B&F) and Employee Retirement System (ERS) to adjust any discrepancies and determine if OHA can moderate the pace of future increases.

Short- and long-term tasks identified by the working group:

- Short-term: Formulate legislative proposals for 2018
- Long-term: Analyze pension and benefit costs, develop recommendations (as appropriate), present recommendations to Administration and RM Committee/BOT (as appropriate)

Work completed by the working group: The group discussed legislative strategy, provided assessments on the EUTF's ability/inability to quantify OHA obligations and developed initial information requests that were sent to the EUTF.

DHHL Working Group. Objectives of the working group: The purposes of this working group were to identify the likely solutions to resolve issues in the Department of Hawaiian Home Lands (DHHL) Memorandum of Agreement (MOA), identify the likely scenarios to refinance the annual cash payment obligation and formulate recommendations for proactive action, if any.

Short- and long-term tasks identified by the working group:

Short-term: Identify deliverables with DHHL, implement recommendations for improved oversight

Long-term: Develop debt policy and standards for incurring long-term obligations

Work completed by working group: Discussed the status of the DHHL and OHA MOA. Since the OHA internal legal opinion stated that nothing could be done regarding the MOU, the working group terminated further discussion. However, the group recommended consideration of a debt policy to prevent future agreements like the MOA.

IV. Policy Review and Analysis²

Overview. During this fiscal year, Spire developed policies concerning the following subjects in response to needs identified by OHA as necessary in mission-critical areas and conducted workshops and other training regarding the policies. The policies were:

- Spending
- Debt Management
- Investment and Commercial Real Estate
- Economic Development
- Fiscal Stabilization

These policy revisions have the following long-term objective of proposing a distinct potential direction for OHA as an organization as it relates to who it is:

- A primary State agency that provides services and programs to Native Hawaiians (HRS Chapter 10-3)
- A semi-autonomous State agency which relies on self-funding (Legislative opinion)
- A State agency to assist Native Hawaiians in the pursuit of sovereignty and self-governance (Act 195).

Copies of the policies, with the exception of Fiscal Stabilization, are found at Attachments 1 to 4.

² Source: Fiscal Year 2018-2019 Summary, Next Steps Checklist, May 2019, transmitted via letter dated May 15, 2019.

Disclaimer

The information contained in this report is confidential to the Office of Hawaiian Affairs ("OHA") and may not be disclosed without the express written consent of OHA Board of Trustee ("BOT") Chair, Resource Management ("RM") Committee Chair, OHA executive management, and Spire Hawai'i LLP ("Spire"). This information is intended solely for the use of OHA and is not intended to be, and should not be, used by anyone other than OHA. This report should not be used for any other purposes or reproduced in any form that is inconsistent with its intent or is not authorized. If you are not authorized, please note that the use, further transmission, or disclosure of the contents of this report is strictly prohibited. Under the standards promulgated by the American Institute of Certified Public Accountants ("AICPA"), Spire considers all material confidential. However, we defer to OHA counsel on the issue of whether any material is subject to disclosure under Statelaw.

RM #19-07

Action regarding Economic Development, Debt Management, Spending and **Investment and Real Estate Policies**

As of February 2018, the BOT placed a moratorium on the use of the Fiscal Reserve³

Board Governance Framework. In January 2019, the Board approved the formation of a permitted interaction group (PIG) to: Investigate various elements of governance frameworks and models, including but not limited to cultural, indigenous, native, national and international contexts. In April 2019, the Board approved the PIG's recommendation to approve 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).



³ Moratorium on Fiscal Reserve Spending, RM 18-03 Al.pdf, February 2018

RM #19-07

Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies

Economic Development Policy. 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.

Economic Development Policy



- Requires Administration to develop policies for analyzing and selecting economic development projects
- Requires Administration to develop performance standards for staff and consultants, and define permissible and impermissible projects
- Requires the Administration to develop criteria for selecting operating structures (such as LLCs and partnership)

 Requires Administration to develop policies for analyzing and selecting economic development projects

• Requires Administration to develop performance standards for staff and consultants, and define permissible and impermissible projects

• Requires the Administration to develop criteria for selecting operating structures (such as LLCs and partnership)

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.

A lack of due diligence, a lack of standards and a lack of criteria result may occur when there is no clear policy.

Because this is a new policy, implementation procedures are provided to effect this policy's launch.

Debt Management Policy.

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

Debt Management Policy

spire



- Defines purpose for debt Section III
- Defines debt Section II
- Does not allow debt that is more than needed, and requires the debt to be secured as close to the date of expenditure as possible
- Requires debt to improve net worth or generate value, including cultural value
- Prohibits debt without a repayment solution, requires debt to be taken against an asset only for financial gain, requires due diligence prior to issuing debt
- Requires debt study every two years
- Requires administration to develop procedures to implement policy



possible, unless there are practical reasons to issue sooner, in which cases such reasons should be documented and approved by the Board.

- Defines purpose for debt
- Defines debt
- Does not allow debt that is more than needed, and requires the debt to be secured as close to the date of expenditure as possible
- Requires debt to improve net worth or generate value, including cultural value
- Prohibits debt without a repayment solution, requires debt to be taken against

an asset only for financial gain, requires due diligence prior to issuing debt

- Requires debt study every two years
- Requires administration to develop procedures to implement policy
- 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.
- 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.



 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.

A lack of repayment plans and dedication of funds, use of debt to cover operational costs and lack of diligence required to assume debt may occur when there is no clear policy.

Because this is a new policy, implementation procedures are provided to effect this policy's launch.

RM #19-07 Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies



Spending Policy. It is the policy of the Board that, in order to prioritize and manage its own spending, OHA must differentiate spending for core functions (required by law) from spending for noncore functions (not required by law, but related to OHA's mission of improving and servicing beneficiaries).

OHA's Spending Policy revisions are required because the two types of functions require different priorities and funding sources. Further, OHA should implement cost center reporting to identify the costs incurred at the service and activity level, for better management of financial resources, budgeting and reporting.

Investment and Real Estate Policy. The purposes of this policy are to (1) ensure that real estate assets and equity interests of the Office of Hawaiian Affairs ("OHA") are managed differently from its

financial security assets, (2) establish a process for setting an appropriate and achievable blended return goal for financial security assets, real estate assets, and other assets, (3) establish a real estate advisory committee to provide real estate expertise, and (4) direct Ka Pouhana to propose robust policies and procedures to manage the real estate and equity interest portfolio with the assistance of the real estate advisory committee and other experts. The rationale for each purpose is summarized below.

The existing Native Hawaiian Trust Fund Spending Policy, as amended, will need to be combined, aligned, harmonized and edited to produce a new document for Board action.



OFFICE OF HAWAIIAN AFFAIRS

NATIVE HAWAIIAN TRUST FUND SPENDING POLICY, AS AMENDED

Adopted by the Beard of Trustees, September 15, 2004 Amended and adopted by the Beard of Trustees on July 5, 2006 Amended and adopted by the Beard of Trustees on May 21, 2009 Reviewed with no mudifications by the Beard of Trustees on April 18, 2012 Amended and adopted by the Beard of Trustees on February 27, 2014

RM #19-07

Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies

It is the policy of the Board that OHA's investment policy be modified to include the following attributes:

- Separates management of commercial real estate from financial securities;
- Requires development of a blended rate and regular updating of the rate;
- Establishes a real estate advisory committee (HDIP committee);
- Requires the Administration to develop a robust real estate policy; and
- Requires the Administration to develop criteria for equity investments.

Investment Policy Changes and Real Estate Policy

The purposes of this policy are to (1) ensure that real estate assets and equily interests of the Office of Hawaiian Affairs (*OHA*) are managed differently from its financial security assets, (2) establish a process for setting an appropriate and achievable blended return goal for financial security assets, real estate assets, and other assets, (3) establish a real estate advisory committee to provide real estate expertise, and (4) diment Ka Poulama to propose robust policies and procedures to manage the real estate advisory committee and equity interest portfolio with the assistance of the reat estate advisory committee and other experts. The rationale for each purpose is summarized below.

It is the policy of the Board that OHA's investment policy be modified to include the following attributes:

- A. Separate management of the real estate assets and equity interests from the financial security assets
- B. Maintain an appropriate and achievable blended return goal for financial security assets, real estate assets, and other assets
- essets, and other assets C. Consult with an expert real estate
- advisory committee D. Develop a robust real estate plan



Applying the same investment strategy to all types of assets

Reliance on financial asset performance on building value

Making decisions without the correct level of experience

spire

Without the proposed changes to established policy, applying the same investment strategy to all types of assets, reliance on financial asset performance on building value and making decisions without the correct level of experience poses challenges to the implementation of existing policy.



The existing Real Estate Vision, Mission and Strategy Policy, will need to be combined, aligned, harmonized and edited to produce a new document for Board action. The existing Native Hawaiian Trust Fund Investment Policy Statement will need to be combined, aligned, harmonized and edited to produce a new document for Board action.



IV. Certification of Funding Availability

N/A - no funding required for action item.

V. Recommended Action(s)

Administration recommends the Board of Trustees (BOT):

- A. Approve the **Economic Development Policy**, noting that Administration will return with the implementation procedures for Board action;
- B. Approve the **Debt Management Policy**, noting that Administration will return with the implementation procedures for Board action;
- C. Acknowledge the **Spending Policy** language and the existing Native Hawaiian Trust Fund (NHTF) Spending Policy, as Amended, noting Administration will return with a consolidated policy document for Board action; and
- D. Acknowledge the **Investment and Real Estate Policy** language and the existing NHTF Investment and Real Estate Vision, Mission, and Strategy policies, noting Administration will return with consolidated policy document(s) for Board action.

VI. Alternatives

Take no action.

VII. Time Frame

This action shall be effective immediately upon approval by the BOT.

VIII. Attachments

- 1. Economic Development Policy
- 2. Debt Management Policy
- 3. Spending Policy
- 4. Investment and Real Estate Policy

ECONOMIC DEVELOPMENT POLICY

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 Pouhana 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

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.

RM #19-07 Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies

Attachment #1

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.

Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies

DEBT MANAGEMENT POLICY

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 longterm 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.

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 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 10-36, 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 address, at a minimum

- 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.

RM #19-07

Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies

Attachment #3

SPENDING POLICY

I. PURPOSE

The purpose of this policy is to direct changes to the OHA Spending Policy ("Policy") to effect the directives in Hawai'i Revised Statutes ("HRS") sections 10-1(b) and 10-3(3) and (4) and improve its financial management processes.

II. POLICY

It is the policy of the Board that, in order to prioritize and manage its own spending, OHA must differentiate spending for core functions (required by law) from spending for non-core functions (not required by law, but related to OHA's mission of improving and servicing beneficiaries). OHA's Spending Policy revisions are required because the two types of functions require different priorities and funding sources.

Further, OHA should implement cost center reporting to identify the costs incurred at the service and activity level, for better management of financial resources, budgeting and reporting.

III. AUTHORITY

Ka Pouhana is delegated the authority to develop the proposed Spending Policy revisions and the procedures necessary to implement the Spending Policy revisions. 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

Ka Pouhana shall develop, for approval by the Board, proposals to amend the Spending Policy to accomplish the purposes of this policy. The policies and procedures shall model best practices and must address, at a minimum:

- 1. Procedures for defining whether programs and projects are core and non-core programs.
- 2. Procedures for prioritizing programs and projects based on their classification of core and non-core.
- 3. Procedures for implementing and prioritizing programs and projects based on their classification of core and non-core.
- 4. Procedures for implementing cost center budgeting and reporting.

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.

INVESTMENT AND REAL ESTATE POLICY

I. PURPOSE

The purposes of this policy are to (1) ensure that real estate assets and equity interests of the Office of Hawaiian Affairs ("OHA") are managed differently from its financial security assets, (2) establish a process for setting an appropriate and achievable blended return goal for financial security assets, real estate assets, and other assets, (3) establish a real estate advisory committee to provide real estate expertise, and (4) direct Ka Pouhana to propose robust policies and procedures to manage the real estate and equity interest portfolio with the assistance of the real estate advisory committee and other experts. The rationale for each purpose is summarized below.

II. POLICY

It is the policy of the Board that OHA's investment policy be modified to include the following attributes:

A. Separate management of the real estate assets and equity interests from the financial security assets

The Board's first directive is to separate the management of real property and equity interest assets of the Native Hawaiian Trust Fund ("NHTF") from the financial securities assets in the NHTF. Currently, OHA has only one investment policy that covers all assets, while best practices promote individual consideration of asset classes to manage investment risk. The management of real estate assets is governed by the Hawai'i Direct Investment Policy ("HDIP"), which is a policy that resides within the Native Hawaiian Trust Fund Investment Policy Statement ("NHTFIPS"). However, as noted by the State Auditor, the HDIP is not a robust real estate policy. It is also out-of-date, as it refers to the prospective acquisition of OHA headquarters, which has already occurred with the acquisition of Nā Lama Kukui. The transfer of all real property and equity interest assets into a discrete portfolio with the appropriate policies will result in more effective and efficient management of these assets. The separation of real estate (including equity interests) from securities, is consistent with best practices and the Kamehameha Schools' structure for asset investment management, which separates real estate from other financial assets.

B. Maintain an appropriate and achievable blended return goal for financial security assets, real estate assets, and other assets

The Board's second directive is to ensure the OHA return benchmarks are appropriate, are regularly reviewed, and are realistic. This purpose addresses the current deficiency that there is no requirement to regularly update return targets, and that targets are set for assets that have little potential to generate such returns, like legacy and programmatic lands.

C. Consult with an expert real estate advisory committee

The Board's third directive is to establish a real estate advisory committee to provide OHA expertise in real estate matters. The advantages of adding a real estate committee are to provide OHA with expert real estate guidance, assist the BOT in meeting its fiduciary duties to

beneficiaries, and improve the quality of analyses when making decisions. The establishment of a separate committee acknowledges that real estate and financial securities assets are not alike and need to be managed using different expertise.

D. Develop a robust real estate plan

The State Auditor has noted that OHA requires a robust real estate plan. The fourth directive is for OHA to require the development of a real estate plan, including guidelines to manage OHA's real property portfolio based on best practices, which consider value, purpose, and utilization.

It is contemplated that revisions to the NHTFIPS and the HDIP should be developed as part of the ongoing review of these policies by the Administration and its attorneys and investment advisors.

III. SCOPE & AUTHORITY

Ka Pouhana 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. DRAFT POLICIES AND PROCEDURES TO IMPLEMENT THE POLICIES

- A. Ka Pouhana, with the assistance of OHA's attorneys and investment advisors, shall develop revisions to the NHTFIPS for consideration by the Board to establish: (1) an index-based blended expected return and (2) a routine procedure to set up to revisit and update the short-term and long-term return targets and (3) a plan to separate Legacy and Programmatic Lands from Commercial Lands.
- **B.** Ka Pouhana, with the assistance of OHA's attorneys and investment advisors, shall develop for consideration by the Board: (1) other changes in the NHTFIPS or procedures, if any are required by this action item, and (2) policies and procedures to manage the real estate and equity assets.
- **C.** The policies and procedures for management of OHA's real estate investments shall be congruent with OHA's Real Estate Vision, Mission and Strategy ("VM&S"), which state that OHA's Board and staff shall model best practices in the stewardship of OHA's real estate involvements.
- **D.** Ka Pouhana shall develop an updated VM&S for the Board's consideration, which should be consistent with OHA's mission, values, objectives, and resources, and a HDIP Strategic Plan to guide the implementation of the HDIP's real estate strategy regarding the acquisition, development, management, and disposition of OHA's properties.
- E. Ka Pouhana shall develop a real estate implementation plan for BOT approval. Together, the policy and the plan should describe a robust real estate management program. The policy and plan must address, at a minimum:
 - 1. Debt and spending policies.
 - 2. Investment objectives and priorities.
 - 3. Economic and cultural objectives, including methods for balancing these objectives.
 - 4. Performance standards for OHA staff and external consultants, managers, or advisors.

RM #19-07

Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies

- 5. Asset allocation guidelines and portfolio composition targets, if appropriate.
- 6. Liquidity pool and capital budget.
- 7. Real estate standards and valuation criteria.
- 8. Permissible / impermissible forms of ownership.
- 9. Permissible investments.
- 10. Prohibited investments.
- 11. Return expectations and leverage guidelines, if any.
- 12. Portfolio reporting requirements to the BOT.
- 13. Approval process and standards for implementing real estate involvements.
- 14. Acquisition standards.
- 15. Confidentiality.
- 16. Details on how the policy principles will be implemented what will be done, what resources will be used and what results are expected.
- F. Following BOT approval of the strategic and implementation plan described in D. and E., the Ka Pouhana and OHA Land Assets Paia shall create a Procedures Manual that further defines the processes and practices utilized by the OHA Staff and Advisors to manage the HDIP consistent with the policy and program.
- **G.** Ka Pouhana shall develop a plan, structure and procedures for an independent HDIP Investment Advisory Committee ("IAC"), which shall review the HDIP Strategic Plan and the business plans for each property, and develop recommendations to the BOT. The Ka Pouhana shall also propose to the Board the names of members who might serve on the HDIP IAC, for Board consideration. The proposed HDIP IAC members should (a) share the values of and are committed to OHA's strategic objectives; (b) understand the OHA Real Estate Vision, Mission and Strategy and agree with the Strategy and associated policies; (c) can participate confidentially and impartially in discussions independently of their active real estate involvements; and (d) have experience in real estate management, investing, and capital budgeting.
- H. Ka Pouhana, with the assistance of OHA's attorneys and investment advisors, shall develop policies for OHA's equity investments in Hawai'i businesses ("mission-related investments" or "MRI") for consideration by the BOT, and procedures to implement the equity investment policy. The policies and procedures should address, at a minimum:
 - i. Purpose / objectives of the investments. The purposes and objectives should be consistent with the following OHA goals: to further OHA's strategic plan by making investments with the potential to create sustainable economic activity for Native Hawaiians and, secondarily, to produce a return that meets or exceeds the designated benchmark return while maintaining appropriate risk parameters.
 - ii. The scope of permissible investments, including geographic and other limitations.
 - iii. Qualifications for MRI, including the type of businesses.
 - iv. Limitations on the amounts available for investment.
 - v. Standards.

Office of Hawaiian Affairs 560 N Nimitz Hwy. Ste. 200 Honolulu, HI 96817

Action Item Vote

COMMITTEE ON RESOURCE MANAGEMENT (RM)	DATE: May 22, 2019 Time of Motion: Passed at 11:01am
	conomic Development, Debt Management,
Spending and Investment and R	eal Estate Policies
	velopment Policy, noting that Administration will
	ion procedures for Board action; ent Policynoting that Administration will return
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B. Approve the Debt Managem with the implementation pro C. Acknowledge the Spending Trust Fund (NHTF) Spendin return with consolidated poli	ent Policy, , noting that Administration will return ocedures for Board action; Policy language and the existing Native Hawaiiar og policy, as Amended, noting Administration wil icy document for Board action; and
 B. Approve the Debt Managem with the implementation pro C. Acknowledge the Spending Trust Fund (NHTF) Spendin return with consolidated polition D. Acknowledge the Investmen NHTF Investment and Real E 	ent Policy, , noting that Administration will return ocedures for Board action; Policy language and the existing Native Hawaiiar og policy, as Amended, noting Administration wil

MEANS OF FINANCING:

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LEI	AHU ISA						X
KALEI	ΑΚΑΚΑ			X			
KELI'I	AKINA			X			
BRENDON KALEIAINA	LEE						X
HULU	LINDSEY			X			
ROBERT	LINDSEY, JR.			X		······	
COLETTE	MACHADO			X			
JOHN	WAIHEE			X			
CHAIR DAN	AHUNA			X			

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Office of Hawaiian Affairs Board of Trustee Meeting May 30, 2019 9:30 am

IV. New Business

B. Committee on Resource Management

2. Action Item RM #19-08: Approval of Resolutions of the Board of Trustees Office of Hawaiian Affairs, Reorganization Documents, and LLC Manager Position Description relating to Hi'ilei Aloha LLC and Ho'okele Pono LLC.[†]

* - The committee report for IV.B.2. will be forwarded to the Board of Trustees following its approval at the RM Committee Meeting scheduled for May 29, 2019.

Office of Hawaiian Affairs Board of Trustee Meeting May 30, 2019 9:30 am

- IV. New Business*
 - C. Joint Committees on Beneficiary Advocacy and Empowerment and Resource Management
 - 1. Administration's presentation and recommendation to the JOINT BAE/RM Committee to review and approve action item BAE/RM #19-04; related to Community Grant recommendations.

MEETING OF THE COMMITTEE ON RESOURCE MANAGEMENT COMMITTEE REPORT

May 22, 2019

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

Madame Chair Machado,

Your Joint Committees on Resource Management and Beneficiary Advocacy and Empowerment, having met on May 22, 2019 and after full and free discussion, recommends approval of the following action to the Board of Trustees:

- A. Approve the Economic Development Policy, noting that Administration will return with the implementation procedures for Board action;
- B. Approve the Debt Management Policy, noting that Administration will return with the implementation procedures for Board action;
- C. Acknowledge the Spending Policy language and the existing Native Hawaiian Trust Fund (NHTF) Spending policy, as Amended, noting Administration will return with consolidated policy document for Board action; and
- D. Acknowledge the Investment and Real Estate Policy language and the existing NHTF Investment and Real Estate Vision, Mission, and Strategy policies, noting Administration will return with consolidated policy document(s) for Board action.

Relevant attachments are included for your information and reference. Attachment(s):

- 1) Action Item RM #19-07
- 2) RM #19-07 Roll Call Sheet

Committee on Resource Management for May 22, 2019 Page 1 of 2

Respectfully submitted:

Trustee, Chair Dan Ahuna

Trustee John Waihe'e, IV, Member

Excuse

Trustee Leina'ala Ahu Isa, Member

Trustee Robert Lindsey, Member

Carmen Hulu Lindsey, Member

Colline y Machado Trustee Colette Machado, Member

Excuse

Trustee Brenden Lee, Member

Trustee Keli'i Akina, Member

Trustee Kalei Akaka, Member

Committee on Resource Management for May22, 2019 Page 1 of 2

PHONE (808) 594-1888

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



STATE OF HAWAI'I OFFICE OF HAWAIIAN AFFAIRS

MEETING OF THE COMMITTEE ON RESOURCE MANAGEMENT

DATE: Wednesday May 22, 2019 TIME: 10:00 am PLACE: OHA Board Room, Nā Lama Kukui 560 N. Nimitz Hwy., Suite 200 Honolulu, HI 96817

AGENDA

- I. Call to Order
- II. Public Testimony*
- III. New Business
 - A. RM #19-07: Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies

IV. Adjournment

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

Notice: Persons wishing to provide testimony are requested to submit 13 copies of their testimony to the Chief Executive Officer at 560 N. Nimitz. Suite 200, Honolulu, HI, 96817 or fax to 594-1868, or email BOTmeetings@oha.org 48 hours prior to the scheduled meeting.

Persons wishing to testify orally may do so at the meeting, provided that oral testimony shall be limited to five minutes. Notice: The 72 Hour rule, pursuant to OHA BOT Operations Manual, Section 49, shall be waived for distribution of new committee materials.

Trustee Dan Ahuna Chairperson, Committee on Resource Management

Dat

OFFICE OF HAWAIIAN AFFAIRS

Action Item Committee on Resource Management May 22, 2019

RM #19-07

Action Item:

Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies

Prepared by:

Ka Pou Nui, Chief Operating Officer

Sylvia Hussey, Ec

Reviewed by:

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

Reviewed by:

Dan Ahuna Committee on Resource Management, Chair

Reviewed by:

Robert K. Lindsey, Jr. Committee on Resource Management, Vice Chair

5 16 19 Date

Date

5/16/19

5/17
I. Proposed Action

Administration recommends the Board of Trustees (BOT):

- A. Approve the **Economic Development Policy**, noting that Administration will return with the implementation procedures for Board action;
- B. Approve the **Debt Management Policy**, noting that Administration will return with the implementation procedures for Board action;
- C. Acknowledge the **Spending Policy** language and the existing Native Hawaiian Trust Fund (NHTF) Spending Policy, as Amended, noting Administration will return with a consolidated policy document for Board action; and
- D. Acknowledge the **Investment and Real Estate Policy** language and the existing NHTF Investment and Real Estate Vision, Mission, and Strategy policies, noting Administration will return with consolidated policy document(s) for Board action.

II. Issue

Whether the BOT should take action on the four policies associated with the Fiscal Sustainability Plan (FSP): Economic Development, Debt Management, Spending and Investment and Real Estate.

III. Background¹ and Context

Overview. In 2016 OHA understood the need to become fiscally sustainable. Fiscal sustainability was defined as the ability of a government or government agency to sustain its current rate of spending, revenue and other policies in the long run. To do this, OHA needed to change the way it operated and therefore began implementing the Fiscal Sustainability Plan ("FSP"). To propel OHA's progress in these efforts, the Committee formed five work groups representing the BOT, OHA Administration, and staff experts to address five main areas that may pose risks to OHA's fiscal sustainability. The five areas were: spending policy, pension benefits, legal and taxable structure, Department of Hawaiian Home Lands, and real estate investment.

Disclaimer

Source: Fiscal Year 2018-2019 Summary, Next Steps Checklist, May 2019, transmitted via letter dated May 15, 2019 .

The information contained in this report is confidential to the Office of Hawaiian Affairs ("OHA") and may not be disclosed without the express written consent of OHA Board of Trustee ("BOT") Chair, Resource Management ("RM") Committee Chair, OHA executive management, and Spire Hawai'i LLP ("Spire"). This information is intended solely for the use of OHA and is not intended to be, and should not be, used by anyone other than OHA. This report should not be used for any other purposes or reproduced in any form that is inconsistent with its intent or is not authorized. If you are not authorized, please note that the use, further transmission, or disclosure of the contents of this report is strictly prohibited. Under the standards promulgated by the American Institute of Certified Public Accountants ("AICPA"), Spire considers all material confidential. However, we defer to OHA counsel on the issue of whether any material is subject to disclosure under Statelaw.



Each group started by conducting a risk assessment, and analyzing the risks that may prevent OHA from achieving its objectives in each area. The work groups developed suggested action steps to implement the changes in OHA operations, organization, and management reporting needed to address these risks, and discussed the pros and cons of each suggestion. The working groups were

precedent-setting, and marked the first time the Board and the Administrative engaged in intensive collaboration. The participants overwhelmingly endorsed the working group effort as innovative and satisfying. Due to resource constraints the work groups had their last meetings in December 2017, however, it is important to note the important tasks identified by the groups that have not been completed.

In response to the State Auditor, OHA stated that it would "[h]ave the FSP Working Groups continue to: (a) develop and narrow down possible solutions, (b) meet with key stakeholders for input, (3) develop long- and short- terms plans that identify the monetary sources and staffing needs for implementation, and assess the risks of potential challenges and how to address them. More specifically, the Spending policy working group will recommend clearer definitions, purposes, and procedures; specifics for periodic policy review; alignment with budget planning; a maximum cap; and appropriate spending rate. The Spending Policy and Real Estate working groups will discuss improvements to the IPS and consideration of an investment policy that would apply to real estate investments."

Even if the working groups are currently inactive, it is essential that the tasks they identified be completed to fulfill this commitment to the Auditor. Given the prospective audit schedule, it is important that significant progress be made within the next six to 12 months. (Note: The Audit Analysis consists of estimates for the timing of potential audits in the future, summaries of the State Auditor's findings, summaries of the State Auditor's recommendations for action by the Board and the Administration and OHA's commitments for action, as stated in the Auditee Response.)

Working Groups. The following section describes the objectives of each working group, the short- and long-term tasks identified by each group, the support provided by Spire to the group and what needs to be done (next steps) in order to address the working group tasks. the next steps are presented in table form. Each table has "objectives" that are relatively broad, and specific "items" within the scope of the objective. The tables enable each item to be checked off as it is

completed. There is also an "objective" check off that can be marked once all items have been completed. (Note: This is not intended as an exhaustive checklist, as other items that need to be completed may be identified during implementation.)

Real Estate Investment Working Group. Objective of the working group: To (1) establish a robust real estate management and investment plan, (2) create optimal organizational structures and real estate system and (3) formulate recommendations for proactive action, if necessary.

Short- and long-term tasks identified by the working group:

Short-term: Hold workshop for trustees re: alternative business forms for real property development

Long-term: Develop policies that support real estate investment

Work completed by the working group: The group discussed the current state of OHA's asset management. It also discussed the need for a board workshop to (1) provide the status of current development projects, (2) explain the present and potential obstacles to development, (3) obtain board input about critical issues, such as timeline and governance (use of LLCs, board involvement in project execution).

Spending Policy Working Group. Objective of the working group: The purpose of this work group was to review OHA's Spending Policy (including the Fiscal Reserve Guidelines) and other OHA fiscal policies to identify changes that need to be made to address present and future needs.

Short- and long-term tasks identified by the working group:

Short-term:

- 1. Revise spending policy and fiscal reserve guidelines to address audit findings
- 2. Determine appropriate spending rate formula to serve OHA objectives

Long-term:

- 1. Revise IPS and HDAP to accommodate present and future investment strategies, present to BOT for adoption
- 2. Develop spending and debt policies applicable to real estate investments and OHA operations

Work completed by working group: The group researched and discussed policy and legal issues to be considered by OHA, so that it can operate within the State structure while it retains its autonomy, ability to form entities, and manages its funds. These discussions included:

- Potential legislative changes that could be made to provide OHA greater autonomy, based on statutory autonomy and exemptions enjoyed by other semi-autonomous agencies of the State (UH, HCDA, HTDC).
- Methodology for separating the core and non-core functions of OHA and discussion about whether different funding and withdrawal rules should apply to each.

• Analysis of the fiscal reserve the State Auditor's findings concerning it, and how it could be revised to address the audit findings.

Legal and Taxable Structure Working Group. Objective of the working group: The objective of the working group was to identify the optimal legal and reporting structure of OHA's business development functions.

Short- and long-term tasks identified by the working group:

- Short-term: Refine Decision Matrix and Decision Tree with the assistance of legal counsel, present to the RM Committee/BOT for adoption as decision making tools
- Long-term: Develop guidance regarding OHA's role (funder v. intermediary v. direct services) to guide strategic planning and OHA operations (such as for budgeting and spending)

Work completed by the working group: The group discussed OHA's future needs for LLCs or other business forms, defined foundational principles OHA should consider when using business forms, drafted a decision tree and matrix and drafted subsidiary plan guidelines.

Pension Benefits Working Group. Objectives of the working group: The purposes of this working group were to verify the accuracy of OHA's pension liability and conduct discussions with Budget and Finance (B&F) and Employee Retirement System (ERS) to adjust any discrepancies and determine if OHA can moderate the pace of future increases.

Short- and long-term tasks identified by the working group:

- Short-term: Formulate legislative proposals for 2018
- Long-term: Analyze pension and benefit costs, develop recommendations (as appropriate), present recommendations to Administration and RM Committee/BOT (as appropriate)

Work completed by the working group: The group discussed legislative strategy, provided assessments on the EUTF's ability/inability to quantify OHA obligations and developed initial information requests that were sent to the EUTF.

DHHL Working Group. Objectives of the working group: The purposes of this working group were to identify the likely solutions to resolve issues in the Department of Hawaiian Home Lands (DHHL) Memorandum of Agreement (MOA), identify the likely scenarios to refinance the annual cash payment obligation and formulate recommendations for proactive action, if any.

Short- and long-term tasks identified by the working group:

Short-term: Identify deliverables with DHHL, implement recommendations for improved oversight

Long-term: Develop debt policy and standards for incurring long-term obligations

Work completed by working group: Discussed the status of the DHHL and OHA MOA. Since the OHA internal legal opinion stated that nothing could be done regarding the MOU, the working group terminated further discussion. However, the group recommended consideration of a debt policy to prevent future agreements like the MOA.

IV. Policy Review and Analysis²

Overview. During this fiscal year, Spire developed policies concerning the following subjects in response to needs identified by OHA as necessary in mission-critical areas and conducted workshops and other training regarding the policies. The policies were:

- Spending
- Debt Management
- Investment and Commercial Real Estate
- Economic Development
- Fiscal Stabilization

These policy revisions have the following long-term objective of proposing a distinct potential direction for OHA as an organization as it relates to who it is:

- A primary State agency that provides services and programs to Native Hawaiians (HRS Chapter 10-3)
- A semi-autonomous State agency which relies on self-funding (Legislative opinion)
- A State agency to assist Native Hawaiians in the pursuit of sovereignty and self-governance (Act 195).

Copies of the policies, with the exception of Fiscal Stabilization, are found at Attachments 1 to 4.

² Source: Fiscal Year 2018-2019 Summary, Next Steps Checklist, May 2019, transmitted via letter dated May 15, 2019.

Disclaimer

The information contained in this report is confidential to the Office of Hawaiian Affairs ("OHA") and may not be disclosed without the express written consent of OHA Board of Trustee ("BOT") Chair, Resource Management ("RM") Committee Chair, OHA executive management, and Spire Hawai'i LLP ("Spire"). This information is intended solely for the use of OHA and is not intended to be, and should not be, used by anyone other than OHA. This report should not be used for any other purposes or reproduced in any form that is inconsistent with its intent or is not authorized. If you are not authorized, please note that the use, further transmission, or disclosure of the contents of this report is strictly prohibited. Under the standards promulgated by the American Institute of Certified Public Accountants ("AICPA"), Spire considers all material confidential. However, we defer to OHA counsel on the issue of whether any material is subject to disclosure under Statelaw.

RM #19-07

Action regarding Economic Development, Debt Management, Spending and **Investment and Real Estate Policies**

As of February 2018, the BOT placed a moratorium on the use of the Fiscal Reserve³

Board Governance Framework. In January 2019, the Board approved the formation of a permitted interaction group (PIG) to: Investigate various elements of governance frameworks and models, including but not limited to cultural, indigenous, native, national and international contexts. In April 2019, the Board approved the PIG's recommendation to approve 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).



³ Moratorium on Fiscal Reserve Spending, RM 18-03 Al.pdf, February 2018

RM #19-07

Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies

Economic Development Policy. 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.

Economic Development Policy



- Requires Administration to develop policies for analyzing and selecting economic development projects
- Requires Administration to develop performance standards for staff and consultants, and define permissible and impermissible projects
- Requires the Administration to develop criteria for selecting operating structures (such as LLCs and partnership)

 Requires Administration to develop policies for analyzing and selecting economic development projects

• Requires Administration to develop performance standards for staff and consultants, and define permissible and impermissible projects

• Requires the Administration to develop criteria for selecting operating structures (such as LLCs and partnership)

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.

A lack of due diligence, a lack of standards and a lack of criteria result may occur when there is no clear policy.

Because this is a new policy, implementation procedures are provided to effect this policy's launch.

Debt Management Policy.

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

Debt Management Policy

spire



- Defines purpose for debt Section III
- Defines debt Section II
- Does not allow debt that is more than needed, and requires the debt to be secured as close to the date of expenditure as possible
- Requires debt to improve net worth or generate value, including cultural value
- Prohibits debt without a repayment solution, requires debt to be taken against an asset only for financial gain, requires due diligence prior to issuing debt
- Requires debt study every two years
- Requires administration to develop procedures to implement policy



possible, unless there are practical reasons to issue sooner, in which cases such reasons should be documented and approved by the Board.

- Defines purpose for debt
- Defines debt
- Does not allow debt that is more than needed, and requires the debt to be secured as close to the date of expenditure as possible
- Requires debt to improve net worth or generate value, including cultural value
- Prohibits debt without a repayment solution, requires debt to be taken against

an asset only for financial gain, requires due diligence prior to issuing debt

- Requires debt study every two years
- Requires administration to develop procedures to implement policy
- 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.
- 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.



 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.

A lack of repayment plans and dedication of funds, use of debt to cover operational costs and lack of diligence required to assume debt may occur when there is no clear policy.

Because this is a new policy, implementation procedures are provided to effect this policy's launch.

RM #19-07 Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies



Spending Policy. It is the policy of the Board that, in order to prioritize and manage its own spending, OHA must differentiate spending for core functions (required by law) from spending for noncore functions (not required by law, but related to OHA's mission of improving and servicing beneficiaries).

OHA's Spending Policy revisions are required because the two types of functions require different priorities and funding sources. Further, OHA should implement cost center reporting to identify the costs incurred at the service and activity level, for better management of financial resources, budgeting and reporting.

Investment and Real Estate Policy. The purposes of this policy are to (1) ensure that real estate assets and equity interests of the Office of Hawaiian Affairs ("OHA") are managed differently from its

financial security assets, (2) establish a process for setting an appropriate and achievable blended return goal for financial security assets, real estate assets, and other assets, (3) establish a real estate advisory committee to provide real estate expertise, and (4) direct Ka Pouhana to propose robust policies and procedures to manage the real estate and equity interest portfolio with the assistance of the real estate advisory committee and other experts. The rationale for each purpose is summarized below.

The existing Native Hawaiian Trust Fund Spending Policy, as amended, will need to be combined, aligned, harmonized and edited to produce a new document for Board action.



OFFICE OF HAWAIIAN AFFAIRS

NATIVE HAWAIIAN TRUST FUND SPENDING POLICY, AS AMENDED

Adopted by the Beard of Trustees, September 15, 2004 Amended and adopted by the Beard of Trustees on July 5, 2006 Amended and adopted by the Beard of Trustees on May 21, 2009 Reviewed with no mudifications by the Beard of Trustees on April 18, 2012 Amended and adopted by the Beard of Trustees on February 27, 2014

RM #19-07

Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies

It is the policy of the Board that OHA's investment policy be modified to include the following attributes:

- Separates management of commercial real estate from financial securities;
- Requires development of a blended rate and regular updating of the rate;
- Establishes a real estate advisory committee (HDIP committee);
- Requires the Administration to develop a robust real estate policy; and
- Requires the Administration to develop criteria for equity investments.

Investment Policy Changes and Real Estate Policy

The purposes of this policy are to (1) ensure that real estate assets and equily interests of the Office of Hawaiian Affairs (*OHA*) are managed differently from its financial security assets, (2) establish a process for setting an appropriate and achievable blended return goal for financial security assets, real estate assets, and other assets, (3) establish a real estate advisory committee to provide real estate expertise, and (4) diment Ka Poulama to propose robust policies and procedures to manage the real estate advisory committee and equity interest portfolio with the assistance of the reat estate advisory committee and other experts. The rationale for each purpose is summarized below.

It is the policy of the Board that OHA's investment policy be modified to include the following attributes:

- A. Separate management of the real estate assets and equity interests from the financial security assets
- B. Maintain an appropriate and achievable blended return goal for financial security assets, real estate assets, and other assets
- essets, and other assets C. Consult with an expert real estate
- advisory committee D. Develop a robust real estate plan



Applying the same investment strategy to all types of assets

Reliance on financial asset performance on building value

Making decisions without the correct level of experience

spire

Without the proposed changes to established policy, applying the same investment strategy to all types of assets, reliance on financial asset performance on building value and making decisions without the correct level of experience poses challenges to the implementation of existing policy.



The existing Real Estate Vision, Mission and Strategy Policy, will need to be combined, aligned, harmonized and edited to produce a new document for Board action. The existing Native Hawaiian Trust Fund Investment Policy Statement will need to be combined, aligned, harmonized and edited to produce a new document for Board action.



IV. Certification of Funding Availability

N/A - no funding required for action item.

V. Recommended Action(s)

Administration recommends the Board of Trustees (BOT):

- A. Approve the **Economic Development Policy**, noting that Administration will return with the implementation procedures for Board action;
- B. Approve the **Debt Management Policy**, noting that Administration will return with the implementation procedures for Board action;
- C. Acknowledge the **Spending Policy** language and the existing Native Hawaiian Trust Fund (NHTF) Spending Policy, as Amended, noting Administration will return with a consolidated policy document for Board action; and
- D. Acknowledge the **Investment and Real Estate Policy** language and the existing NHTF Investment and Real Estate Vision, Mission, and Strategy policies, noting Administration will return with consolidated policy document(s) for Board action.

VI. Alternatives

Take no action.

VII. Time Frame

This action shall be effective immediately upon approval by the BOT.

VIII. Attachments

- 1. Economic Development Policy
- 2. Debt Management Policy
- 3. Spending Policy
- 4. Investment and Real Estate Policy

ECONOMIC DEVELOPMENT POLICY

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 Pouhana 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

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.

RM #19-07 Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies

Attachment #1

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.

Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies

DEBT MANAGEMENT POLICY

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 longterm 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.

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 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 10-36, 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 address, at a minimum

- 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.

RM #19-07

Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies

Attachment #3

SPENDING POLICY

I. PURPOSE

The purpose of this policy is to direct changes to the OHA Spending Policy ("Policy") to effect the directives in Hawai'i Revised Statutes ("HRS") sections 10-1(b) and 10-3(3) and (4) and improve its financial management processes.

II. POLICY

It is the policy of the Board that, in order to prioritize and manage its own spending, OHA must differentiate spending for core functions (required by law) from spending for non-core functions (not required by law, but related to OHA's mission of improving and servicing beneficiaries). OHA's Spending Policy revisions are required because the two types of functions require different priorities and funding sources.

Further, OHA should implement cost center reporting to identify the costs incurred at the service and activity level, for better management of financial resources, budgeting and reporting.

III. AUTHORITY

Ka Pouhana is delegated the authority to develop the proposed Spending Policy revisions and the procedures necessary to implement the Spending Policy revisions. 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

Ka Pouhana shall develop, for approval by the Board, proposals to amend the Spending Policy to accomplish the purposes of this policy. The policies and procedures shall model best practices and must address, at a minimum:

- 1. Procedures for defining whether programs and projects are core and non-core programs.
- 2. Procedures for prioritizing programs and projects based on their classification of core and non-core.
- 3. Procedures for implementing and prioritizing programs and projects based on their classification of core and non-core.
- 4. Procedures for implementing cost center budgeting and reporting.

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.

INVESTMENT AND REAL ESTATE POLICY

I. PURPOSE

The purposes of this policy are to (1) ensure that real estate assets and equity interests of the Office of Hawaiian Affairs ("OHA") are managed differently from its financial security assets, (2) establish a process for setting an appropriate and achievable blended return goal for financial security assets, real estate assets, and other assets, (3) establish a real estate advisory committee to provide real estate expertise, and (4) direct Ka Pouhana to propose robust policies and procedures to manage the real estate and equity interest portfolio with the assistance of the real estate advisory committee and other experts. The rationale for each purpose is summarized below.

II. POLICY

It is the policy of the Board that OHA's investment policy be modified to include the following attributes:

A. Separate management of the real estate assets and equity interests from the financial security assets

The Board's first directive is to separate the management of real property and equity interest assets of the Native Hawaiian Trust Fund ("NHTF") from the financial securities assets in the NHTF. Currently, OHA has only one investment policy that covers all assets, while best practices promote individual consideration of asset classes to manage investment risk. The management of real estate assets is governed by the Hawai'i Direct Investment Policy ("HDIP"), which is a policy that resides within the Native Hawaiian Trust Fund Investment Policy Statement ("NHTFIPS"). However, as noted by the State Auditor, the HDIP is not a robust real estate policy. It is also out-of-date, as it refers to the prospective acquisition of OHA headquarters, which has already occurred with the acquisition of Nā Lama Kukui. The transfer of all real property and equity interest assets into a discrete portfolio with the appropriate policies will result in more effective and efficient management of these assets. The separation of real estate (including equity interests) from securities, is consistent with best practices and the Kamehameha Schools' structure for asset investment management, which separates real estate from other financial assets.

B. Maintain an appropriate and achievable blended return goal for financial security assets, real estate assets, and other assets

The Board's second directive is to ensure the OHA return benchmarks are appropriate, are regularly reviewed, and are realistic. This purpose addresses the current deficiency that there is no requirement to regularly update return targets, and that targets are set for assets that have little potential to generate such returns, like legacy and programmatic lands.

C. Consult with an expert real estate advisory committee

The Board's third directive is to establish a real estate advisory committee to provide OHA expertise in real estate matters. The advantages of adding a real estate committee are to provide OHA with expert real estate guidance, assist the BOT in meeting its fiduciary duties to

beneficiaries, and improve the quality of analyses when making decisions. The establishment of a separate committee acknowledges that real estate and financial securities assets are not alike and need to be managed using different expertise.

D. Develop a robust real estate plan

The State Auditor has noted that OHA requires a robust real estate plan. The fourth directive is for OHA to require the development of a real estate plan, including guidelines to manage OHA's real property portfolio based on best practices, which consider value, purpose, and utilization.

It is contemplated that revisions to the NHTFIPS and the HDIP should be developed as part of the ongoing review of these policies by the Administration and its attorneys and investment advisors.

III. SCOPE & AUTHORITY

Ka Pouhana 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. DRAFT POLICIES AND PROCEDURES TO IMPLEMENT THE POLICIES

- A. Ka Pouhana, with the assistance of OHA's attorneys and investment advisors, shall develop revisions to the NHTFIPS for consideration by the Board to establish: (1) an index-based blended expected return and (2) a routine procedure to set up to revisit and update the short-term and long-term return targets and (3) a plan to separate Legacy and Programmatic Lands from Commercial Lands.
- **B.** Ka Pouhana, with the assistance of OHA's attorneys and investment advisors, shall develop for consideration by the Board: (1) other changes in the NHTFIPS or procedures, if any are required by this action item, and (2) policies and procedures to manage the real estate and equity assets.
- **C.** The policies and procedures for management of OHA's real estate investments shall be congruent with OHA's Real Estate Vision, Mission and Strategy ("VM&S"), which state that OHA's Board and staff shall model best practices in the stewardship of OHA's real estate involvements.
- **D.** Ka Pouhana shall develop an updated VM&S for the Board's consideration, which should be consistent with OHA's mission, values, objectives, and resources, and a HDIP Strategic Plan to guide the implementation of the HDIP's real estate strategy regarding the acquisition, development, management, and disposition of OHA's properties.
- E. Ka Pouhana shall develop a real estate implementation plan for BOT approval. Together, the policy and the plan should describe a robust real estate management program. The policy and plan must address, at a minimum:
 - 1. Debt and spending policies.
 - 2. Investment objectives and priorities.
 - 3. Economic and cultural objectives, including methods for balancing these objectives.
 - 4. Performance standards for OHA staff and external consultants, managers, or advisors.

RM #19-07

Action regarding Economic Development, Debt Management, Spending and Investment and Real Estate Policies

- 5. Asset allocation guidelines and portfolio composition targets, if appropriate.
- 6. Liquidity pool and capital budget.
- 7. Real estate standards and valuation criteria.
- 8. Permissible / impermissible forms of ownership.
- 9. Permissible investments.
- 10. Prohibited investments.
- 11. Return expectations and leverage guidelines, if any.
- 12. Portfolio reporting requirements to the BOT.
- 13. Approval process and standards for implementing real estate involvements.
- 14. Acquisition standards.
- 15. Confidentiality.
- 16. Details on how the policy principles will be implemented what will be done, what resources will be used and what results are expected.
- F. Following BOT approval of the strategic and implementation plan described in D. and E., the Ka Pouhana and OHA Land Assets Paia shall create a Procedures Manual that further defines the processes and practices utilized by the OHA Staff and Advisors to manage the HDIP consistent with the policy and program.
- **G.** Ka Pouhana shall develop a plan, structure and procedures for an independent HDIP Investment Advisory Committee ("IAC"), which shall review the HDIP Strategic Plan and the business plans for each property, and develop recommendations to the BOT. The Ka Pouhana shall also propose to the Board the names of members who might serve on the HDIP IAC, for Board consideration. The proposed HDIP IAC members should (a) share the values of and are committed to OHA's strategic objectives; (b) understand the OHA Real Estate Vision, Mission and Strategy and agree with the Strategy and associated policies; (c) can participate confidentially and impartially in discussions independently of their active real estate involvements; and (d) have experience in real estate management, investing, and capital budgeting.
- H. Ka Pouhana, with the assistance of OHA's attorneys and investment advisors, shall develop policies for OHA's equity investments in Hawai'i businesses ("mission-related investments" or "MRI") for consideration by the BOT, and procedures to implement the equity investment policy. The policies and procedures should address, at a minimum:
 - i. Purpose / objectives of the investments. The purposes and objectives should be consistent with the following OHA goals: to further OHA's strategic plan by making investments with the potential to create sustainable economic activity for Native Hawaiians and, secondarily, to produce a return that meets or exceeds the designated benchmark return while maintaining appropriate risk parameters.
 - ii. The scope of permissible investments, including geographic and other limitations.
 - iii. Qualifications for MRI, including the type of businesses.
 - iv. Limitations on the amounts available for investment.
 - v. Standards.

Office of Hawaiian Affairs 560 N Nimitz Hwy. Ste. 200 Honolulu, HI 96817

Action Item Vote

COMMITTEE ON RESOURCE MANAGEMENT (RM)	DATE: May 22, 2019 Time of Motion: Passed at 11:01am
	conomic Development, Debt Management,
Spending and Investment and R	eal Estate Policies
	velopment Policy, noting that Administration will
	ion procedures for Board action; ent Policynoting that Administration will return
B. Approve the Debt Managem with the implementation pro C. Acknowledge the Spending	ent Policy, , noting that Administration will return ocedures for Board action; Policy language and the existing Native Hawaiiar
B. Approve the Debt Managem with the implementation pro C. Acknowledge the Spending Trust Fund (NHTF) Spendin return with consolidated poli	ent Policy, , noting that Administration will return ocedures for Board action; Policy language and the existing Native Hawaiiar og policy, as Amended, noting Administration wil icy document for Board action; and
 B. Approve the Debt Managem with the implementation pro C. Acknowledge the Spending Trust Fund (NHTF) Spendin return with consolidated polition D. Acknowledge the Investmen NHTF Investment and Real E 	ent Policy, , noting that Administration will return ocedures for Board action; Policy language and the existing Native Hawaiiar og policy, as Amended, noting Administration wil

MEANS OF FINANCING:

TR	USTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEI	AHU ISA						X
KALEI	ΑΚΑΚΑ			X			
KELI'I	AKINA			X			
BRENDON KALEIAINA	LEE						X
HULU	LINDSEY			X			
ROBERT	LINDSEY, JR.			X		······	
COLETTE	MACHADO			X			
JOHN	WAIHEE			X			
CHAIR DAN	AHUNA			X			

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Office of Hawaiian Affairs Board of Trustee Meeting May 30, 2019 9:30 am

- IV. New Business*
 - C. Joint Committees on Beneficiary Advocacy and Empowerment and Resource Management
 - 2. Action Item BAE/RM #19-05: To approve the Scope of Work and Qualification Requirements as defined in the proposed RFQ in selecting a professional executive search and consulting firm to assist the Joint BAE-RM Committees for the recruitment and selection of a Chief Executive Officer.

* - The committee report for IV.C.2. will be forwarded to the Board of Trustees following its approval at the Joint BAE/RM Committee Meeting scheduled for May 29, 2019 Office of Hawaiian Affairs Board of Trustee Meeting May 30, 2019 9:30 am

- IV. New Business*
 - C. Joint Committees on Beneficiary Advocacy and Empowerment and Resource Management
 - 3. Action Item BAE/RM #19-06: To approve and authorize the disbursement of \$40,500 from the fiscal year 2020 Core operating budget (Object code 56530) and \$40,500 from the Fiscal Year 2021 Core Operating Budget (Object Code 56530) to fund Ahupua'a O Moloka'i.

* - The committee report for IV.C.3. will be forwarded to the Board of Trustees following its approval at the Joint BAE/RM Committee Meeting scheduled for May 29, 2019

Office of Hawaiian Affairs Board of Trustee Meeting May 30, 2019 9:30 am

IV. New Business

D. Deliberation and decision making on the Report by the Permitted Interaction Group on the Development of L-Lahui policies of its findings and recommendations. *Pursuant to HRS* §92-2.5(b)(1)(C)

<u>Please insert the Report by the Permitted Interaction</u> <u>Group on the Development of L-Lahui policies. The</u> <u>report was distributed at the May 16, 2019 BOT meeting</u> <u>on Maui.</u>



I. <u>OVERVIEW</u>

Two thousand eighteen (2018) marked the end of the Office of Hawaiian Affairs' (OHA or Organization) strategic plan period, and several years of challenges within the organization, hampering the organization's abilities to more intently apply and deploy resources to "better the conditions of native Hawaiians". In the past 24 months, the following have undermined effective governance at OHA:

- **People.** Board of Trustees (BOT) interactions among themselves, with regulatory agencies (e.g., Ethics Commission, Attorney General's office), with Administration (including staff), and beneficiaries and stakeholders have diverted strategic energy, focus, time and dollars from mission critical and aligned responsibilities.
- **Policies and Plans.** Un-implemented strategic policies and plans (e.g., Post 2018 Strategic Plan, including implementation, Financial Sustainability Plan, Debt Policy, Hawaii Direct Assets Policy, LLCs) have hampered the organization's ability to advance mission critical and aligned strategies.
- **Procedures and Practices.** Audits--initiated or triggered by BOT interactions and behaviors, and completed in the normal course of regulatory and statutory requirements (e.g., Chapter 10)---have diverted trust resources (e.g., time and dollars) and highlighted procedure and practice improvements, respectively.

Given the changes and experiences in the last 24 months within the organization, the need for strengthening governance can be synthesized to a need:

- To improve the image, brand, credibility and standing in the community of the Office of Hawaiian Affairs;
- To demonstrate understanding of and accountability to the statutory, fiduciary and trust organizational responsibilities of the Office of Hawaiian Affairs via codified policies, procedures and practices;
- For explicit clarity in the roles, responsibilities and accountabilities of the Board of Trustees and Administration (including staff);
- For explicit and intentional clarity in the purposes, direction and strategic planning and implementation efforts post 2018; and
- To strengthen the organization's ability to advance mission critical and aligned strategies.

The Board of Trustees (BOT) is committed to strengthening OHA's governance framework, structure, policies, procedures and practices to more intently apply and deploy resources to "better the conditions of native Hawaiians".



II. <u>PERMITTED INTERACTION GROUP – Board Governance Framework</u>

Statutory Basis. In accordance with HRS, CHAPTER 92, PUBLIC AGENCY MEETINGS AND RECORDS §92-2.5 (b) Permitted interactions of members, (b) Two or more members of a board, but less than the number of members which would constitute a quorum for the board, may be assigned to: (1) Investigate a matter relating to the official business of their board; provided that: (A) The scope of the investigation and the scope of each member's authority are defined at a meeting of the board; (B) All resulting findings and recommendations are presented to the board at a meeting of the board; and (C) Deliberation and decision making on the matter investigated, if any, occurs only at a duly noticed meeting of the board held subsequent to the meeting at which the findings and recommendations of the investigation were presented to the board; or (2) Present, discuss, or negotiate any position which the board has adopted at a meeting of the board; provided that the assignment is made and the scope of each member's authority is defined at a meeting of the board prior to the presentation, discussion, or negotiation.

Formation. In January 2019, the Board approved the formation of a Permitted Interaction Group (PIG) to: Investigate various elements of governance frameworks and models, including but not limited to cultural, indigenous, native, national and international contexts. The PIG was established with: 1) Trustee Brendon Kalei'āina Lee as Project Sponsor and Chair; 2) Trustee

Colette Machado as Business Process Owner and Vice Chair of the PIG; and 3) Trustees Robert Lindsey¹ and John Waihe'e IV² as members. The PIG was supported by Trustee Machado, Lee, Lindsey and Waihe'e's Aides; and Administration, Ka Pouhana, Kamana'opono Crabbe, Ka Pou Nui, Sylvia Hussey and staff. The PIG, also known as the Board Governance Framework Project, implemented a project plan in five phases: Phase I – Planning; Phase II – Where are we now? (AS IS); Phase III – Proposing Elements of a Governance Framework; Phase IV – Proposing Implementation Actions; and



Phase V – Closing Project and Lessons Learned. The PIG presented the final report and recommendations to the Board of Trustees (BOT) and the BOT took action at its March 28, 2019 and April 4, 2019 meetings, respectively.

¹ Interim Chair of the Resource Management Committee at the time of the formation of the Permitted Interaction Group

² Chair of the Beneficiary, Advocacy and Empowerment Committee



Lahui Constitution, Chapter 10 By-Laws Policies Supporting Documents, Practices

formed, approved and executed PIGs:

- a. Development of L-Lāhui level policies;
- b. Alignment and update of existing BOT By-Laws;
- c. Development of T-Trustee level policies;
- d. Development of C-CEO level policies; and
- e. Alignment and update of existing Board governance documents (e.g., Executive Policy Manual, BOT Operating Manual).

On April 4, 2019, via Action Item BOT# 19-05, the Board approved the formation of a Permitted Interaction Group to investigate the development of L-Lāhui policies for OHA's Board Governance Framework.

Board Governance Framework Permitted Interaction Group Report L-Lāhui Level Policies May 2019

Five Elements of the Board Governance Framework. Via Action Item BOT# 19-04, the Board 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).

Subsequent Permitted Interaction Groups. Included in the final report, the PIG recommended implementation of the Board Governance Framework elements via the following sequenced, subsequent, newly



III. PERMITTED INTERACTION GROUP – L-Lāhui Level Policies

Permitted Interaction Group - Purview. The purview of the PIG was for the Board of Trustees (BOT), BOT staff and OHA Administration staff to work together to: (1) Investigate the development of L-Lāhui policies for OHA's Board Governance Framework, which would 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; (2) Establish consistent policy formulation, format, review and update parameters, mechanisms and processes; and (3) Integrate the developed policies into the Board Governance Framework.

Permitted Interaction Group – Members. The membership of the Permitted Interaction Group was established as follows:

- 1. Trustee Colette Machado, BOT Chairperson
- 2. Trustee Brendon Kalei'āina Lee, BOT Vice Chairperson
- 3. Trustee Robert Lindsey, RM Vice Chairperson
- 4. Trustee Carmen Hulu Lindsey
- 5. Kamana'opono Crabbe, Ka Pouhana
- 6. Sylvia Hussey, Ka Pou Nui

Trustee Lee served as the Chair of the Permitted Interaction Group; and Trustee Machado served as its Vice Chair.

Permitted Interaction Group - Term/Duration. The term of the Permitted Interaction Group expires at the completion of the assigned task, no later than May 31, 2019; or at the discretion of the Chair of the Board of Trustees, subject to later adjustment.

For purposes of the PIG, the following working definition of "governance" was used to frame the project, activities and deliverables: Establishment of policies, and continuous monitoring of their proper implementation, by the members of the governing body of an organization. It includes 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.³

³ http://www.businessdictionary.com/definition/governance.html, retrieved 1/1/2019



IV. PROJECT PLAN

Beginning with the April 4, 2019 formation, the deliverables for the PIG included L-Lāhui level policies and standard operating procedures for policy development and maintenance (i.e., a policy on policies).





V. WORKING DEFINITIONS

Beginning with each formed and completed PIG, working definitions were identified and used to aid the work of the PIG. Definitions are NOT intended to be THE, one and only, all encompassing, singular, definition, but a working definition to consistently guide the cascaded work of the Board Governance Framework. The following working definitions have been identified and are in use thus far:

Governance⁴. 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.

Policy⁵. 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; and a high-level overall plan embracing the general goals and acceptable procedures especially of a governmental body.

The project team looked to the past to inform its work, "Tired of others trying to define Hawaiians and of being "pummeled into accepting the stranger's view of ourselves as being cute, all-abiding, friendly nincompoops," John Dominis Holt's 1964 "On Being Hawaiian" described the lāhui instead as a "people with a history . . . the native connective tissue to forebears who used these islands superbly for the production of goods and the enjoyment of life." The following working definition for lāhui was informed by our past and is meant to be inclusive of broad concepts and not exclusive to specific definitions.

Lāhui⁶. 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 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."

⁴ <u>http://www.businessdictionary.com/definition/governance.html</u>, retrieved 1/1/2019

⁵ <u>https://www.merriam-webster.com/dictionary/policy</u>, retrieved 3/28/2019

⁶ Project team



VI. <u>PROJECT ACTIVITY – Aggregate L-Lāhui</u> <u>Level Policy Topics</u>

Setting Context "Lāhui Level Policy". The current status of the Lāhui Hawai'i is incredibly diverse in both values and beliefs, perhaps even more so than we were prior to the widespread introduction of Euro-American and Asian cultures of the 19th Century. The Lāhui Hawai'i, today, is perhaps the most diverse that it ever has been.



With that said, it must be understood that without the collaboration of the Lāhui itself, the policies presented here come from an initial, individual comprehension and reasoning and may not be accepted nor agreed upon by other individual members of the Lāhui. Keeping that in mind, the project team's approach has been as objective as possible.

Identifying Lāhui level policies meant identifying those traditional policies that were fundamentally Native Hawaiian – those very same policies that exemplify our identity as a unique group of peoples on Earth. Identifying Lāhui level policies also meant identifying those traditional policies with strong connections to both contemporary and future needs of Native Hawaiians.

The process for identification required the ability to understand and employ traditional policies like $n\bar{a}n\bar{a}$ i ke kumu (look to the source). Project team member(s) strove to be as comprehensive as possible with guidance from traditional policies like 'in \bar{a} e lepo ke kumu wai, e h \bar{o} 'ea ana ka lepo i kai (if the source of water is dirty, the muddy water will travel on).

Difficulties: Avoid Diminishing Hawaiian Culture. There is a saying, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (Great and numerous is the knowledge of the Hawaiian people). The most difficult part of identifying Lāhui level policies is having to account for the sheer volume of those that are imperative and then condensing them in a way that isn't as overwhelming for the purpose of OHA governance.

The danger inherent in the distillation of cultural values, beliefs, principles that guide the formation of policy is in undermining the vastness and complexity of the culture itself. The danger, in essence, is the dumbing down of a culture and its people – and it is certainly a prominent issue faced by the Lāhui Hawai'i that stems from a time where the erasure of Native Hawaiian identity was itself a government policy.

In honoring the grand scope of knowledge, project team member(s) looked for policies that were as comprehensive and encompassing as possible. Even then, however, are principles and policies so intertwined that they are better off sometimes being left unidentified – this was no more true for the policy *to aloha* than it was for any other.



A Method to the Madness. Getting to the very core of a policy was necessary. To do so, this required a constant asking of "why" (or to search for a more precursory policy). For example, in identifying *Ho 'omau* as a policy, the project team member had first identified widely accepted policies in the preservation, protection, and perpetuation of natural ('āina, wai, etc.), cultural (heiau, ko'a, etc.), and social ('ohana, 'ōlelo, iwi kupuna, health, etc.) resources. So, why do we need to protect these things? Because it is a cultural value, a policy to mālama. But, why do we maintain this policy to mālama? For the survival of our people. Why? To persist as long as we possibly can because in our existence, we may have something to offer the world: so we must *Ho 'omau*.

A Note on Time. Time is a critical notion in traditional Native Hawaiian beliefs. Certain overarching policies adopted, generally, by the Lāhui would not have any temporal constraints – they apply equally to our understanding of the past, present, and future. However, in certain beliefs, time wasn't linear, the past was carried both in the present and future. Ka wā ma mua, ka wā ma hope.

Recommendations for Lāhui-Level Policies. As the project team member(s) were trying to gain an understanding of our Lāhui's most prominent and most encompassing policies, we came to the realization that there was no simple way to express a policy bereft of its guiding principles/values/accessory policies that are often in accompaniment.

Ka 'ōlelo no ke ola, i ka 'ōlelo no ka make (in language/words there is life, in language/words there is death). We wanted to honor the wisdom of our kupuna by being as meaningful as we possibly could in the identification and expression of these policies.

Accordingly, we felt it necessary to develop some kind of preamble, an "expression of intent" that would encapsulate guiding principles and accessory policies that would further shape these identified Lāhui policies beyond their plain meaning. Truly, as our Lāhui advances with the policy to *'imi 'ike* (seek knowledge), we wanted to be sure that such a policy would always be regarded and exercised with a high degree of veneration; assurances that we have learned from history and carry our traditions forward; and progress with optimal efficiency to the greatest heights – and it so it was, that we sought to include *aloha*, $n\bar{a}n\bar{a}$ *i ke kumu*, and $k\bar{u}lia$ *i ka nu u* as guiding principles and accessory policies to each of the Lāhui policies identified.

Finally, we felt it necessary to acknowledge the vast and seemingly infinite scope of knowledge possessed by the Lāhui, while also recognizing that this list of policies is a snapshot of one perspective – among many – and at a single instance of time – that may not align with other perspectives and may certainly change as the Lāhui continues to evolve.

Offered Expressions of Intent, Team Member A. We, as Lāhui Hawai'i, are descendants of our ancestral lands from time immemorial and we share a common identity based on culture, language, traditions, history, and ancestry. We *mālama* our '*āina* and affirm our ancestral rights and *kuleana* to all lands, waters, and resources of our islands and surrounding seas of *Ka Pae 'Āina*. We also recognize that our homelands also extend to where the Kanaka is. We are united in our desire to cultivate the full expression of our traditions, customs, innovations, and beliefs of our living culture.



These policies seem to promote *pono* policies and practices that protect and perpetuate our natural, cultural, and social resources, as well as the well-being of our people and the '*āina* that sustains us.

OHA recognizes that the issues that face our beneficiaries, as members of an indigenous groups with contemporary rights to self-determination because of our continued presence on the land for millennia, and a national group based on descent for the citizenry of the modern Hawaiian Kingdom founded in the mid-19th century, will evolve in complexity in ways that cannot be forecasted in the present day. These living policies are based on an important set of virtues: intellectual humility, a sense of the complexity of the problems faced in our society, a respect for the accumulated wisdom of the past, and a willingness to rethink when necessary and when constituent with those virtues. These foundations are also meant to address future needs to meet the challenges that are simultaneously posed by mainstream society and as indigenous peoples that continue to suffer systemic oppression from unresolved injustices.

Questions of identity are at the crux of struggles for land and power in Hawai'i. The term "lāhui" provides a lens through which Hawaiian collective identity is understood and lived. In 'ōlelo Hawai'i, lāhui refers to a great number of people, sharing a common connection and a collective identity. The prefix "lā-" can be a contracted form of "lau," meaning leaf or a plant's manner of leafing out, and it is often used as a shortened name of plants. "Lau" also means many or numerous and is often used to refer to an unquantifiable number of people or beings, as in the countless descendants. "Hui" can be used as both a noun, meaning a society, organization, association, or team, and a verb, meaning to join, unite, mix, or combine. Thus, the components of the word lāhui, suggest both a singular, organic body with branches that nourish the whole and a gathering of distinct, pre-existing elements combining to form a new entity. This definition privileges a lāhui that is constituted through direct action for aloha 'āina and collective decision-making

In fulfillment of its mandate to better the conditions of Native Hawaiians, the Office of Hawaiian Affairs (OHA) recognizes these timeless policy positions that have allowed the Lāhui to triumphantly endure from time immemorial into the far unforeseeable future. In doing so, OHA further recognizes the complexities, dynamics, far-reach, and virtues embodied and interwoven within each of these policies like *aloha* and *nānā i ke kumu* (the maintained mindfulness of history and tradition) that serve to reinforce one another. Inherent in these policies is the philosophy of *nānā i ke kumu*, the value of well-being that is undeniably woven into everyone's sense of belonging. Literally translated, *nānā i ke kumu* means to "look to the source." Practicing self-reflection ensures the well-being of identity and intuition, intellect and emotion, values and beliefs, lessons learned and ancestral knowledge, all personal and professional alike.

Offered Expressions of Intent, Team Member Z. It is the year 2019, and the Lāhui, that is the coalescence of the body of the Native Hawaiian people, their culture, identity, values, beliefs, and aspirations, are continuously met by challenges both mirrored by mainstream society and reflective of those unique to a group of peoples who continue to struggle disproportionately against systemic oppression stemming from unresolved historical injustices.

In fulfillment of its mandate *to better the conditions of Native Hawaiians*, the Office of Hawaiian Affairs (OHA) recognizes these timeless policy positions that have allowed the Lāhui to triumphantly endure from time immemorial into the far unforeseeable future. In doing so, OHA



further recognizes the complexities, dynamics, far-reach, and virtues embodied and interwoven within each of these policies like *aloha*, $n\bar{a}n\bar{a}$ *i ke kumu* (the maintained mindfulness of history and tradition), and $k\bar{u}lia$ *i ka nu*^{*i*}*u* (strive for the greatest heights) in every endeavor.

OHA understands that *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people) and the breadth and scope of what it is to be Native Hawaiian can never be delimited by any list of policies or values, and represents a single perspective, among countless perspectives, in no truer measurement of our further understanding that 'a'ohe pau ka 'ike *i ka hālau ho'okahi* (not all knowledge is contained in a single school).

Policy Proposal and Analysis. The table below proposes five L-Lāhui level policies along with related descriptors and analysis.

Policy	Description	Source
E Mālama (to protect)	Rooted in traditional Hawaiian culture and beliefs is the notion of sustainability and self-sufficiency. These principles have been embodied in policies to mālama.	"Long before the Western world began to speak of conservation, the Hawaiian child was taught the precept:
	A Hawaiian proverb describes the inseparable connection between Native Hawaiians and their land: " <i>Hānau ka 'āina, hānau ke ali'i, hānau ke kanaka.</i> " Born was the land, born were the chiefs, born were the common people.	if you uproot a plant or cut down a tree, plant a new one to replace it." (<i>Nānā i Ke</i> <i>Kumu, Vol 2</i> , p.51)
	In traditional Hawaiian society, as in the rest of Polynesia, it is the duty of younger siblings and junior lineages to honor, love, and serve their elders. It is the reciprocal duty of the elder siblings to <i>hānai</i> the younger ones, as well as to love and <i>ho'omalu</i> (protect) them. The relationship is thereby further defined: it is the ' <i>āina</i> , the <i>kalo</i> , and the <i>ali'i nui</i> who are to feed, clothe, and shelter their younger brothers and sisters, the Hawaiian people. So long as younger Hawaiians love, serve, and honor their elders, the elders will continue to do the same for them, as well as to provide for their physical needs. In Hawaiian, this perfect harmony is known as <i>pono</i> , which denotes a universe in perfect harmony.	
	Native Hawaiians, like many native peoples, "see an interdependent, reciprocal relationship between the gods, the land, and the people"indeed, Native Hawaiians trace their genealogy to Papa, the earth mother, and Wākea, the sky father. Native Hawaiians	



Board Governance Framework Permitted Interaction Group Report L-Lāhui Level Policies May 2019

Policy	Description	Source
	are related to their ' $\bar{a}ina$, to the natural forces of the world, and to <i>kalo</i> or taro, the staple food of the Hawaiian people. All are connected in a deep and profound way that infuses Hawaiian thought and is expressed in all facets of Hawaiian life. Thus, the principle of <i>mālama</i> is directly linked to conserving and protecting not only the land and its resources, but also humankind and the spiritual world.	
	Devastating diseases and Western and Asian settler colonialism and the impacts of colonization (and forced assimilation) since as early as the late 18th century have impressed upon many Native Hawaiians the need to protect our way of existence from further decline.	
	Cultural Resources	
	Iwi kūpuna (ancestral bones/burials), heiau, wahi pana (storied/legendary places), wahi kapu (sacred places), nā 'ike a me nā hana (cultural practices), historical resources.	
	Natural Resources	
	'Āina (land resources), wai (fresh water resources), kai (marine resources), lewa (atmospheric resources), lewa mawaho (space), nā hōkū 'ae'a a me nā hōkū (planets and stars), nā lā'au a me nā holoholona (plants and animals), ua (rain), makani (wind); loko i'a; konohiki fishing rights	
	Social Resources	
	'Ohana (family), kūpuna (ancestors/elders), 'ōpio (youths), kaiāulu (community), ola (health), lā'au lapa'au; 'ōlelo Hawai'i (Hawaiian language), na'auao (education), mental health, criminal justice	
	Additional Example Policy Areas	
	Climate change; ocean management; renewable energy	
E Hoʻomau (to perpetuate)	In as much as it is important to malama (protect) our resources, it is equally important to perpetuate those resources. To ho'omau (perpetuate) is a policy at the very core of Native Hawaiian existence. In fact, it	Make no ke kalo a ola i ka palili (the kalo may die, but it lives on in the young plants


Policy	Description	Source
Policy	can be said that the very need to protect and maintain our vast resources and to survive is accompanied by the need to perpetuate – to continue to live on into the future. Newspaper articles from 1900 in the Hawaiian nationalist newspaper, <i>Ke Aloha Aina</i> , discuss the concept of ho'omau in relation to protests to the US' annexation of Hawaii. In protests against annexation, the lāhui Hawai'i united in unprecedented numbers under the banner of aloha 'āina (love for their land,	Source that it produces) (Pukui, 'Ōlelo No'eau, 2107) E hoomaopopoia, eia na poe naauao o kakou iho nei a me ko na aina e ke apu mai nei i na moolelo kahiko o Hawaii nei, [a o ka] kakou poe opio naau – [naaupo or naauao] hoi, ke hoohemahema nui nei i
	their nation, and their people) to draw on the strength such feelings had given them collectively over the previous seven years since the overthrow of the monarchy in 1893. These actions should not be construed as nationalism in which the people see themselves as superior to other races but, rather, as resistance to the loss of land, identity, culture, and political power. Their love for the land was based on the traditional familial relationships to the 'āina. These articles provide us an understanding of who our kūpuna were, their concerns and goals, and the nature	keia kumu waiwai nui o ka aina oiwi. Aohe huli, aohe imi, aohe no he makemake [i] ia mau mea. Aka, no makou iho, ke hoomau nei makou i keia hana no ka makemae maoli e hoouluia a hoomauia aku ka ikeia ana o na moolelo a kaao kahiko o Hawaii nei i hiki ai ke malamaia e kakou, ka lahui
	of their struggles during a critical time a hundred years ago when Kanaka Maoli consciously and purposefully attempted to exercise their political will within the United States system. This was a time of great morning for the lāhui. At the same time, Hawai'i was beginning to be overwhelmed by soldiers and settlers from the US. The events described and discussed in these articles express a time of hope for the lāhui, not yet crushed by the reality of being a numerically powerless underrepresented peoples within the United States, nor by the oligarchy's looming metamorphosis into the Big Five, the alliance of large corporations that continue to monopolize Hawai'i's economy and	There are educated people of ours as well as others from foreign lands that are snatching up [and destroying] the ancient mo'olelo of Hawai'i, while our [un- /educated] young people are greatly neglecting this great treasure of the native land. There is no research or seeking out, nor any desire for these things. However, for ourselves, we are continuing this work of a genuine desire
	politics. These articles attempt to comfort fellow lāhui members, urging them to continue in their love for their nation, as instructed by Joseph Nāwahī on his deathbed in 1896: "E ho'omau i ke kūpa'a no ke aloha i ka 'āina." Ma kēia mau kumu a me nā kumu aku i koe, e ho'omau ai kākou i ke kūpa'a ana.	to collect and to perpetuate the knowledge of the mo'olelo and ka'ao of Hawai'i so that they can be cared for [or preserved] by us, the lāhui.



Policy	Description	Source
	<u>Example Policy Areas</u> Much of what is already listed under mālama	Noenoe K. Silva, The Power of the Steel-Tipped Pen: Reconstructing Native Hawaiian Intellectual History 153 (2007).
E Pūpūkahi i Holomua (to unite in order to progress)	The policy itself exemplifies traditional advancement through communal unity and the bringing together of communal resources – it forms the basis of so many principles traditionally backed by Native Hawaiian leadership in the most trying of times. This unity-backed progress has saw to the settlement of the Hawaiian Islands by the first Kanaka Maoli; the survival of Kanaka Maoli for millennia; the establishment of the Hawaiian Kingdom government; and the rapid adoption of technology.	'A'ohe loa'a i ka noho wale (nothing is gained by idleness) (Pukui, 'Ōlelo No'eau, 173)
	Example Policy Areas Kūkulu pilina; Economic growth; economic self- sufficiency; international engagement; home ownership; housing stability; community and real estate development;	
E 'Imi 'Ike (to seek knowledge)	 Traditionally, the lack of knowledge was a severe limitation on a person's potential. Limitless knowledge meant limitless potential. As acknowledged by the 19th century Native Hawaiian historian, Kepelino, the Native Hawaiian people were often fondly referred to as <i>Hawai'i'imiloa</i>, for their inclination toward responsible innovation. History has chronicled our rapid social-political-economic and technological advancement – notably in national security, education, healthcare, the arts and sciences, and governance. In so much as we are a people that carry our traditions with us, we are ever-evolving, and ever-seeking new frontiers. <u>Example Policy Areas</u> 	He lawaiʻa no ke kai pāpaʻu, he poʻopaʻa ka iʻa e loaʻa. (a fisherman in the shallow sea can only catch poʻopaʻa) (Pukui, ʻŌlelo Noʻeau, 726)



Policy	Description	Source
	Education; Innovation; Native Hawaiian rights; indigenous rights; technology; emerging sectors; Artificial Intelligence and automation; Proactiveness; innovation; technological advancement; trade and emerging skill development; space exploration;	
E Hoʻoulu Lāhui (to grow the Nation)	The policy to <i>ho oulu lāhui</i> is said to have been initiated by King Kalākaua at a time when the Native Hawaiian population was decreasing due primarily to foreign-introduced diseases.	One of the policies instituted by King David Kalākaua.
	Today, the concept of <i>lāhui</i> has expanded beyond simply the identification of a body of Native Hawaiians, but also extends to our culture, identity, values, beliefs, and aspirations. To grow the nation is to productively expand every facet of our society, politics, economics, and environment.	
	Example Policy Areas	
	Governance; Native Hawaiian economy; innovative Hawaiian business ownership; food security and sustainability; real estate, land, and resource acquisition and expansion; wealth; economic self- sufficiency; loans, grants, and sponsorships; asset limits; international relations; identity; culture;	

NOTE: OHA past policy areas in Values and Mana, 'Ōlelo Hawai'i, Culture, 'Āina, Wai, Native Rights, Iwi Kūpuna, 'Ohana and Community, Wahi Pana, Indigenous Rights, International Engagement, Ocean Management, and Climate Change can undoubtedly be incorporated under one or more the above-listed recommended policies. This is not to suggest that the above list is a comprehensive list of Lāhui policies – it is not. the intent here is to showcase what the project team believes to be certain Lāhui-level policies in their broadest and most encompassing form.



VII. PROJECT ACTIVITY – Draft L-Lāhui Level Policies

A preamble for each of the policies was offered as well as the original illustration below.

Preamble. In looking to the wisdom of our kupuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people); we have put forth these principles knowing that we could not foresee all that is to come in



the future, 'a'ohe pau ka 'ike i ka hālau ho'okahi (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow always mindful that aloha, nānā i ke kumu (the maintained mindfulness of history and tradition, and kūlia i ka nu'u (strive for the greatest heights) are ever present in all we endeavor to do for the lāhui.

Illustration. A team member's original illustration is offered below depicting an *ahupua'a---*a land division usually extending from the uplands to the sea, so called because the boundary was marked by a heap (ahu) of stones surmounted by an image of a pig (pua'a), or because a pig or other tribute was laid on the altar as tax to the chief. The landlord or owner of an ahupua'a might be a *konohiki--*headman of an ahupua'a land division under the chief; land or fishing rights under control of the konohiki.⁷



⁷ http://wehewehe.org/, retrieved 5/9/2019



Refer to Appendix A which provides the following draft L-Lāhui level policies:

Policy		
1. E Mālama (to protect)		
2. E Ho'omau (to perpetuate)		
3. E Pūpūkahi i Holomua (to unite in order to progress)	٢	
4. E 'Imi 'Ike (to seek knowledge)		
5. E Ho'oulu Lāhui (to grow the Nation)		



VIII. <u>PROJECT ACTIVITY – Harmonize - L-Lāhui Level</u> <u>Policies</u>

In addition to the actual L-Lāhui level policies, a "policy of policies", or a policy regarding the Development, Maintenance and Management of Policies was developed to ensure that the Office of Hawaiian Affairs (OHA) has well-developed, organized, understandable and relevant policies that: support the OHA's mission and vision; align to the Board Governance Framework;



achieve accountability by identifying the responsible offices; and provide clear and concise guidance. The policy addresses the process for developing new and maintaining and managing all of the OHA's L-*Lāhui*, T-Trustee and C-CEO level policies. An effective governance framework

considers that policies are modified from time to time for clarification of facts, circumstances, policy content, processes or organizational changes.

SOPs for Policy Development and Maintenance

Refer to Appendix B for the actual policy as well as a policy template.



IX. BOARD GOVERNANCE FRAMEWORK NEXT STEPS

Based on the approved project charter, the initial project plan and effective BOT implementation mechanisms, the PIG recommends the BOT implement the Board Governance Framework elements via the following newly formed and executed PIGs:

- A. Development of L-Lāhui level policies proposed action at the May 30, 2019 BOT meeting;
- B. Alignment and update of existing BOT By-Laws proposed formation at the May 30, 2019 BOT meeting;
- C. Development of T-Trustee level policies;
- D. Development of C-CEO level policies; and
- E. Alignment and update of existing Board governance documents (e.g., Executive Policy Manual, BOT Operating Manual).

In addition to the above proposed plans, the following PIG is proposed for formation to investigate the incorporation of completed and approved work products of the following PIGs: Governance, L-Lāhui Level Policies, Board of Trustees By-Laws, T-Level Policies, C-Level Policies, and Alignment and Update of Existing Board Governance documents.

Refer to Appendix C for project reference documents.



X. <u>MAHALO</u>

Since its approval in April 2019, Trustee PIG members and staff, Administration and staff have worked diligently to collectively bring this report and recommendations to the BOT.

Permitted Interaction Group (PIG) Trustees: Trustees Lee (PIG Chair), Machado (PIG Vice Chair), H Lindsey and R Lindsey (Members).

PIG Trustees' Staff: Zuri Aki, Lei-Ann Durant, Lōpaka Baptiste, Carol Hoomanawanui, Dayna Pa, Laurene Kaluau-Kealoha, Lehua Itokazu, Alyssa-Marie Kau, Kama Hopkins and Kaui Wailehua.

Administration: Kamana'opono Crabbe, Ka Pouhana (KP), Sylvia Hussey, Ka Pou Nui (KPN) and Project Manager; Raina Gushiken, Interim Senior Legal Counsel; Momilani Lazo, Senior Executive Assistant to KP; Laura Kamalani-Paikai, Executive Assistant to KPN, Leona Castillo, Executive Assistant to KP; Jim McMahon, Advocacy Counsel; and Ke'ala Nichols, Executive Assistant to Chief Advocate.

Mahalo piha to Trustee Aides Zuri Aki, Alyssa-Marie Kau and Lehua Itokazu who completed most, if not all, of the analysis, drafting and illustrations for the PIG's report and deliverables.

----- END OF REPORT -----



E MĀLAMA		
Subject:	Lāhui-level policy.	

Scope: The scope of this policy encompasses one of the five policies advanced by the Lāhui, as perceived by OHA.

Responsible Organizational Unit: Board

Effective Date: Original effective date of policy - TBD

Date Reviewed/Revised: Date of last revision or review of policy - TBD

Next Scheduled Review Date: Date of next scheduled review or revision, cannot exceed five years.

Policy Administrator: Board Chair

I. POLICY AND GENERAL STATEMENT

In looking to the wisdom of our kūpuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people), we have put forth these principles knowing that we could not foresee all that is to come in the future, '*a'ohe pau ka 'ike i ka hālau ho'okahi* (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow, always mindful that *aloha*, *nānā i ke kumu* (the maintained mindfulness of history and tradition), and *kūlia i ka nu'u* (strive for the greatest heights) are ever present in all that we endeavor to do for the Lāhui.

E Mālama, or more specifically, *e mālama i ko mau kumuwaiwai nui* (to protect our greatest resources) expresses OHA's recognition of the Lāhui's continued endeavor to protect our greatest social, cultural/historical, and natural resources.

II. DEFINITIONS

E Mālama means to protect or to care for.

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 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."

III. MO'OKŪ'AUHAU

Rooted in traditional Native Hawaiian culture and beliefs are concepts of sustainability and selfsufficiency. Devastating diseases and both Western and Asian settler colonialism and the impacts of colonization (and forced assimilation) since as early as the late 18th Century have impressed upon many Native Hawaiians the need to protect our way of existence from further decline. These principles reinforcing the policy of protection is deeply rooted in Native Hawaiian society; it is the duty of youth to honor, love, and serve their elders. It is the reciprocal duty of



the elders to care for, protect, and $h\bar{a}nai$ the youth. This reciprocal-familial relationship extends between Native Hawaiians and every facet of the world and life around them – from their interaction with the natural world to society and even spiritualism/religion.

Hānau ka 'āina, hānau ke ali'i, hānau ke kānaka (born is the land, born is the chief, born are the people). (Pukui, 'Ōlelo No'eau, 466).

"Long before the Western world began to speak of conservation, the Hawaiian child was taught the precept: if you uproot a plant or cut down a tree, plant a new one to replace it." ($N\bar{a}n\bar{a} i Ke$ *Kumu*, Vol 2, p.51).

IV. SCOPE AND DELEGATION OF AUTHORITY

Trustees of the Office of Hawaiian Affairs collectively maintain the sole authority to amend this policy subsequent to majority Board approval.

IV. RELATED POLICIES

Example Social Resources Policy Areas: 'Ohana (family), kūpuna (ancestors/elders), 'ōpio (youths), kaiāulu (community), ola (health), lā 'au lapa 'au; 'ōlelo Hawai 'i (Hawaiian language), na 'auao (education), mental health, criminal justice, etc.

Example Cultural Resources Policy Areas: Iwi kupuna (ancestral bones/burials), heiau, wahi pana (storied/legendary places), wahi kapu (sacred places), nā 'ike a me nā hana (cultural practices), historical resources, etc.

Examples of Natural Resources Policy Areas: 'Āina (land resources), wai (fresh water resources), kai (marine resources), lewa (atmospheric resources), lewa mawaho (space), nā hōkū 'ae'a a me nā hōkū (planets and stars), nā lā'au a me nā holoholona (plants and animals), ua (rain), makani (wind), loko i'a, konohiki fishing rights, etc.

V. CONTACTS

The Policy Administrator is:

Organizational Unit	Position
Board	Board Chair

VI. EXHIBITS

None



E HO'OMAU	Effective Date: Original effective date of
Subject: Lāhui-level policy.	policy - TBD
Scope: The scope of this policy encompasses one of the five policies advanced by the Lāhui, as perceived by OHA.	Date Reviewed/Revised: Date of last revision or review of policy - TBD
Responsible Organizational Unit: Board	Next Scheduled Review Date: Date of next scheduled review or revision, cannot exceed five years.
	Policy Administrator: Board Chair

I. POLICY AND GENERAL STATEMENT

In looking to the wisdom of our kūpuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people), we have put forth these principles knowing that we could not foresee all that is to come in the future, '*a'ohe pau ka 'ike i ka hālau ho'okahi* (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow, always mindful that *aloha*, *nānā i ke kumu* (the maintained mindfulness of history and tradition), and *kūlia i ka nu'u* (strive for the greatest heights) are ever present in all that we endeavor to do for the Lāhui.

E Ho'omau, or more specifically, *e ho'omau i ka lāhui Hawai'i* (to perpetuate the Hawaiian nation) expresses OHA's recognition of the Lāhui's continued endeavor to persist into the far future as a body of people united by common descent, history, culture, and language.

II. DEFINITIONS

E Ho'omau means to perpetuate or to persist/continue on.

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 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."

III. ΜΟ'ΟΚŪ'AUHAU

To ho'omau is a policy at the very core of Native Hawaiian existence. In fact, it can be said that the very need to protect and maintain our vast resources and to survive is accompanied by the need to perpetuate - to continue to live on into the future.



Nūpepa articles from 1900 in the Hawaiian nationalist newspaper, *Ke Aloha Aina*, discuss the concept of ho'omau in relation to protests against the United States' annexation of Hawai'i; the Lāhui united in unprecedented numbers under the banner of *aloha 'āina* (love for their land, their nation, and their people) to draw on the strength such feelings had given them collectively over the previous seven years since the overthrow of the monarchy in 1893.

These articles provide us an understanding of who our kūpuna were, their concerns and goals, and the nature of their struggles during a critical time. These articles attempt to comfort fellow lāhui members, urging them to continue in their love for their nation, as instructed by Joseph Nāwahī on his deathbed in 1896: "E ho'omau i ke kūpa'a no ke aloha i ka 'āina." (*Ke Aloha Aina*, Mar. 3, 1900, at 4).

Make no ke kalo a ola i ka palili (the kalo may die, but it lives on in the young plants that it produces) (Pukui, '*Ōlelo No'eau*, 2107).

IV. SCOPE AND DELEGATION OF AUTHORITY

Trustees of the Office of Hawaiian Affairs collectively maintain the sole authority to amend this policy subsequent to majority Board approval.

IV. RELATED POLICIES

Example Social Resources Policy Areas: 'Ohana (family), kūpuna (ancestors/elders), 'ōpio (youths), kaiāulu (community), ola (health), lā'au lapa'au; 'ōlelo Hawai'i (Hawaiian language), na'auao (education), mental health, criminal justice, etc.

Example Cultural Resources Policy Areas: Iwi kupuna (ancestral bones/burials), heiau, wahi pana (storied/legendary places), wahi kapu (sacred places), nā 'ike a me nā hana (cultural practices), historical resources, etc.

Examples of Natural Resources Policy Areas: 'Āina (land resources), wai (fresh water resources), kai (marine resources), lewa (atmospheric resources), lewa mawaho (space), nā hōkū 'ae'a a me nā hōkū (planets and stars), nā lā'au a me nā holoholona (plants and animals), ua (rain), makani (wind), loko i'a, konohiki fishing rights, etc.

V. CONTACTS

The Policy Administrator is:

Organizational Unit	Position
Board	Board Chair

VI. EXHIBITS

None.



E PÜPŪKAHI I HOLOMUA

Subject: Lāhui-level policy.

Scope: The scope of this policy encompasses one of the five policies advanced by the Lāhui, as perceived by OHA.

Responsible Organizational Unit: Board

Effective Date: Original effective date of policy - TBD

Date Reviewed/Revised: Date of last revision or review of policy - TBD

Next Scheduled Review Date: Date of next scheduled review or revision, cannot exceed five years.

Policy Administrator: Board Chair

I. POLICY AND GENERAL STATEMENT

In looking to the wisdom of our kūpuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people), we have put forth these principles knowing that we could not foresee all that is to come in the future, '*a'ohe pau ka 'ike i ka hālau ho'okahi* (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow, always mindful that *aloha*, *nānā i ke kumu* (the maintained mindfulness of history and tradition), and *kūlia i ka nu'u* (strive for the greatest heights) are ever present in all that we endeavor to do for the Lāhui.

E pūpūkahi i holomua (to unite in order to progress) expresses OHA's recognition of the Lāhui's effectiveness in advancing through united endeavor.

II. **DEFINITIONS**

E pūpūkahi i holomua means to unite in order to progress.

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 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."

ΙΙΙ. ΜΟ'ΟΚŪ'AUHAU

The policy itself exemplifies traditional advancement through communal unity and the bringing together of communal resources – it forms the basis of so many principles traditionally backed by Native Hawaiian leadership in the most trying of times.

Not solely limited to communal advancement, $p\bar{u}p\bar{u}kahi i holomua$ has been enshrined within the Hawaiian Kingdom's foreign relations endeavors that have brought prosperity to the Hawaiian Islands and the Native Hawaiian people.



This unity-backed progress saw to the settlement of the Hawaiian Islands by the first Kanaka Maoli⁸; the survival of Kanaka Maoli for millennia; the establishment of the Hawaiian Kingdom government; and the rapid adoption of technology.

'A'ohe loa'a i ka noho wale (nothing is gained by idleness) (Pukui, 'Ōlelo No'eau, 173).

IV. SCOPE AND DELEGATION OF AUTHORITY

Trustees of the Office of Hawaiian Affairs collectively maintain the sole authority to amend this policy subsequent to majority Board approval.

IV. RELATED POLICIES

Example Policy Areas: Kūkulu pilina; Economic growth; economic self-sufficiency; international engagement; home ownership; housing stability; community and real estate development; etc.

V. CONTACTS

The Policy Administrator is:

Organizational Unit	Position
Board	Board Chair

VI. EXHIBITS

None

⁸ Full-blooded Hawaiian person, <u>http://wehewehe.org</u>, retrieved 5/9/2019



	Effective Date: Original effective date of
Subject: Lāhui-level policy.	policy - TBD
Scope: The scope of this policy encompasses one of the five policies advanced by the Lāhui, as perceived by OHA.	Date Reviewed/Revised: Date of last revision or review of policy - TBD
Responsible Organizational Unit: Board	Next Scheduled Review Date: Date of next scheduled review or revision, cannot exceed five years.
	Policy Administrator: Board Chair

I. POLICY AND GENERAL STATEMENT

In looking to the wisdom of our kūpuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people), we have put forth these principles knowing that we could not foresee all that is to come in the future, '*a'ohe pau ka 'ike i ka hālau ho'okahi* (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow, always mindful that *aloha*, *nānā i ke kumu* (the maintained mindfulness of history and tradition), and *kūlia i ka nu'u* (strive for the greatest heights) are ever present in all that we endeavor to do for the Lāhui.

E 'Imi 'Ike (to seek knowledge) expresses OHA's recognition of the Lāhui's continuous seeking of knowledge to improve its status, adapt to necessary change, and to progress both responsibly and most effectively.

II. DEFINITIONS

E 'Imi 'Ike means to seek knowledge.

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 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."

III. MOʻOKŪʻAUHAU

Traditionally, the lack of knowledge was a severe limitation on a person's potential. Limitless knowledge meant limitless potential. As acknowledged by the 19th century Native Hawaiian historian, Kepelino, the Native Hawaiian people were often fondly referred to as *Hawai'i'imiloa*, for their inclination toward responsible innovation.



The search for knowledge has always been intrinsically tied to advancement and innovation. Throughout their existence, Native Hawaiians have exhibited their continuous search for knowledge through their achievements and prominence in world exploration, technological adaptation, land and resource management, and much more.

History has chronicled our rapid social-political-economic and technological advancement – notably in national security, education, healthcare, the arts and sciences, and governance. In so much as we are a people that carry our traditions with us, we are ever-evolving, and ever-seeking new frontiers.

He lawai'a no ke kai pāpa'u, he po'opa'a ka i'a e loa'a. (a fisherman in the shallow sea can only catch po'opa'a) (Pukui, 'Ōlelo No'eau, 726).

IV. SCOPE AND DELEGATION OF AUTHORITY

Trustees of the Office of Hawaiian Affairs collectively maintain the sole authority to amend this policy subsequent to majority Board approval.

IV. RELATED POLICIES

Example Policy Areas: Education; Innovation; Native Hawaiian rights; indigenous rights; technology; emerging sectors; Artificial Intelligence and automation; Proactiveness; innovation; technological advancement; trade and emerging skill development; space exploration; etc.

V. CONTACTS

The Policy Administrator is:

Organizational Unit	Position
Board	Board Chair

VI. EXHIBITS

None



E HO'OULU LĀHUI

Subject: Lāhui-level policy.

Scope: The scope of this policy encompasses one of the five policies advanced by the Lāhui, as perceived by OHA.

Responsible Organizational Unit: Board

Effective Date: Original effective date of policy - TBD

Date Reviewed/Revised: Date of last revision or review of policy - TBD

Next Scheduled Review Date: Date of next scheduled review or revision, cannot exceed five years.

Policy Administrator: Board Chair

I. POLICY AND GENERAL STATEMENT

In looking to the wisdom of our kūpuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people), we have put forth these principles knowing that we could not foresee all that is to come in the future, '*a'ohe pau ka 'ike i ka hālau ho'okahi* (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow, always mindful that *aloha*, *nānā i ke kumu* (the maintained mindfulness of history and tradition), and *kūlia i ka nu'u* (strive for the greatest heights) are ever present in all that we endeavor to do for the Lāhui.

E Ho'oulu Lāhui (to grow the Nation) expresses OHA's recognition of the Lāhui's continuous endeavor to grow and evolve and in accordance with principles of self-determination.

II. **DEFINITIONS**

E Ho'oulu Lāhui means to seek grow the Nation.

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 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."

III. ΜΟ'ΟΚŪ'AUHAU

In his campaign for the throne and throughout his rule, King David Kal'kaua maintained the slogan "E Ho'oulu Lāhui." Originally, efforts to increase the nation were compelled by the persistent decline of the ' $\bar{o}iwi$ (native) population that began with the arrival of European foreigners in the latter 18th Century.



"Increasing the nation" became a rallying point among the ali'i. At its core, the push to ho'oulu lāhui was inherently connected to procreation and proliferating the 'ōiwi population. Yet, Kalākaua's platform and rule also promoted the concept of increasing the nation in a variety of other capacities that speak to the kind of lāhui that he envisioned and was compelled to support in line with his genealogical kuleana. Kalākaua's rule allowed and demanded space for 'ōiwi ideas and practices to expand and flourish in both public and private spaces.

Increasing the cultural attributes of the lāhui reflect a framework wherein conceptions of the past are directly tied to and inclusive of the contributions made by the ancestors who lived before us, appended by those living in the present, and built upon by our children in the future. In as much as Kalākaua had sought the protection and proliferation of the Native Hawaiian population, he had also encouraged the increase of Native Hawaiian knowledge through the cultural and political institutions that he had created and through public performances and displays of his leadership.

Today, the concept of $l\bar{a}hui$ has expanded beyond simply the identification of a body of Native Hawaiians, but also extends to our culture, identity, values, beliefs, and aspirations. To grow the nation is to productively expand every facet of our society, politics, economics, and environment.

IV. SCOPE AND DELEGATION OF AUTHORITY

Trustees of the Office of Hawaiian Affairs collectively maintain the sole authority to amend this policy subsequent to majority Board approval.

IV. RELATED POLICIES

Example Policy Areas: Governance; Native Hawaiian economy; innovative Hawaiian business ownership; food security and sustainability; real estate, land, and resource acquisition and expansion; wealth; economic self-sufficiency; loans, grants, and sponsorships; asset limits; international relations; identity; culture; etc.

V. CONTACTS

The Policy Administrator is:

Organizational Unit	Position
Board	Board Chair

VI. EXHIBITS

None

----- END OF APPENDIX A -----



APPENDIX B – DRAFT Development, Management and Maintenance of Policies

Subject: Development, Maintenance and Management of Policies

Scope: The scope of this policy includes policy types-L-Lāhui Level, T-Trustee Level and C-CEO Level policies.

Responsible Office: Board

Effective Date: Original effective date of policy - TBD

Date Reviewed/Revised: Date of last revision or review of policy - TBD

Next Scheduled Review Date: Date of next scheduled review or revision, cannot exceed three years.

Policy Administrator⁹: Board Chair

I. POLICY AND GENERAL STATEMENT

The purpose of this policy is to ensure that the Office of Hawaiian Affairs (OHA) has welldeveloped, organized, understandable and relevant policies that: support the OHA's mission and vision; align to the Board Governance Framework; achieve accountability by identifying the responsible offices; and provide clear and concise guidance. This policy addresses the process for developing new and maintaining and managing all of the OHA's L-Lāhui, T-Trustee and C-CEO level policies. An effective governance framework considers that policies are modified from time to time for clarification of facts, circumstances, policy content, processes or organizational changes.

II. DEFINITIONS

Governance¹⁰. 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.

Policy¹¹. 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; and a high-level overall plan embracing the general goals and acceptable procedures especially of a governmental body.

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 "lahui."

⁹ Responsible for the programmatic, functional, or administrative areas affected by the policy/procedure.

¹⁰ http://www.businessdictionary.com/definition/governance.html, retrieved 1/1/2019

¹¹ https://www.merriam-webster.com/dictionary/policy, retrieved 3/28/2019



APPENDIX B – DRAFT Development, Management and Maintenance of Policies

we did 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."

L- Lāhui Level Policies. Articulates 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. Identifying Lāhui level policies meant identifying those traditional policies that were fundamentally Native Hawaiian – those very same policies that exemplify our identity as a unique group of peoples on Earth. Identifying Lāhui level policies also meant identifying those traditional policies with strong connections to both contemporary and future needs of Native Hawaiians.

T-Trustee Level Policies. Articulates broad, systemic, strategic, overarching policies that are attributed to OHA's Trustee role as a result of the Constitution and Chapter 10 purposes and duties (e.g., fiduciary, care, obedience, code of ethics).

C-CEO Level Policies. Guides and directs operations such as compensation, recruitment, procurement, contracting, data retention, asset protection, risk management, etc.

Procedure. A procedure is a guideline or series of interrelated steps taken to help implement the policy.

Policy Initiator. The Policy Initiator is either the Board or Chief Executive Officer (CEO) that develops a policy proposal (e.g., addition, change, deletion).

Policy Owner. The Policy Owner is the Board for L- Lāhui Level and T-Trustee Level policies. The CEO is the Policy Owner for the C-CEO Level policies. The Policy Owner's jurisdiction covers the subject matter of the policy.

Stakeholder. Stakeholders include individuals, families, entities, organizations, communities that are both internal (e.g., staff, administration, Trustees) and external (e.g., grantees, collaborators, Ali'i Trusts, State government) to the OHA, that are affected by the policy.

Policy Administrator. The Policy Administrator is the organizational unit and its leader (i.e., Board, Chair; Administration, CEO) responsible for the programmatic, functional, or administrative areas affected by the policy/procedure.



APPENDIX B – DRAFT Development, Management and Maintenance of Policies

III. MOʻOKŪʻAUHAU



The Board Governance Framework consists of the following five elements: 1) Identity; 2) Values and Mana; 3) Statutory Basis; 4) Policies; and 5) Supporting Documents and Practices (Operations), as approved by the Board of Trustees via Action Item BOT #19-04; and is the genesis and origination point of this policy.

IV. SCOPE AND DELEGATION OF AUTHORITY

The authority to approve new or changes to existing L-Lāhui and T-Trustee level policies is vested in and retained by the Board of Trustees (BOT).

The BOT delegates to the Chief Executive Officer (CEO): 1) Implementation of this policy and its programmatic, functional or administrative impacts; and 2) Responsibility to initiate the process to develop new, and maintain, manage and change existing policies; and 3) Authorization of C-CEO level policies.

IV. RELATED POLICIES

The scope of this policy applies to all policy types—L-Lāhui Level, T-Trustee Level and C-CEO Level policies.

V. CONTACTS

The Policy Administrator is:

Organizational Unit	Position	
Board	Board Chair	

VI. EXHIBITS

The attached Policy Template presents policies in a format and consistently identifies applicable elements.



APPENDIX B – DRAFT Development, Management and Maintenance of Policies

TEMPLATE

Subject: First word of Subject title should be a key word for locating the policy.

Scope: List span of policy. (To whom or what does this policy apply)

Responsible Office: Area or department responsible for implementation and/or interpretation of policy.

Effective Date: Original effective date of policy.

Date Reviewed/Revised: Date of last revision or review of policy.

Next Scheduled Review Date: Date of next scheduled review or revision. Cannot exceed three years.

Policy Administrator: OHA Executive responsible for the programmatic, functional, or administrative areas affected by the policy/procedure.

I. POLICY AND GENERAL STATEMENT

Provide a brief introduction stating the policy or position and the basis or rationale for the policy/procedure.

II. **DEFINITION**

Define any terms with specific meaning for the policy

ΙΙΙ. ΜΟ'ΟΚŪ'AUHAU

Include cultural and organizational mo'okū'auhau of how the policy statement came into development

IV. SCOPE AND DELEGATION OF AUTHORITY

Describe process to be followed, including any required controls and approval levels; what is delegated to Administration/CEO and what is not and retained by the Trustees

IV. RELATED POLICIES

List related policies, if applicable

V. CONTACTS

List the phone number and email/web address of the office and/or person who is the subject matter expert on this policy and can answer questions regarding application and interpretation of the policy.



APPENDIX B – DRAFT Development, Management and Maintenance of Policies

Organizational Unit	Position	
Board	Chair	

VI. EXHIBITS

List exhibits referenced in policy and provide links. Do not include section if no exhibits are referenced in the policy.

----- END OF APPENDIX B -----



APPENDIX C – PERMITTED INTERACTION GROUP REFERENCE LIST

The following documents are a part of the permitted interaction group reference list, including originally produced analysis, illustrations, work products and deliverables, which will be distributed post action of the Board:

APPENDIX C – PERMITTED INTERACTION GROUP REFERENCE		Classification
1.	Policy Analysis	Confidential
2.	DRAFT Papahānaumokuākea Marine National Monument Kūkulu Foundational Elements	Confidential
3.	DRAFT Papahānaumokuākea Marine National Monument Kūkulu Strategies	Confidential
4.	RM 2017-05 Kaka'ako Makai Policy	Confidential
5.	Lāhui Level Policy Analysis	Confidential
6.	BAE #15-06 Water Policy	Confidential
7.	BAE #15-07 Iwi Kupuna Policy	Confidential
8.	BAE #16-01 International Engagement Policy	Confidential
9.	L-Lāhui Level Policies Presentation	Confidential
10.	L-Lāhui Level Policy Framework	Confidential

----- END OF APPENDIX C -----

Office of Hawaiian Affairs Board of Trustee Meeting May 30, 2019 9:30 am

IV. New Business

E. Action Item BOT #19-06: Approve the L-Lahui Level Policies

OFFICE OF HAWAIIAN AFFAIRS Action Item

BOARD OF TRUSTEES

May 30, 2019

BOT #19-06

Action Item Issue: Approve L-Lāhui Level Policies: (1) E Mālama (to protect); (2) E Ho'omau (to perpetuate); (3) E Pūpūkahi i Holomua (to unite in order to progress); (4) E 'Imi 'Ike (to seek knowledge); (5) E Ho'oulu Lāhui (to grow the Lāhui) as detailed in Attachments 2 to 6, respectively.

Prepared by:

Sylvia Hussey, Ed.D. Ka Pou Hui, Chief Operating Officer

5/23/19

Date

Reviewed by:

5/22/19 Date

Kamana dopono Crabbe Ka Pouhana, Chief Executive Officer

Reviewed by:

Carmen Stulie Ludson

Date

5

Date

Carmen Hulu Lindsey Vermitted Interaction Group Member

Reviewed by:

Robert K. Lindsey Jr. Permitted Interaction Group Member

Reviewed by:

f Machado

Colette Y. Machado Vice Chair, Permitted Interaction Group

Date /

Reviewed by:

Brendon Kaei[•]āina Lee Chair, Permitted Interaction Group

I. Action Item:



Approve L-Lāhui Level Policies: (1) E Mālama (to protect); (2) E Ho'omau (to perpetuate); (3) E Pūpūkahi i Holomua (to unite in order to progress); (4) E 'Imi 'Ike (to seek knowledge); (5) E Ho'oulu Lāhui (to grow the Lāhui).

II. Issue:

Whether or not the Board of Trustees will approve the L-Lāhui Level Policies developed by the Permitted Interaction Group, consistent with Action Item BOT #19-04, in accordance with Hawai'i Revised Statutes§92-2.5(b), to investigate the development of L-Lāhui policies for OHA's Board Governance Framework.

III. Discussion:

1. **Board Governance Framework.** In January 2019, the Board approved the formation of a Permitted Interaction Group (PIG) to: Investigate various elements of governance frameworks and models, including but not limited to cultural,



indigenous, native, national and international contexts. The PIG was established with: 1) Trustee Brendon Kalei⁴āina Lee as Project Sponsor and Chair; 2) Trustee Colette Machado as Business Process Owner and Vice Chair of the PIG; and 3) Trustees Robert Lindsey¹ and John Waihee² as members. The PIG was supported by Trustee Machado, Lee, Lindsey and Waihee's Aides; and Administration, Ka Pouhana, Kamana`opono Crabbe, Ka Pou Nui, Sylvia Hussey and staff. The PIG presented its final report and recommendations to the Board of Trustees (BOT) at its March 28, 2019 meeting; and on April 4, 2019, via Action Item BOT# 19-04, the BOT approved the five elements of OHA's Board Governance Framework: 1) Identity; 2)

¹ Interim Chair of the Resource Management Committee at the time of the formation of the Permitted Interaction Group

² Chair of the Beneficiary, Advocacy and Empowerment Committee

Values and Mana; 3) Statutory Basis; 4) Policies; and 5) Supporting Documents and Practices (Operations).

2. **L-Lāhui Level Policies PIG Formation.** On April 4, 2019, via Action Item #19-05, the BOT approved the formation of a Permitted Interaction Group to investigate the development of L-Lāhui level policies for OHA's Board Governance Framework.

> **Permitted Interaction Group - Purview.** The purview of the PIG was for the Board of Trustees (BOT), BOT staff and OHA Administration staff to work together to: (1) Investigate the development of L-Lāhui policies for OHA's Board Governance Framework, which would 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; (2) Establish consistent policy formulation, format, review and update parameters, mechanisms and processes; and (3) Integrate the developed policies into the Board Governance Framework.

Permitted Interaction Group – Members. The membership of the Permitted Interaction Group was approved as follows:

- 1. Trustee Colette Machado, BOT Chairperson
- 2. Trustee Brendon Kalei'āina Lee, BOT Vice Chairperson
- 3. Trustee Robert Lindsey, RM Vice Chairperson
- 4. Trustee Carmen Hulu Lindsey
- 5. Kamana'opono Crabbe, Ka Pouhana
- 6. Sylvia Hussey, Ka Pou Nui

Trustee Lee served as the Chair of the Permitted Interaction Group; and Trustee Machado served as its Vice Chair.



Permitted Interaction Group -Term/Duration. The term of the Permitted Interaction Group expires at the completion of the assigned task, or at the discretion of the Chair of the Board of Trustees, subject to later adjustment, but in no event later than May 31, 2019.

3. L-Lāhui Level Policies PIG Work. Beginning with the April 4, 2019 formation, the deliverables for the PIG included L-Lāhui level policies and standard operating procedures for policy development and maintenance (i.e., a policy on policies). More detailed information regarding the work of the PIG is contained in the May 2019 report attached and

incorporated by reference to this Action Item and the following side illustrates the overall plan.

4. L-Lāhui Level Policies PIG Report. Attached to this Action Item is the May 2019 report of the PIG as presented at the May 16, 2019 BOT meetingIn addition, beginning with each formed and completed PIG, working definitions were identified and used to aid the work of the PIG. Definitions are NOT intended to be THE, one and only, all encompassing, singular, definition, but a working definition to consistently guide the cascaded work of the Board Governance Framework.

The following working definitions were identified and are in use thus far:

*Governance*³. 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.

*Policy*⁴. 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; and a high-level overall plan embracing the general goals and acceptable procedures especially of a governmental body.

The project team looked to the past to inform its work, "Tired of others trying to define Hawaiians and of being "pummeled into accepting the stranger's view of ourselves as being cute, all-abiding, friendly nincompoops," John Dominis Holt's 1964 "On Being Hawaiian" described the lāhui instead as a "people with a history.

³ http://www.businessdictionary.com/definition/governance.html, retrieved 1/1/2019

⁴ https://www.merriam-webster.com/dictionary/policy, retrieved 3/28/2019

. . the native connective tissue to forebears who used these islands superbly for the production of goods and the enjoyment of life." The following working definition for lāhui was informed by our past and is meant to be inclusive of broad concepts and not exclusive to specific definitions.

*Lāhui*⁵. 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 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."

5. **Preamble.** After drafting the L-Lāhui Level Policies, the project team felt a preamble was needed to contextualize the past and the future of the drafted policies, consistent with a Hawaiian perspective. Accordingly, the following is offered and incorporated into the policy documents:

In looking to the wisdom of our kūpuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people), we have put forth these principles knowing that we could not foresee all that is to come in the future, '*a'ohe pau ka 'ike i ka hālau ho'okahi* (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow, always mindful that *aloha*, *nānā i ke kumu* (the maintained mindfulness of history and tradition), and *kūlia i ka nu'u* (strive for the greatest heights) are ever present in all that we endeavor to do for the Lāhui."

6. **Mo'okū'auhau⁶.** In his campaign for the throne and throughout his rule, King David Kala'kaua maintained the slogan "E Ho'oulu Lāhui." Originally, efforts to increase the nation were compelled by the persistent decline of the '*ōiwi* (native) population that began with the arrival of European foreigners in the latter 18th Century.

"Increasing the nation" became a rallying point among the ali'i. At its core, the push to ho'oulu lāhui was inherently connected to procreation and proliferating the 'ōiwi population. Yet, Kalākaua's platform and rule also promoted the concept of increasing the nation in a variety of other capacities that speak to the kind of lāhui that he envisioned and was compelled to support in line with his genealogical kuleana. Kalākaua's rule allowed and demanded space for 'ōiwi ideas and practices to expand and flourish in both public and private spaces.

Increasing the cultural attributes of the lāhui reflect a framework wherein conceptions of the past are directly tied to and inclusive of the contributions made by the ancestors who lived before us, appended by those living in the present, and built upon by our children in the future. In as much as Kalākaua had sought the protection and proliferation of the Native Hawaiian population, he had also encouraged the increase of Native Hawaiian knowledge through the cultural and

⁵ Working definition developed and agreed upon by the project team PIG

⁶ http://wehewehe.org/, retrieved 5/19/2019

political institutions that he had created and through public performances and displays of his leadership.

Today, the concept of *lāhui* has expanded beyond simply the identification of a body of Native Hawaiians, but also extends to our culture, identity, values, beliefs, and aspirations. To grow the nation is to productively expand every facet of our society, politics, economics, and environment.

7. **Umbrella Policies.** The project team also noted that L-Lāhui Level Policies, function as umbrella policies which provide room and space for the further articulation of social, cultural and natural resources policy areas. Examples are provided below.

Example Social Resources Policy Areas: 'Ohana (family), kūpuna (ancestors/elders), 'ōpio (youths), kaiāulu (community), ola (health), lā'au lapa'au; 'ōlelo Hawai'i (Hawaiian language), na'auao (education), mental health, criminal justice, etc.

Example Cultural Resources Policy Areas: Iwi kupuna (ancestral bones/burials), heiau, wahi pana (storied/legendary places), wahi kapu (sacred places), nā 'ike a me nā hana (cultural practices), historical resources, etc.

Examples of Natural Resources Policy Areas: 'Āina (land resources), wai (fresh water resources), kai (marine resources), lewa (atmospheric resources), lewa mawaho (space), nā hōkū 'ae'a a me nā hōkū (planets and stars), nā lā'au a me nā holoholona (plants and animals), ua (rain), makani (wind), loko i'a, konohiki fishing rights, etc.

8. Proposed L-Lāhui Level Policies. The details of the developed policies, (1) E Mālama (to protect); (2) E Ho'omau (to perpetuate); (3) E Pūpūkahi i Holomua (to unite in order to progress); (4) E 'Imi 'Ike (to seek knowledge); (5) E Ho'oulu Lāhui (to grow the Lāhui) are found in Attachments 2 to 6, respectively.

IV. Funding Source:

Not applicable, no dedicated funding needed to approve L-Lāhui Level Policies of the Board Governance Framework.

V. Recommended Action:

Approve L-Lāhui Level Policies: (1) E Mālama (to protect); (2) E Ho'omau (to perpetuate); (3) E Pūpūkahi i Holomua (to unite in order to progress); (4) E 'Imi 'Ike (to seek knowledge); (5) E Ho'oulu Lāhui (to grow the Lāhui) as detailed in Attachments 2 to 6, respectively.

VI. Timeframe:

Immediate action is recommended to ensure that the following newly formed and executed PIGs (subject to BOT approval) can be launched to "operationalize" the framework elements no later than December 31, 2019:

- 1. Development of L-Lahui level policies Action Items BOT #19-05 (April 4, 2019) and #19-06 (on the May 30, 2019 BOT agenda);
- 2. Alignment and update of existing BOT By-Laws Action Item BOT #19-07 (on the May 30, 2019 BOT agenda);
- 3. Development of T-Trustee level policies TBD;
- 4. Development of C-CEO level policies TBD; and
- 5. Incorporation of completed and approved work products of the Board Governance Framework and alignment and update of existing Board governance documents -Action Item BOT #19-08 (on the May 30, 2019 BOT agenda).

VII. Attachments:

- 1. Permitted Interaction Group, L-Lāhui Level Policies Project Report, May 2019
- 2. E Mālama (to protect)
- 3. E Ho'omau (to perpetuate)
- 4. Pūpūkahi i Holomua (to unite in order to progress)
- 5. E 'Imi 'Ike (to seek knowledge)
- 6. E Hoʻoulu Lāhui (to grow the Lāhui).



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

I. <u>OVERVIEW</u>

Two thousand eighteen (2018) marked the end of the Office of Hawaiian Affairs' (OHA or Organization) strategic plan period, and several years of challenges within the organization, hampering the organization's abilities to more intently apply and deploy resources to "better the conditions of native Hawaiians". In the past 24 months, the following have undermined effective governance at OHA:

- **People.** Board of Trustees (BOT) interactions among themselves, with regulatory agencies (e.g., Ethics Commission, Attorney General's office), with Administration (including staff), and beneficiaries and stakeholders have diverted strategic energy, focus, time and dollars from mission critical and aligned responsibilities.
- **Policies and Plans.** Un-implemented strategic policies and plans (e.g., Post 2018 Strategic Plan, including implementation, Financial Sustainability Plan, Debt Policy, Hawaii Direct Assets Policy, LLCs) have hampered the organization's ability to advance mission critical and aligned strategies.
- **Procedures and Practices.** Audits--initiated or triggered by BOT interactions and behaviors, and completed in the normal course of regulatory and statutory requirements (e.g., Chapter 10)---have diverted trust resources (e.g., time and dollars) and highlighted procedure and practice improvements, respectively.

Given the changes and experiences in the last 24 months within the organization, the need for strengthening governance can be synthesized to a need:

- To improve the image, brand, credibility and standing in the community of the Office of Hawaiian Affairs;
- To demonstrate understanding of and accountability to the statutory, fiduciary and trust organizational responsibilities of the Office of Hawaiian Affairs via codified policies, procedures and practices;
- For explicit clarity in the roles, responsibilities and accountabilities of the Board of Trustees and Administration (including staff);
- For explicit and intentional clarity in the purposes, direction and strategic planning and implementation efforts post 2018; and
- To strengthen the organization's ability to advance mission critical and aligned strategies.

The Board of Trustees (BOT) is committed to strengthening OHA's governance framework, structure, policies, procedures and practices to more intently apply and deploy resources to "better the conditions of native Hawaiians".



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

II. PERMITTED INTERACTION GROUP – Board Governance Framework

Statutory Basis. In accordance with HRS, CHAPTER 92, PUBLIC AGENCY MEETINGS AND RECORDS §92-2.5 (b) Permitted interactions of members, (b) Two or more members of a board, but less than the number of members which would constitute a quorum for the board, may be assigned to: (1) Investigate a matter relating to the official business of their board; provided that: (A) The scope of the investigation and the scope of each member's authority are defined at a meeting of the board; (B) All resulting findings and recommendations are presented to the board at a meeting of the board; and (C) Deliberation and decision making on the matter investigated, if any, occurs only at a duly noticed meeting of the board held subsequent to the meeting at which the findings and recommendations of the investigation were presented to the board; or (2) Present, discuss, or negotiate any position which the board has adopted at a meeting of the board; provided that the assignment is made and the scope of each member's authority is defined at a meeting of the board prior to the presentation, discussion, or negotiation.

Formation. In January 2019, the Board approved the formation of a Permitted Interaction Group (PIG) to: Investigate various elements of governance frameworks and models, including but not limited to cultural, indigenous, native, national and international contexts. The PIG was established with: 1) Trustee Brendon Kalei'āina Lee as Project Sponsor and Chair; 2) Trustee

Colette Machado as Business Process Owner and Vice Chair of the PIG; and 3) Trustees Robert Lindsey¹ and John Waihe'e IV² as members. The PIG was supported by Trustee Machado, Lee, Lindsey and Waihe'e's Aides; and Administration, Ka Pouhana, Kamana'opono Crabbe, Ka Pou Nui, Sylvia Hussey and staff. The PIG, also known as the Board Governance Framework Project, implemented a project plan in five phases: Phase I – Planning; Phase II – Where are we now? (AS IS); Phase III – Proposing Elements of a Governance Framework; Phase IV – Proposing Implementation Actions; and



Phase V = Closing Project and Lessons Learned. The PIG presented the final report and recommendations to the Board of Trustees (BOT) and the BOT took action at its March 28, 2019 and April 4, 2019 meetings, respectively.

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¹ Interim Chair of the Resource Management Committee at the time of the formation of the Permitted Interaction Group

² Chair of the Beneficiary, Advocacy and Empowerment Committee



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019



formed, approved and executed PIGs:

3

- a. Development of L-Lāhui level policies;
- b. Alignment and update of existing BOT By-Laws;
- c. Development of T-Trustee level policies;
- d. Development of C-CEO level policies; and
- e. Alignment and update of existing Board governance documents (e.g., Executive Policy Manual, BOT Operating Manual).

On April 4, 2019, via Action Item BOT# 19-05, the Board approved the formation of a Permitted Interaction Group to investigate the development of L-Lāhui policies for OHA's Board Governance Framework.

3

Five Elements of the Board Governance Framework. Via Action Item BOT# 19-04, the Board 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).

Subsequent Permitted Interaction Groups. Included in the final report, the PIG recommended implementation of the Board Governance Framework elements via the following sequenced, subsequent, newly

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Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

III. <u>PERMITTED INTERACTION GROUP – L-Lāhui Level Policies</u>

Permitted Interaction Group - Purview. The purview of the PIG was for the Board of Trustees (BOT), BOT staff and OHA Administration staff to work together to: (1) Investigate the development of L-Lāhui policies for OHA's Board Governance Framework, which would 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; (2) Establish consistent policy formulation, format, review and update parameters, mechanisms and processes; and (3) Integrate the developed policies into the Board Governance Framework.

Permitted Interaction Group – Members. The membership of the Permitted Interaction Group was established as follows:

- 1. Trustee Colette Machado, BOT Chairperson
- 2. Trustee Brendon Kalei'āina Lee, BOT Vice Chairperson
- 3. Trustee Robert Lindsey, RM Vice Chairperson
- 4. Trustee Carmen Hulu Lindsey
- 5. Kamana'opono Crabbe, Ka Pouhana
- 6. Sylvia Hussey, Ka Pou Nui

Trustee Lee served as the Chair of the Permitted Interaction Group; and Trustee Machado served as its Vice Chair.

Permitted Interaction Group - Term/Duration. The term of the Permitted Interaction Group expires at the completion of the assigned task, no later than May 31, 2019; or at the discretion of the Chair of the Board of Trustees, subject to later adjustment.

For purposes of the PIG, the following working definition of "governance" was used to frame the project, activities and deliverables: Establishment of policies, and continuous monitoring of their proper implementation, by the members of the governing body of an organization. It includes 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.³

³ http://www.businessdictionary.com/definition/governance.html, retrieved 1/1/2019


Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

IV. PROJECT PLAN

Beginning with the April 4, 2019 formation, the deliverables for the PIG included L-Lāhui level policies and standard operating procedures for policy development and maintenance (i.e., a policy on policies).





Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

V. WORKING DEFINITIONS

Beginning with each formed and completed PIG, working definitions were identified and used to aid the work of the PIG. Definitions are NOT intended to be THE, one and only, all encompassing, singular, definition, but a working definition to consistently guide the cascaded work of the Board Governance Framework. The following working definitions have been identified and are in use thus far:

Governance⁴. 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.

Policy⁵. 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; and a high-level overall plan embracing the general goals and acceptable procedures especially of a governmental body.

The project team looked to the past to inform its work, "Tired of others trying to define Hawaiians and of being "pummeled into accepting the stranger's view of ourselves as being cute, all-abiding, friendly nincompoops," John Dominis Holt's 1964 "On Being Hawaiian" described the lāhui instead as a "people with a history . . . the native connective tissue to forebears who used these islands superbly for the production of goods and the enjoyment of life." The following working definition for lāhui was informed by our past and is meant to be inclusive of broad concepts and not exclusive to specific definitions.

Lāhui⁶. 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 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."

⁴ <u>http://www.businessdictionary.com/definition/governance.html</u>, retrieved 1/1/2019

⁵ https://www.merriam-webster.com/dictionary/policy, retrieved 3/28/2019

⁶ Project team



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

VI. <u>PROJECT ACTIVITY – Aggregate L-Lāhui</u> Level Policy Topics

Setting Context "Lāhui Level Policy". The current status of the Lāhui Hawai'i is incredibly diverse in both values and beliefs, perhaps even more so than we were prior to the widespread introduction of Euro-American and Asian cultures of the 19th Century. The Lāhui Hawai'i, today, is perhaps the most diverse that it ever has been.



With that said, it must be understood that without the collaboration of the Lāhui itself, the policies presented here come from an initial, individual comprehension and reasoning and may not be accepted nor agreed upon by other individual members of the Lāhui. Keeping that in mind, the project team's approach has been as objective as possible.

Identifying Lāhui level policies meant identifying those traditional policies that were fundamentally Native Hawaiian – those very same policies that exemplify our identity as a unique group of peoples on Earth. Identifying Lāhui level policies also meant identifying those traditional policies with strong connections to both contemporary and future needs of Native Hawaiians.

The process for identification required the ability to understand and employ traditional policies like $n\bar{a}n\bar{a}$ *i ke kumu* (look to the source). Project team member(s) strove to be as comprehensive as possible with guidance from traditional policies like 'in \bar{a} e lepo ke kumu wai, e h \bar{o} 'ea ana ka lepo *i kai* (if the source of water is dirty, the muddy water will travel on).

Difficulties: Avoid Diminishing Hawaiian Culture. There is a saying, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (Great and numerous is the knowledge of the Hawaiian people). The most difficult part of identifying Lāhui level policies is having to account for the sheer volume of those that are imperative and then condensing them in a way that isn't as overwhelming for the purpose of OHA governance.

The danger inherent in the distillation of cultural values, beliefs, principles that guide the formation of policy is in undermining the vastness and complexity of the culture itself. The danger, in essence, is the dumbing down of a culture and its people – and it is certainly a prominent issue faced by the Lāhui Hawai'i that stems from a time where the erasure of Native Hawaiian identity was itself a government policy.

In honoring the grand scope of knowledge, project team member(s) looked for policies that were as comprehensive and encompassing as possible. Even then, however, are principles and policies so intertwined that they are better off sometimes being left unidentified – this was no more true for the policy *to aloha* than it was for any other.



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

A Method to the Madness. Getting to the very core of a policy was necessary. To do so, this required a constant asking of "why" (or to search for a more precursory policy). For example, in identifying *Ho'omau* as a policy, the project team member had first identified widely accepted policies in the preservation, protection, and perpetuation of natural ('āina, wai, etc.), cultural (heiau, ko'a, etc.), and social ('ohana, 'ōlelo, iwi kupuna, health, etc.) resources. So, why do we need to protect these things? Because it is a cultural value, a policy to mālama. But, why do we maintain this policy to mālama? For the survival of our people. Why? To persist as long as we possibly can because in our existence, we may have something to offer the world: so we must *Ho'omau*.

A Note on Time. Time is a critical notion in traditional Native Hawaiian beliefs. Certain overarching policies adopted, generally, by the Lāhui would not have any temporal constraints – they apply equally to our understanding of the past, present, and future. However, in certain beliefs, time wasn't linear, the past was carried both in the present and future. Ka wā ma mua, ka wā ma hope.

Recommendations for Lāhui-Level Policies. As the project team member(s) were trying to gain an understanding of our Lāhui's most prominent and most encompassing policies, we came to the realization that there was no simple way to express a policy bereft of its guiding principles/values/accessory policies that are often in accompaniment.

Ka 'ōlelo no ke ola, i ka 'ōlelo no ka make (in language/words there is life, in language/words there is death). We wanted to honor the wisdom of our kupuna by being as meaningful as we possibly could in the identification and expression of these policies.

Accordingly, we felt it necessary to develop some kind of preamble, an "expression of intent" that would encapsulate guiding principles and accessory policies that would further shape these identified Lāhui policies beyond their plain meaning. Truly, as our Lāhui advances with the policy to *'imi 'ike* (seek knowledge), we wanted to be sure that such a policy would always be regarded and exercised with a high degree of veneration; assurances that we have learned from history and carry our traditions forward; and progress with optimal efficiency to the greatest heights – and it so it was, that we sought to include *aloha*, *nānā i ke kumu*, and *kūlia i ka nu 'u* as guiding principles and accessory policies to each of the Lāhui policies identified.

Finally, we felt it necessary to acknowledge the vast and seemingly infinite scope of knowledge possessed by the Lāhui, while also recognizing that this list of policies is a snapshot of one perspective – among many – and at a single instance of time – that may not align with other perspectives and may certainly change as the Lāhui continues to evolve.

Offered Expressions of Intent, Team Member A. We, as Lāhui Hawai'i, are descendants of our ancestral lands from time immemorial and we share a common identity based on culture, language, traditions, history, and ancestry. We *mālama* our '*āina* and affirm our ancestral rights and *kuleana* to all lands, waters, and resources of our islands and surrounding seas of Ka Pae '*Āina*. We also recognize that our homelands also extend to where the Kanaka is. We are united in our desire to cultivate the full expression of our traditions, customs, innovations, and beliefs of our living culture. These policies seem to promote *pono* policies and practices that protect and perpetuate our natural, cultural, and social resources, as well as the well-being of our people and the '*āina* that sustains us.



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OHA recognizes that the issues that face our beneficiaries, as members of an indigenous groups with contemporary rights to self-determination because of our continued presence on the land for millennia, and a national group based on descent for the citizenry of the modern Hawaiian Kingdom founded in the mid-19th century, will evolve in complexity in ways that cannot be forecasted in the present day. These living policies are based on an important set of virtues: intellectual humility, a sense of the complexity of the problems faced in our society, a respect for the accumulated wisdom of the past, and a willingness to rethink when necessary and when constituent with those virtues. These foundations are also meant to address future needs to meet the challenges that are simultaneously posed by mainstream society and as indigenous peoples that continue to suffer systemic oppression from unresolved injustices.

Questions of identity are at the crux of struggles for land and power in Hawai'i. The term "lāhui" provides a lens through which Hawaiian collective identity is understood and lived. In 'ōlelo Hawai'i, lāhui refers to a great number of people, sharing a common connection and a collective identity. The prefix "lā-" can be a contracted form of "lau," meaning leaf or a plant's manner of leafing out, and it is often used as a shortened name of plants. "Lau" also means many or numerous and is often used to refer to an unquantifiable number of people or beings, as in the countless descendants. "Hui" can be used as both a noun, meaning a society, organization, association, or team, and a verb, meaning to join, unite, mix, or combine. Thus, the components of the word lāhui, suggest both a singular, organic body with branches that nourish the whole and a gathering of distinct, pre-existing elements combining to form a new entity. This definition privileges a lāhui that is constituted through direct action for aloha 'āina and collective decision-making

In fulfillment of its mandate to better the conditions of Native Hawaiians, the Office of Hawaiian Affairs (OHA) recognizes these timeless policy positions that have allowed the Lāhui to triumphantly endure from time immemorial into the far unforeseeable future. In doing so, OHA further recognizes the complexities, dynamics, far-reach, and virtues embodied and interwoven within each of these policies like *aloha* and $n\bar{a}n\bar{a}$ *i ke kumu* (the maintained mindfulness of history and tradition) that serve to reinforce one another. Inherent in these policies is the philosophy of $n\bar{a}n\bar{a}$ *i ke kumu*, the value of well-being that is undeniably woven into everyone's sense of belonging. Literally translated, $n\bar{a}n\bar{a}$ *i ke kumu* means to "look to the source." Practicing self-reflection ensures the well-being of identity and intuition, intellect and emotion, values and beliefs, lessons learned and ancestral knowledge, all personal and professional alike.

Offered Expressions of Intent, Team Member Z. It is the year 2019, and the Lāhui, that is the coalescence of the body of the Native Hawaiian people, their culture, identity, values, beliefs, and aspirations, are continuously met by challenges both mirrored by mainstream society and reflective of those unique to a group of peoples who continue to struggle disproportionately against systemic oppression stemming from unresolved historical injustices.

In fulfillment of its mandate to better the conditions of Native Hawaiians, the Office of Hawaiian Affairs (OHA) recognizes these timeless policy positions that have allowed the Lāhui to triumphantly endure from time immemorial into the far unforeseeable future. In doing so, OHA further recognizes the complexities, dynamics, far-reach, and virtues embodied and interwoven within each of these policies like *aloha*, $n\bar{a}n\bar{a}$ *i ke kumu* (the maintained mindfulness of history and tradition), and kūlia i ka nu'u (strive for the greatest heights) in every endeavor.



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OHA understands that *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people) and the breadth and scope of what it is to be Native Hawaiian can never be delimited by any list of policies or values, and represents a single perspective, among countless perspectives, in no truer measurement of our further understanding that 'a'ohe pau ka 'ike *i ka hālau ho'okahi* (not all knowledge is contained in a single school).

Policy Proposal and Analysis. The table below proposes five L-Lāhui level policies along with related descriptors and analysis.

Policy	Description	Source
E Mālama (to protect)	 Rooted in traditional Hawaijan culture and beliefs is the notion of sustainability and self-sufficiency. These principles have been embodied in policies to mālama. A Hawaijan proverb describes the inseparable connection between Native Hawaijans and their land: "Hānau ka 'āina, hānau ke ali'i, hānau ke kanaka." Born was the land, born were the chiefs, born were the common people. 	"Long before the Western world began to speak of conservation, the Hawaiian child was taught the precept: if you uproot a plant or cut down a tree, plant a new one to replace it." (<i>Nānā i Ke</i> <i>Kumu, Vol 2</i> , p.51)
	In traditional Hawaiian society, as in the rest of Polynesia, it is the duty of younger siblings and junior lineages to honor, love, and serve their elders. It is the reciprocal duty of the elder siblings to $h\bar{a}nai$ the younger ones, as well as to love and ho omalu (protect) them. The relationship is thereby further defined: it is the ' $\bar{a}ina$, the kalo, and the ali 'i nui who are to feed, clothe, and shelter their younger brothers and sisters, the Hawaiian people. So long as younger Hawaiians love, serve, and honor their elders, the elders will continue to do the same for them, as well as to provide for their physical needs. In Hawaiian, this perfect harmony is known as <i>pono</i> , which denotes a universe in perfect harmony.	
	Native Hawaiians, like many native peoples, "see an interdependent, reciprocal relationship between the gods, the land, and the people"indeed, Native Hawaiians trace their genealogy to Papa, the earth mother, and Wākea, the sky father. Native Hawaiians are related to their ' <i>āina</i> , to the natural forces of the world, and to <i>kalo</i> or taro, the staple food of the Hawaiian people. All are connected in a deep and profound way that infuses Hawaiian thought and is	



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Policy	Description	Source
	expressed in all facets of Hawaiian life. Thus, the principle of <i>mālama</i> is directly linked to conserving and protecting not only the land and its resources, but also humankind and the spiritual world.	
	Devastating diseases and Western and Asian settler colonialism and the impacts of colonization (and forced assimilation) since as early as the late 18th century have impressed upon many Native Hawaiians the need to protect our way of existence from further decline.	
	Cultural Resources	
	Iwi kūpuna (ancestral bones/burials), heiau, wahi pana (storied/legendary places), wahi kapu (sacred places), nā 'ike a me nā hana (cultural practices), historical resources.	
	Natural Resources	
	'Āina (land resources), wai (fresh water resources), kai (marine resources), lewa (atmospheric resources), lewa mawaho (space), nā hōkū 'ae'a a me nā hōkū (planets and stars), nā lā'au a me nā holoholona (plants and animals), ua (rain), makani (wind); loko i'a; konohiki fishing rights	
	Social Resources	
	'Ohana (family), kūpuna (ancestors/elders), 'ōpio (youths), kaiāulu (community), ola (health), lā'au lapa'au; 'ōlelo Hawai'i (Hawaiian language), na'auao (education), mental health, criminal justice	
	Additional Example Policy Areas	
	Climate change; ocean management; renewable energy	
E Ho'omau to perpetuate)	In as much as it is important to mālama (protect) our resources, it is equally important to perpetuate those resources. To ho'omau (perpetuate) is a policy at the very core of Native Hawaiian existence. In fact, it can be said that the very need to protect and maintain our vast resources and to survive is accompanied by	Make no ke kalo a ola i ka palili (the kalo may die, but i lives on in the young plants that it produces) (Pukui, 'Ōlelo No'eau, 2107)



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Policy	Description	Source
	 the need to perpetuate – to continue to live on into the future. Newspaper articles from 1900 in the Hawaiian nationalist newspaper, <i>Ke Aloha Aina</i>, discuss the concept of ho'omau in relation to protests to the US' annexation of Hawaii. In protests against annexation, the lāhui Hawai'i united in unprecedented numbers under the banner of aloha 'āina (love for their land, their nation, and their people) to draw on the strength such feelings had given them collectively over the previous seven years since the overthrow of the monarchy in 1893. These actions should not be construed as nationalism in which the people see themselves as superior to other races but, rather, as resistance to the loss of land, identity, culture, and political power. Their love for the land was based on the traditional familial relationships to the 'āina. 	E hoomaopopoia, eia na poe naauao o kakou iho nei a me ko na aina e ke apu mai nei i na moolelo kahiko o Hawaii nei, [a o ka] kakou poe opio naau – [naaupo or naauao] hoi, ke hoohemahema nui nei keia kumu waiwai nui o ka aina oiwi. Aohe huli, aohe imi, aohe no he makemake [i] ia mau mea. Aka, no makou iho, ke hoomau nei makou i keia hana no ka makemae maoli e hoouluia a hoomauia aku ka ikeia ana o na moolelo a kaao kahiko o Hawaii nei i hiki ai ke malamaia e kakou, ka lahui
	These articles provide us an understanding of who our kūpuna were, their concerns and goals, and the nature of their struggles during a critical time a hundred years ago when Kanaka Maoli consciously and purposefully attempted to exercise their political will within the United States system. This was a time of great morning for the lāhui. At the same time, Hawai'i was beginning to be overwhelmed by soldiers and settlers from the US. The events described and discussed in these articles express a time of hope for the lāhui, not yet crushed by the reality of being a numerically powerless underrepresented peoples within the United States, nor by the oligarchy's looming metamorphosis into the Big Five, the alliance of large corporations that continue to monopolize Hawai'i's economy and politics. These articles attempt to comfort fellow lāhui members, urging them to continue in their love for their nation, as instructed by Joseph Nāwahī on his deathbed in 1896: "E ho'omau i ke kūpa'a no ke aloha i ka 'āina." Ma kēia mau kumu a me nā kumu aku i koe, e ho'omau ai kākou i ke kūpa'a ana.	There are educated people of ours as well as others from foreign lands that are snatching up [and destroying] the ancient mo'olelo of Hawai'i, while our [un- /educated] young people are greatly neglecting this great treasure of the native land. There is no research or seeking out, nor any desire fo these things. However, for ourselves, we are continuing this work of a genuine desire to collect and to perpetuate the knowledge of the mo'olel and ka'ao of Hawai'i so that they can be cared for [or preserved] by us, the lāhui. Noenoe K. Silva, <i>The Power</i> of the Steel-Tipped Pen: Reconstructing Native



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Policy	Description	Source
-	Example Policy Areas Much of what is already listed under mālama	Hawaiian Intellectual History 153 (2007).
E Pūpūkahi i Holomua (to unite in order to progress)	The policy itself exemplifies traditional advancement through communal unity and the bringing together of communal resources – it forms the basis of so many principles traditionally backed by Native Hawaiian leadership in the most trying of times.	'A'ohe loa'a i ka noho wale (nothing is gained by idleness) (Pukui, 'Ōlelo No'eau, 173)
progress)	This unity-backed progress has saw to the settlement of the Hawaiian Islands by the first Kanaka Maoli; the survival of Kanaka Maoli for millennia; the establishment of the Hawaiian Kingdom government; and the rapid adoption of technology.	
	Example Policy Areas	
	Kūkulu pilina; Economic growth; economic self- sufficiency; international engagement; home ownership; housing stability; community and real estate development;	
E 'Imi 'Ike (to seek knowledge)	Traditionally, the lack of knowledge was a severe limitation on a person's potential. Limitless knowledge meant limitless potential.	<i>He lawaiʿa no ke kai pāpaʿu, he poʿopaʿa ka iʿa e loaʿa.</i> (a fisherman in the shallow sea
	As acknowledged by the 19th century Native Hawaiian historian, Kepelino, the Native Hawaiian people were often fondly referred to as <i>Hawai'i'imiloa</i> , for their inclination toward responsible innovation.	can only catch <i>poʻopaʻa)</i> (Pukui, ʻ <i>Ōlelo Noʻeau</i> , 726)
	History has chronicled our rapid social-political- economic and technological advancement – notably in national security, education, healthcare, the arts and sciences, and governance.	
	In so much as we are a people that carry our traditions with us, we are ever-evolving, and ever-seeking new frontiers.	
	Example Policy Areas	
	Education; Innovation; Native Hawaiian rights; indigenous rights; technology; emerging sectors; Artificial Intelligence and automation; Proactiveness;	



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Policy	Description	Source
	innovation; technological advancement; trade and emerging skill development; space exploration;	
E Hoʻoulu Lāhui (to grow the Nation)	The policy to <i>ho oulu lāhui</i> is said to have been initiated by King Kalākaua at a time when the Native Hawaiian population was decreasing due primarily to foreign-introduced diseases.	One of the policies instituted by King David Kalākaua.
	Today, the concept of <i>lāhui</i> has expanded beyond simply the identification of a body of Native Hawaiians, but also extends to our culture, identity, values, beliefs, and aspirations. To grow the nation is to productively expand every facet of our society, politics, economics, and environment.	
	Example Policy Areas	
	Governance; Native Hawaiian economy; innovative Hawaiian business ownership; food security and sustainability; real estate, land, and resource acquisition and expansion; wealth; economic self- sufficiency; loans, grants, and sponsorships; asset limits; international relations; identity; culture;	

NOTE: OHA past policy areas in Values and Mana, 'Ōlelo Hawai'i, Culture, 'Āina, Wai, Native Rights, Iwi Kūpuna, 'Ohana and Community, Wahi Pana, Indigenous Rights, International Engagement, Ocean Management, and Climate Change can undoubtedly be incorporated under one or more the above-listed recommended policies. This is not to suggest that the above list is a comprehensive list of Lāhui policies – it is not. the intent here is to showcase what the project team believes to be certain Lāhui-level policies in their broadest and most encompassing form.



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VII. PROJECT ACTIVITY – Draft L-Lāhui Level Policies

A preamble for each of the policies was offered as well as the original illustration below.

Preamble. In looking to the wisdom of our kupuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people); we have put forth these principles knowing that we could not foresee all that is to come in



the future, 'a'ohe pau ka 'ike i ka hālau ho'okahi (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow always mindful that aloha, nānā i ke kumu (the maintained mindfulness of history and tradition, and kūlia i ka nu'u (strive for the greatest heights) are ever present in all we endeavor to do for the lāhui.

Illustration. A team member's original illustration is offered below depicting an *ahupua'a---*a land division usually extending from the uplands to the sea, so called because the boundary was marked by a heap (ahu) of stones surmounted by an image of a pig (pua'a), or because a pig or other tribute was laid on the altar as tax to the chief. The landlord or owner of an ahupua'a might be a *konohiki--*headman of an ahupua'a land division under the chief; land or fishing rights under control of the konohiki.⁷



⁷ <u>http://wehewehe.org/</u>, retrieved 5/9/2019



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

Refer to Appendix A which provides the following draft L-Lāhui level policies:

Policy		
1.	E Mālama (to protect)	
2.	E Ho'omau (to perpetuate)	
3.	E Pūpūkahi i Holomua (to unite in order to progress)	
4.	E 'Imi 'Ike (to seek knowledge)	
5.	E Ho'oulu Lāhui (to grow the Nation)	



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

VIII. <u>PROJECT ACTIVITY – Harmonize - L-Lāhui Level</u> <u>Policies</u>

In addition to the actual L-Lāhui level policies, a "policy of policies", or a policy regarding the Development, Maintenance and Management of Policies was developed to ensure that the Office of Hawaiian Affairs (OHA) has well-developed, organized, understandable and relevant policies that: support the OHA's mission and vision; align to the Board Governance Framework;



achieve accountability by identifying the responsible offices; and provide clear and concise guidance. The policy addresses the process for developing new and maintaining and managing all of the OHA's L-*Lāhui*, T-Trustee and C-CEO level policies. An effective governance framework

considers that policies are modified from time to time for clarification of facts, circumstances, policy content, processes or organizational changes.

SOPs for Policy Development and Maintenance

Refer to Appendix B for the actual policy as well as a policy template.



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

IX. BOARD GOVERNANCE FRAMEWORK NEXT STEPS

Based on the approved project charter, the initial project plan and effective BOT implementation mechanisms, the PIG recommends the BOT implement the Board Governance Framework elements via the following newly formed and executed PIGs:

- A. Development of L-Lāhui level policies proposed action at the May 30, 2019 BOT meeting;
- B. Alignment and update of existing BOT By-Laws proposed formation at the May 30, 2019 BOT meeting;
- C. Development of T-Trustee level policies;
- D. Development of C-CEO level policies; and
- E. Alignment and update of existing Board governance documents (e.g., Executive Policy Manual, BOT Operating Manual).

In addition to the above proposed plans, the following PIG is proposed for formation to investigate the incorporation of completed and approved work products of the following PIGs: Governance, L-Lāhui Level Policies, Board of Trustees By-Laws, T-Level Policies, C-Level Policies, and Alignment and Update of Existing Board Governance documents.

Refer to Appendix C for project reference documents.



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X. <u>MAHALO</u>

Since its approval in April 2019, Trustee PIG members and staff, Administration and staff have worked diligently to collectively bring this report and recommendations to the BOT.

Permitted Interaction Group (PIG) Trustees: Trustees Lee (PIG Chair), Machado (PIG Vice Chair), H Lindsey and R Lindsey (Members).

PIG Trustees' Staff: Zuri Aki, Lei-Ann Durant, Lōpaka Baptiste, Carol Hoomanawanui, Dayna Pa, Laurene Kaluau-Kealoha, Lehua Itokazu, Alyssa-Marie Kau, Kama Hopkins and Kaui Wailehua.

Administration: Kamana'opono Crabbe, Ka Pouhana (KP), Sylvia Hussey, Ka Pou Nui (KPN) and Project Manager; Raina Gushiken, Interim Senior Legal Counsel; Momilani Lazo, Senior Executive Assistant to KP; Laura Kamalani-Paikai, Executive Assistant to KPN, Leona Castillo, Executive Assistant to KP; Jim McMahon, Advocacy Counsel; and Ke'ala Nichols, Executive Assistant to Chief Advocate.

Mahalo piha to Trustee Aides Zuri Aki, Alyssa-Marie Kau and Lehua Itokazu who completed most, if not all, of the analysis, drafting and illustrations for the PIG's report and deliverables.

----- END OF REPORT -----



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

APPENDIX A – DRAFT L-Lāhui Level Policies

E MĀLAMA Subject: Lāhui-level policy.	Effective Date: Original effective date of policy - TBD
Scope: The scope of this policy encompasses one of the five policies advanced by the Lāhui, as perceived by OHA.	Date Reviewed/Revised: Date of last revision or review of policy - TBD
Responsible Organizational Unit: Board	Next Scheduled Review Date: Date of next scheduled review or revision, cannot exceed five years.

Policy Administrator: Board Chair

I. POLICY AND GENERAL STATEMENT

In looking to the wisdom of our kūpuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people), we have put forth these principles knowing that we could not foresee all that is to come in the future, '*a'ohe pau ka 'ike i ka hālau ho'okahi* (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow, always mindful that *aloha*, *nānā i ke kumu* (the maintained mindfulness of history and tradition), and *kūlia i ka nu'u* (strive for the greatest heights) are ever present in all that we endeavor to do for the Lāhui.

E Mālama, or more specifically, *e mālama i ko mau kumuwaiwai nui* (to protect our greatest resources) expresses OHA's recognition of the Lāhui's continued endeavor to protect our greatest social, cultural/historical, and natural resources.

II. **DEFINITIONS**

E Mālama means to protect or to care for.

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 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."

ΙΙΙ. ΜΟ'ΟΚŪ'AUHAU

Rooted in traditional Native Hawaiian culture and beliefs are concepts of sustainability and selfsufficiency. Devastating diseases and both Western and Asian settler colonialism and the impacts of colonization (and forced assimilation) since as early as the late 18th Century have impressed upon many Native Hawaiians the need to protect our way of existence from further decline. These principles reinforcing the policy of protection is deeply rooted in Native Hawaiian



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APPENDIX A – DRAFT L-Lāhui Level Policies

society; it is the duty of youth to honor, love, and serve their elders. It is the reciprocal duty of the elders to care for, protect, and $h\bar{a}nai$ the youth. This reciprocal-familial relationship extends between Native Hawaiians and every facet of the world and life around them – from their interaction with the natural world to society and even spiritualism/religion.

Hānau ka 'āina, hānau ke ali'i, hānau ke kānaka (born is the land, born is the chief, born are the people). (Pukui, '*Ōlelo No'eau*, 466).

"Long before the Western world began to speak of conservation, the Hawaiian child was taught the precept: if you uproot a plant or cut down a tree, plant a new one to replace it." (*Nānā i Ke Kumu, Vol 2*, p.51).

IV. SCOPE AND DELEGATION OF AUTHORITY

Trustees of the Office of Hawaiian Affairs collectively maintain the sole authority to amend this policy subsequent to majority Board approval.

IV. RELATED POLICIES

Example Social Resources Policy Areas: 'Ohana (family), kūpuna (ancestors/elders), 'ōpio (youths), kaiāulu (community), ola (health), lā 'au lapa 'au; 'ōlelo Hawai 'i (Hawaiian language), na 'auao (education), mental health, criminal justice, etc.

Example Cultural Resources Policy Areas: Iwi kupuna (ancestral bones/burials), heiau, wahi pana (storied/legendary places), wahi kapu (sacred places), nā 'ike a me nā hana (cultural practices), historical resources, etc.

Examples of Natural Resources Policy Areas: 'Āina (land resources), wai (fresh water resources), kai (marine resources), lewa (atmospheric resources), lewa mawaho (space), nā hōkū 'ae'a a me nā hōkū (planets and stars), nā lā'au a me nā holoholona (plants and animals), ua (rain), makani (wind), loko i'a, konohiki fishing rights, etc.

V. CONTACTS

The Policy Administrator is:

Organizational Unit	Position
Board	Board Chair

VI. EXHIBITS

None



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E HO'OMAU Subject: Lāhui-level policy.	Effective Date: Original effective date of policy - TBD
Scope: The scope of this policy encompasses one of the five policies advanced by the Lāhui, as perceived by OHA.	Date Reviewed/Revised: Date of last revision or review of policy - TBD
Responsible Organizational Unit: Board	Next Scheduled Review Date: Date of next scheduled review or revision, cannot exceed five years.
	Policy Administrator: Board Chair

APPENDIX A – DRAFT L-Lāhui Level Policies

I. POLICY AND GENERAL STATEMENT

In looking to the wisdom of our kūpuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people), we have put forth these principles knowing that we could not foresee all that is to come in the future, 'a'ohe pau ka 'ike i ka hālau ho'okahi (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow, always mindful that *aloha*, *nānā i ke kumu* (the maintained mindfulness of history and tradition), and *kūlia i ka nu'u* (strive for the greatest heights) are ever present in all that we endeavor to do for the Lāhui.

E Ho'omau, or more specifically, *e ho'omau i ka lāhui Hawai'i* (to perpetuate the Hawaiian nation) expresses OHA's recognition of the Lāhui's continued endeavor to persist into the far future as a body of people united by common descent, history, culture, and language.

II. DEFINITIONS

E Ho'omau means to perpetuate or to persist/continue on.

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 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."

III. MOʻOKŪʻAUHAU

To ho'omau is a policy at the very core of Native Hawaiian existence. In fact, it can be said that the very need to protect and maintain our vast resources and to survive is accompanied by the need to perpetuate - to continue to live on into the future.



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

APPENDIX A – DRAFT L-Lāhui Level Policies

Nūpepa articles from 1900 in the Hawaiian nationalist newspaper, *Ke Aloha Aina*, discuss the concept of ho'omau in relation to protests against the United States' annexation of Hawai'i; the Lāhui united in unprecedented numbers under the banner of *aloha 'āina* (love for their land, their nation, and their people) to draw on the strength such feelings had given them collectively over the previous seven years since the overthrow of the monarchy in 1893.

These articles provide us an understanding of who our kūpuna were, their concerns and goals, and the nature of their struggles during a critical time. These articles attempt to comfort fellow lāhui members, urging them to continue in their love for their nation, as instructed by Joseph Nāwahī on his deathbed in 1896: "E ho'omau i ke kūpa'a no ke aloha i ka 'āina." (*Ke Aloha Aina*, Mar. 3, 1900, at 4).

Make no ke kalo a ola i ka palili (the kalo may die, but it lives on in the young plants that it produces) (Pukui, '*Ōlelo No*'eau, 2107).

IV. SCOPE AND DELEGATION OF AUTHORITY

Trustees of the Office of Hawaiian Affairs collectively maintain the sole authority to amend this policy subsequent to majority Board approval.

IV. RELATED POLICIES

Example Social Resources Policy Areas: 'Ohana (family), kūpuna (ancestors/elders), 'ōpio (youths), kaiāulu (community), ola (health), lā'au lapa'au; 'ōlelo Hawai'i (Hawaiian language), na'auao (education), mental health, criminal justice, etc.

Example Cultural Resources Policy Areas: Iwi kupuna (ancestral bones/burials), heiau, wahi pana (storied/legendary places), wahi kapu (sacred places), nā 'ike a me nā hana (cultural practices), historical resources, etc.

Examples of Natural Resources Policy Areas: 'Āina (land resources), wai (fresh water resources), kai (marine resources), lewa (atmospheric resources), lewa mawaho (space), nā hōkū 'ae'a a me nā hōkū (planets and stars), nā lā'au a me nā holoholona (plants and animals), ua (rain), makani (wind), loko i'a, konohiki fishing rights, etc.

V. CONTACTS

The Policy Administrator is:

Organizational Unit	Position
Board	Board Chair
Dourd	Dourd Chain

VI. EXHIBITS

None.



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

APPENDIX A – DRAFT L-Lāhui Level Policies

E PŪPŪKAHI I HOLOMUA Subject: Lāhui-level policy.	Effective Date: Original effective date of policy - TBD
Scope: The scope of this policy encompasses one of the five policies advanced by the Lāhui, as perceived by OHA.	Date Reviewed/Revised: Date of last revision or review of policy - TBD
Responsible Organizational Unit: Board	Next Scheduled Review Date: Date of next scheduled review or revision, cannot exceed five years.
	Policy Administrator: Board Chair

I. POLICY AND GENERAL STATEMENT

In looking to the wisdom of our kūpuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people), we have put forth these principles knowing that we could not foresee all that is to come in the future, 'a'ohe pau ka 'ike i ka hālau ho'okahi (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow, always mindful that *aloha*, *nānā i ke kumu* (the maintained mindfulness of history and tradition), and *kūlia i ka nu'u* (strive for the greatest heights) are ever present in all that we endeavor to do for the Lāhui.

E pūpūkahi i holomua (to unite in order to progress) expresses OHA's recognition of the Lāhui's effectiveness in advancing through united endeavor.

II. DEFINITIONS

E pūpūkahi i holomua means to unite in order to progress.

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 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."

III. MOʻOKŪʻAUHAU

The policy itself exemplifies traditional advancement through communal unity and the bringing together of communal resources – it forms the basis of so many principles traditionally backed by Native Hawaiian leadership in the most trying of times.



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

APPENDIX A – DRAFT L-Lāhui Level Policies

Not solely limited to communal advancement, $p\bar{u}p\bar{u}kahi$ *i* holomua has been enshrined within the Hawaiian Kingdom's foreign relations endeavors that have brought prosperity to the Hawaiian Islands and the Native Hawaiian people.

This unity-backed progress saw to the settlement of the Hawaiian Islands by the first Kanaka Maoli⁸; the survival of Kanaka Maoli for millennia; the establishment of the Hawaiian Kingdom government; and the rapid adoption of technology.

'A'ohe loa'a i ka noho wale (nothing is gained by idleness) (Pukui, 'Ōlelo No'eau, 173).

IV. SCOPE AND DELEGATION OF AUTHORITY

Trustees of the Office of Hawaiian Affairs collectively maintain the sole authority to amend this policy subsequent to majority Board approval.

IV. RELATED POLICIES

Example Policy Areas: Kūkulu pilina; Economic growth; economic self-sufficiency; international engagement; home ownership; housing stability; community and real estate development; etc.

V. CONTACTS

The Policy Administrator is:

Organizational Unit	Position
Board	Board Chair

VI. EXHIBITS

None

⁸ Full-blooded Hawaiian person, <u>http://wehewehe.org</u>, retrieved 5/9/2019



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

E 'IMI 'IKE Subject: Lāhui-level policy.	Effective Date: Original effective date of policy - TBD
Scope: The scope of this policy encompasses one of the five policies advanced by the Lāhui, as perceived by OHA.	Date Reviewed/Revised: Date of last revision or review of policy - TBD
Responsible Organizational Unit: Board	Next Scheduled Review Date: Date of next scheduled review or revision, cannot exceed five years.
	Policy Administrator: Board Chair

APPENDIX A – DRAFT L-Lāhui Level Policies

I. POLICY AND GENERAL STATEMENT

In looking to the wisdom of our kūpuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people), we have put forth these principles knowing that we could not foresee all that is to come in the future, '*a'ohe pau ka 'ike i ka hālau ho'okahi* (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow, always mindful that *aloha*, *nānā i ke kumu* (the maintained mindfulness of history and tradition), and *kūlia i ka nu'u* (strive for the greatest heights) are ever present in all that we endeavor to do for the Lāhui.

E 'Imi 'Ike (to seek knowledge) expresses OHA's recognition of the Lāhui's continuous seeking of knowledge to improve its status, adapt to necessary change, and to progress both responsibly and most effectively.

II. **DEFINITIONS**

E 'Imi 'Ike means to seek knowledge.

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 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."

III. ΜΟ'ΟΚŪ'AUHAU

Traditionally, the lack of knowledge was a severe limitation on a person's potential. Limitless knowledge meant limitless potential. As acknowledged by the 19th century Native Hawaiian



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

APPENDIX A – DRAFT L-Lāhui Level Policies

historian, Kepelino, the Native Hawaiian people were often fondly referred to as *Hawai'i'imiloa*, for their inclination toward responsible innovation.

The search for knowledge has always been intrinsically tied to advancement and innovation. Throughout their existence, Native Hawaiians have exhibited their continuous search for knowledge through their achievements and prominence in world exploration, technological adaptation, land and resource management, and much more.

History has chronicled our rapid social-political-economic and technological advancement – notably in national security, education, healthcare, the arts and sciences, and governance. In so much as we are a people that carry our traditions with us, we are ever-evolving, and ever-seeking new frontiers.

He lawai'a no ke kai pāpa'u, he po'opa'a ka i'a e loa'a. (a fisherman in the shallow sea can only catch po'opa'a) (Pukui, 'Ōlelo No'eau, 726).

IV. SCOPE AND DELEGATION OF AUTHORITY

Trustees of the Office of Hawaiian Affairs collectively maintain the sole authority to amend this policy subsequent to majority Board approval.

IV. RELATED POLICIES

Example Policy Areas: Education; Innovation; Native Hawaiian rights; indigenous rights; technology; emerging sectors; Artificial Intelligence and automation; Proactiveness; innovation; technological advancement; trade and emerging skill development; space exploration; etc.

V. CONTACTS

The Policy Administrator is:

Organizational Unit	Position
Board	Board Chair

VI. EXHIBITS

None



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

E HO'OULU LĀHUI	Effective Date: Original effective date of
Subject: Lāhui-level policy.	policy - TBD
Scope: The scope of this policy encompasses one of the five policies advanced by the Lāhui, as perceived by OHA.	Date Reviewed/Revised: Date of last revision or review of policy - TBD
Responsible Organizational Unit: Board	Next Scheduled Review Date: Date of next scheduled review or revision, cannot exceed five years.
	Policy Administrator: Board Chair

I. POLICY AND GENERAL STATEMENT

APPENDIX A – DRAFT L-Lāhui Level Policies

In looking to the wisdom of our kūpuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people), we have put forth these principles knowing that we could not foresee all that is to come in the future, 'a'ohe pau ka 'ike i ka hālau ho'okahi (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow, always mindful that *aloha*, *nānā i ke kumu* (the maintained mindfulness of history and tradition), and *kūlia i ka nu'u* (strive for the greatest heights) are ever present in all that we endeavor to do for the Lāhui.

E Ho'oulu Lāhui (to grow the Nation) expresses OHA's recognition of the Lāhui's continuous endeavor to grow and evolve and in accordance with principles of self-determination.

II. DEFINITIONS

E Ho'oulu Lāhui means to seek grow the Nation.

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 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."

ΙΙΙ. ΜΟ'ΟΚŪ'AUHAU

In his campaign for the throne and throughout his rule, King David Kala'kaua maintained the slogan "E Ho'oulu Lāhui." Originally, efforts to increase the nation were compelled by the persistent decline of the ' $\bar{o}iwi$ (native) population that began with the arrival of European foreigners in the latter 18th Century.



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

APPENDIX A – DRAFT L-Lāhui Level Policies

"Increasing the nation" became a rallying point among the ali'i. At its core, the push to ho'oulu lāhui was inherently connected to procreation and proliferating the 'ōiwi population. Yet, Kalākaua's platform and rule also promoted the concept of increasing the nation in a variety of other capacities that speak to the kind of lāhui that he envisioned and was compelled to support in line with his genealogical kuleana. Kalākaua's rule allowed and demanded space for 'ōiwi ideas and practices to expand and flourish in both public and private spaces.

Increasing the cultural attributes of the lāhui reflect a framework wherein conceptions of the past are directly tied to and inclusive of the contributions made by the ancestors who lived before us, appended by those living in the present, and built upon by our children in the future. In as much as Kalākaua had sought the protection and proliferation of the Native Hawaiian population, he had also encouraged the increase of Native Hawaiian knowledge through the cultural and political institutions that he had created and through public performances and displays of his leadership.

Today, the concept of $l\bar{a}hui$ has expanded beyond simply the identification of a body of Native Hawaiians, but also extends to our culture, identity, values, beliefs, and aspirations. To grow the nation is to productively expand every facet of our society, politics, economics, and environment.

IV. SCOPE AND DELEGATION OF AUTHORITY

Trustees of the Office of Hawaiian Affairs collectively maintain the sole authority to amend this policy subsequent to majority Board approval.

IV. RELATED POLICIES

Example Policy Areas: Governance; Native Hawaiian economy; innovative Hawaiian business ownership; food security and sustainability; real estate, land, and resource acquisition and expansion; wealth; economic self-sufficiency; loans, grants, and sponsorships; asset limits; international relations; identity; culture; etc.

V. CONTACTS

The Policy Administrator is:

Organizational Unit	Position
Board	Board Chair

VI. EXHIBITS

None

----- END OF APPENDIX A -----



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

APPENDIX B – DRAFT Development, Management and Maintenance of Policies

Subject: Development, Maintenance and Management of Policies	Effective Date: Original effective date of policy - TBD
Scope: The scope of this policy includes policy types—L- Lāhui Level, T-Trustee Level and C-CEO Level policies.	Date Reviewed/Revised: Date of last revision or review of policy - TBD
Responsible Office: Board	Next Scheduled Review Date: Date of next scheduled review or revision, cannot exceed three years.
	Policy Administrator ⁹ : Board Chair

I. POLICY AND GENERAL STATEMENT

The purpose of this policy is to ensure that the Office of Hawaiian Affairs (OHA) has welldeveloped, organized, understandable and relevant policies that: support the OHA's mission and vision; align to the Board Governance Framework; achieve accountability by identifying the responsible offices; and provide clear and concise guidance. *This policy addresses the process for developing new and maintaining and managing all of the OHA's L-*Lāhui, *T-Trustee and C-CEO level policies*. An effective governance framework considers that policies are modified from time to time for clarification of facts, circumstances, policy content, processes or organizational changes.

II. DEFINITIONS

Governance¹⁰. 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.

Policy¹¹. 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; and a high-level overall plan embracing the general goals and acceptable procedures especially of a governmental body.

⁹ Responsible for the programmatic, functional, or administrative areas affected by the policy/procedure.

¹⁰ http://www.businessdictionary.com/definition/governance.html, retrieved 1/1/2019

¹¹ https://www.merriam-webster.com/dictionary/policy, retrieved 3/28/2019



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

APPENDIX B – DRAFT Development, Management and Maintenance of Policies

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 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."

L- Lāhui Level Policies. Articulates 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. Identifying Lāhui level policies meant identifying those traditional policies that were fundamentally Native Hawaiian – those very same policies that exemplify our identity as a unique group of peoples on Earth. Identifying Lāhui level policies also meant identifying those traditional policies with strong connections to both contemporary and future needs of Native Hawaiians.

T-Trustee Level Policies. Articulates broad, systemic, strategic, overarching policies that are attributed to OHA's Trustee role as a result of the Constitution and Chapter 10 purposes and duties (e.g., fiduciary, care, obedience, code of ethics).

C-CEO Level Policies. Guides and directs operations such as compensation, recruitment, procurement, contracting, data retention, asset protection, risk management, etc.

Procedure. A procedure is a guideline or series of interrelated steps taken to help implement the policy.

Policy Initiator. The Policy Initiator is either the Board or Chief Executive Officer (CEO) that develops a policy proposal (e.g., addition, change, deletion).

Policy Owner. The Policy Owner is the Board for L- Lāhui Level and T-Trustee Level policies. The CEO is the Policy Owner for the C-CEO Level policies. The Policy Owner's jurisdiction covers the subject matter of the policy.

Stakeholder. Stakeholders include individuals, families, entities, organizations, communities that are both internal (e.g., staff, administration, Trustees) and external (e.g., grantees, collaborators, Ali'i Trusts, State government) to the OHA, that are affected by the policy.



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

APPENDIX B – DRAFT Development, Management and Maintenance of Policies

Policy Administrator. The Policy Administrator is the organizational unit and its leader (i.e., Board, Chair; Administration, CEO) responsible for the programmatic, functional, or administrative areas affected by the policy/procedure.

III. MOʻOKŪʻAUHAU



The Board Governance Framework consists of the following five elements: 1) Identity; 2) Values and Mana; 3) Statutory Basis; 4) Policies; and 5) Supporting Documents and Practices (Operations), as approved by the Board of Trustees via Action Item BOT #19-04; and is the genesis and origination point of this policy.

IV. SCOPE AND DELEGATION OF AUTHORITY

The authority to approve new or changes to existing L-Lāhui and T-Trustee level policies is vested in and retained by the Board of Trustees (BOT).

The BOT delegates to the Chief Executive Officer (CEO): 1) Implementation of this policy and its programmatic, functional or administrative impacts; and 2) Responsibility to initiate the process to develop new, and maintain, manage and change existing policies; and 3) Authorization of C-CEO level policies.

IV. RELATED POLICIES

The scope of this policy applies to all policy types—L- Lāhui Level, T-Trustee Level and C-CEO Level policies.

V. CONTACTS

The Policy Administrator is:

Organizational Unit	Position
Board	Board Chair



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

APPENDIX B – DRAFT Development, Management and Maintenance of Policies

VI. EXHIBITS

The attached Policy Template presents policies in a format and consistently identifies applicable elements.



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

APPENDIX B – DRAFT Development, Management and Maintenance of Policies

TEMPLATE Subject: First word of Subject title should be a key word for locating the policy.	Effective Date: Original effective date of policy.
Scope: List span of policy. (To whom or what does this policy apply)	Date Reviewed/Revised: Date of last revision or review of policy.
Responsible Office: Area or department responsible for implementation and/or interpretation of policy.	Next Scheduled Review Date: Date of next scheduled review or revision. Cannot exceed three years.
	Policy Administrator: OHA Executive responsible for the programmatic, functional, or administrative areas affected by the policy/procedure.

I. POLICY AND GENERAL STATEMENT

Provide a brief introduction stating the policy or position and the basis or rationale for the policy/procedure.

II. DEFINITION

Define any terms with specific meaning for the policy

III. ΜΟ'ΟΚŪ'AUHAU

Include cultural and organizational mo'okū'auhau of how the policy statement came into development

IV. SCOPE AND DELEGATION OF AUTHORITY

Describe process to be followed, including any required controls and approval levels; what is delegated to Administration/CEO and what is not and retained by the Trustees

IV. RELATED POLICIES

List related policies, if applicable

V. CONTACTS



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

APPENDIX B – DRAFT Development, Management and Maintenance of Policies

List the phone number and email/web address of the office and/or person who is the subject matter expert on this policy and can answer questions regarding application and interpretation of the policy.

Organizational Unit	Position
Board	Chair

VI. EXHIBITS

List exhibits referenced in policy and provide links. Do not include section if no exhibits are referenced in the policy.

----- END OF APPENDIX B -----



Attachment 1 - Board Governance Framework, Permitted Interaction Group Report, L-Lāhui Level Policies, May 2019

APPENDIX C – PERMITTED INTERACTION GROUP REFERENCE LIST

The following documents are a part of the permitted interaction group reference list, including originally produced analysis, illustrations, work products and deliverables, which will be distributed post action of the Board:

API	PENDIX C – PERMITTED INTERACTION GROUP REFERENCE	Classification
1.	Policy Analysis	Confidential
2.	DRAFT Papahānaumokuākea Marine National Monument Kūkulu Foundational Elements	Confidential
3.	DRAFT Papahānaumokuākea Marine National Monument Kūkulu Strategies	Confidential
4.	RM 2017-05 Kaka'ako Makai Policy	Confidential
5. Lāhui Level Policy Analysis		Confidential
6. BAE #15-06 Water Policy		Confidential
7. BAE #15-07 Iwi Kupuna Policy		Confidential
8. BAE #16-01 International Engagement Policy		Confidential
9. L-Lāhui Level Policies Presentation		Confidential
10. L-Lāhui Level Policy Framework		Confidential

----- END OF APPENDIX C -----



ATTACHMENT 2 - E MĀLAMA

E MĀLAMA	Effective Date: Original effective date of policy - TBD
Subject: Lāhui-level policy.	
Scope: The scope of this policy encompasses one of the five policies advanced by the Lāhui, as perceived by OHA.	Date Reviewed/Revised: Date of last revision or review of policy - TBD
Responsible Organizational Unit: Board	Next Scheduled Review Date: Date of next scheduled review or revision, cannot exceed five years.
	Policy Administrator: Board Chair

I. POLICY AND GENERAL STATEMENT

In looking to the wisdom of our kūpuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people), we have put forth these principles knowing that we could not foresee all that is to come in the future, '*a'ohe pau ka 'ike i ka hālau ho'okahi* (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow, always mindful that *aloha*, *nānā i ke kumu* (the maintained mindfulness of history and tradition), and *kūlia i ka nu'u* (strive for the greatest heights) are ever present in all that we endeavor to do for the Lāhui.

E Mālama, or more specifically, *e mālama i ko mau kumuwaiwai nui* (to protect our greatest resources) expresses OHA's recognition of the Lāhui's continued endeavor to protect our greatest social, cultural/historical, and natural resources.

II. **DEFINITIONS**

E Malama means to protect or to care for.

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 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."

III. MO'OKŪ'AUHAU

Rooted in traditional Native Hawaiian culture and beliefs are concepts of sustainability and selfsufficiency. Devastating diseases and both Western and Asian settler colonialism and the impacts of colonization (and forced assimilation) since as early as the late 18th Century have impressed upon many Native Hawaiians the need to protect our way of existence from further decline. These principles reinforcing the policy of protection is deeply rooted in Native Hawaiian society; it is the duty of youth to honor, love, and serve their elders. It is the reciprocal duty of



ATTACHMENT 2 - E MĀLAMA

the elders to care for, protect, and $h\bar{a}nai$ the youth. This reciprocal-familial relationship extends between Native Hawaiians and every facet of the world and life around them – from their interaction with the natural world to society and even spiritualism/religion.

Hānau ka 'āina, hānau ke ali'i, hānau ke kānaka (born is the land, born is the chief, born are the people). (Pukui, 'Ōlelo No'eau, 466).

"Long before the Western world began to speak of conservation, the Hawaiian child was taught the precept: if you uproot a plant or cut down a tree, plant a new one to replace it." (*Nānā i Ke Kumu, Vol 2*, p.51).

IV. SCOPE AND DELEGATION OF AUTHORITY

Trustees of the Office of Hawaiian Affairs collectively maintain the sole authority to amend this policy subsequent to majority Board approval.

IV. RELATED POLICIES

Example Social Resources Policy Areas: 'Ohana (family), kūpuna (ancestors/elders), 'ōpio (youths), kaiāulu (community), ola (health), lā'au lapa'au; 'ōlelo Hawai'i (Hawaiian language), na'auao (education), mental health, criminal justice, etc.

Example Cultural Resources Policy Areas: Iwi kupuna (ancestral bones/burials), heiau, wahi pana (storied/legendary places), wahi kapu (sacred places), nā 'ike a me nā hana (cultural practices), historical resources, etc.

Examples of Natural Resources Policy Areas: 'Āina (land resources), wai (fresh water resources), kai (marine resources), lewa (atmospheric resources), lewa mawaho (space), nā hōkū 'ae'a a me nā hōkū (planets and stars), nā lā'au a me nā holoholona (plants and animals), ua (rain), makani (wind), loko i'a, konohiki fishing rights, etc.

V. CONTACTS

The Policy Administrator is:

Organizational Unit		Position
Board	*	Board Chair

VI. EXHIBITS

None

---- END OF ATTACHMENT 2 -----



ATTACHMENT 3 - E HO'OMAU

E HO'OMAU	Effective Date: Original effective date of policy - TBD	
Subject: Lāhui-level policy.		
Scope: The scope of this policy encompasses one of the five policies advanced by the Lāhui, as perceived by OHA.	Date Reviewed/Revised: Date of last revision or review of policy - TBD	
Responsible Organizational Unit: Board	Next Scheduled Review Date: Date of next scheduled review or revision, cannot exceed five years.	
	Policy Administrator: Board Chair	

I. POLICY AND GENERAL STATEMENT

In looking to the wisdom of our kūpuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people), we have put forth these principles knowing that we could not foresee all that is to come in the future, '*a'ohe pau ka 'ike i ka hālau ho'okahi* (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow, always mindful that *aloha*, *nānā i ke kumu* (the maintained mindfulness of history and tradition), and *kūlia i ka nu'u* (strive for the greatest heights) are ever present in all that we endeavor to do for the Lāhui.

E Ho'omau, or more specifically, *e ho'omau i ka lāhui Hawai'i* (to perpetuate the Hawaiian nation) expresses OHA's recognition of the Lāhui's continued endeavor to persist into the far future as a body of people united by common descent, history, culture, and language.

II. DEFINITIONS

E Ho'omau means to perpetuate or to persist/continue on.

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 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."

III. MOʻOKŪʻAUHAU

To ho'omau is a policy at the very core of Native Hawaiian existence. In fact, it can be said that the very need to protect and maintain our vast resources and to survive is accompanied by the need to perpetuate - to continue to live on into the future.

Nūpepa articles from 1900 in the Hawaiian nationalist newspaper, *Ke Aloha Aina*, discuss the concept of ho'omau in relation to protests against the United States' annexation of Hawai'i;



ATTACHMENT 3 - E HO'OMAU

the Lāhui united in unprecedented numbers under the banner of *aloha 'āina* (love for their land, their nation, and their people) to draw on the strength such feelings had given them collectively over the previous seven years since the overthrow of the monarchy in 1893.

These articles provide us an understanding of who our kūpuna were, their concerns and goals, and the nature of their struggles during a critical time. These articles attempt to comfort fellow lāhui members, urging them to continue in their love for their nation, as instructed by Joseph Nāwahī on his deathbed in 1896: "E ho'omau i ke kūpa'a no ke aloha i ka 'āina." (*Ke Aloha Aina*, Mar. 3, 1900, at 4).

Make no ke kalo a ola i ka palili (the kalo may die, but it lives on in the young plants that it produces) (Pukui, '*Ōlelo No*'eau, 2107).

IV. SCOPE AND DELEGATION OF AUTHORITY

Trustees of the Office of Hawaiian Affairs collectively maintain the sole authority to amend this policy subsequent to majority Board approval.

IV. RELATED POLICIES

Example Social Resources Policy Areas: 'Ohana (family), kūpuna (ancestors/elders), 'ōpio (youths), kaiāulu (community), ola (health), lā 'au lapa 'au; 'ōlelo Hawai 'i (Hawaiian language), na 'auao (education), mental health, criminal justice, etc.

Example Cultural Resources Policy Areas: Iwi kupuna (ancestral bones/burials), heiau, wahi pana (storied/legendary places), wahi kapu (sacred places), nā 'ike a me nā hana (cultural practices), historical resources, etc.

Examples of Natural Resources Policy Areas: 'Āina (land resources), wai (fresh water resources), kai (marine resources), lewa (atmospheric resources), lewa mawaho (space), nā hōkū 'ae'a a me nā hōkū (planets and stars), nā lā'au a me nā holoholona (plants and animals), ua (rain), makani (wind), loko i'a, konohiki fishing rights, etc.

V. CONTACTS

The Policy Administrator is:

Organizational Unit	Position
Board	Board Chair

VI. EXHIBITS

None.

---- END OF ATTACHMENT 3 -----


ATTACHMENT 4 - E PŪPŪKAHI I HOLOMUA

E PŪPŪKAHI I HOLOMUA
Subject: Lāhui-level policy.**Effective Date:** Original effective date of
policy - TBDScope: The scope of this policy
encompasses one of the five policies
advanced by the Lāhui, as perceived by OHA.**Date Reviewed/Revised:** Date of last
revision or review of policy - TBD**Responsible Organizational Unit:** Board**Next Scheduled Review Date:** Date of next
scheduled review or revision, cannot exceed
five years.**Policy Administrator:** Board Chair

I. POLICY AND GENERAL STATEMENT

In looking to the wisdom of our kūpuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people), we have put forth these principles knowing that we could not foresee all that is to come in the future, '*a'ohe pau ka 'ike i ka hālau ho'okahi* (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow, always mindful that *aloha*, *nānā i ke kumu* (the maintained mindfulness of history and tradition), and *kūlia i ka nu'u* (strive for the greatest heights) are ever present in all that we endeavor to do for the Lāhui.

E pūpūkahi i holomua (to unite in order to progress) expresses OHA's recognition of the Lāhui's effectiveness in advancing through united endeavor.

II. **DEFINITIONS**

E pūpūkahi i holomua means to unite in order to progress.

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 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."

III. MO'OKŪ'AUHAU

The policy itself exemplifies traditional advancement through communal unity and the bringing together of communal resources – it forms the basis of so many principles traditionally backed by Native Hawaiian leadership in the most trying of times.



ATTACHMENT 4 - E PŪPŪKAHI I HOLOMUA

Not solely limited to communal advancement, $p\bar{u}p\bar{u}kahi$ *i* holomua has been enshrined within the Hawaiian Kingdom's foreign relations endeavors that have brought prosperity to the Hawaiian Islands and the Native Hawaiian people.

This unity-backed progress saw to the settlement of the Hawaiian Islands by the first Kanaka Maoli¹; the survival of Kanaka Maoli for millennia; the establishment of the Hawaiian Kingdom government; and the rapid adoption of technology.

'A'ohe loa'a i ka noho wale (nothing is gained by idleness) (Pukui, 'Ōlelo No'eau, 173).

IV. SCOPE AND DELEGATION OF AUTHORITY

Trustees of the Office of Hawaiian Affairs collectively maintain the sole authority to amend this policy subsequent to majority Board approval.

IV. RELATED POLICIES

Example Policy Areas: Kūkulu pilina; Economic growth; economic self-sufficiency; international engagement; home ownership; housing stability; community and real estate development; etc.

V. CONTACTS

The Policy Administrator is:

Organizational Unit	Position
Board	Board Chair

VI. EXHIBITS

None

----- END OF ATTACHMENT 4 -----

¹ Full-blooded Hawaiian person, http://wehewehe.org, retrieved 5/9/2019



ATTACHMENT 5 - E 'IMI 'IKE

E 'IMI 'IKE Subject: Lāhui-level policy.	Effective Date: Original effective date of policy - TBD
Scope: The scope of this policy encompasses one of the five policies advanced by the Lāhui, as perceived by OHA.	Date Reviewed/Revised: Date of last revision or review of policy - TBD
Responsible Organizational Unit: Board	Next Scheduled Review Date: Date of next scheduled review or revision, cannot exceed five years.
	Policy Administrator: Board Chair

I. POLICY AND GENERAL STATEMENT

In looking to the wisdom of our kūpuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people), we have put forth these principles knowing that we could not foresee all that is to come in the future, 'a'ohe pau ka 'ike i ka hālau ho'okahi (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow, always mindful that *aloha*, *nānā i ke kumu* (the maintained mindfulness of history and tradition), and *kūlia i ka nu'u* (strive for the greatest heights) are ever present in all that we endeavor to do for the Lāhui.

E 'Imi 'Ike (to seek knowledge) expresses OHA's recognition of the Lāhui's continuous seeking of knowledge to improve its status, adapt to necessary change, and to progress both responsibly and most effectively.

II. DEFINITIONS

E 'Imi 'Ike means to seek knowledge.

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 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."

III. MOʻOKŪʻAUHAU

Traditionally, the lack of knowledge was a severe limitation on a person's potential. Limitless knowledge meant limitless potential. As acknowledged by the 19th century Native Hawaiian historian, Kepelino, the Native Hawaiian people were often fondly referred to as *Hawai'i'imiloa*, for their inclination toward responsible innovation.



ATTACHMENT 5 - E 'IMI 'IKE

The search for knowledge has always been intrinsically tied to advancement and innovation. Throughout their existence, Native Hawaiians have exhibited their continuous search for knowledge through their achievements and prominence in world exploration, technological adaptation, land and resource management, and much more.

History has chronicled our rapid social-political-economic and technological advancement – notably in national security, education, healthcare, the arts and sciences, and governance. In so much as we are a people that carry our traditions with us, we are ever-evolving, and ever-seeking new frontiers.

He lawai'a no ke kai pāpa'u, he po'opa'a ka i'a e loa'a. (a fisherman in the shallow sea can only catch po'opa'a) (Pukui, 'Ōlelo No'eau, 726).

IV. SCOPE AND DELEGATION OF AUTHORITY

Trustees of the Office of Hawaiian Affairs collectively maintain the sole authority to amend this policy subsequent to majority Board approval.

IV. RELATED POLICIES

Example Policy Areas: Education; Innovation; Native Hawaiian rights; indigenous rights; technology; emerging sectors; Artificial Intelligence and automation; Proactiveness; innovation; technological advancement; trade and emerging skill development; space exploration; etc.

V. CONTACTS

The Policy Administrator is:

Organizational Unit	Position	
Board	Board Chair	

VI. EXHIBITS

None

----- END OF ATTACHMENT 5 -----



ATTACHMENT 6 - E HO'OULU LĀHUI

E HO'OULU LĀHUI Subject: Lāhui-level policy.	Effective Date: Original effective date of policy - TBD
Scope: The scope of this policy encompasses one of the five policies advanced by the Lāhui, as perceived by OHA.	Date Reviewed/Revised: Date of last revision or review of policy - TBD
Responsible Organizational Unit: Board	Next Scheduled Review Date: Date of next scheduled review or revision, cannot exceed five years.
	Policy Administrator: Board Chair

I. POLICY AND GENERAL STATEMENT

In looking to the wisdom of our kūpuna, *ua lehulehu a manomano ka 'ikena a ka Hawai'i* (great and numerous is the knowledge of the Hawaiian people), we have put forth these principles knowing that we could not foresee all that is to come in the future, '*a'ohe pau ka 'ike i ka hālau ho'okahi* (not all knowledge is contained in a single school). These policies are living and are meant to be a guide for the leaders of today and tomorrow, always mindful that *aloha*, *nānā i ke kumu* (the maintained mindfulness of history and tradition), and *kūlia i ka nu'u* (strive for the greatest heights) are ever present in all that we endeavor to do for the Lāhui.

E Ho'oulu Lāhui (to grow the Nation) expresses OHA's recognition of the Lāhui's continuous endeavor to grow and evolve and in accordance with principles of self-determination.

II. **DEFINITIONS**

E Ho'oulu Lāhui means to seek grow the Nation.

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 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."

III. ΜΟ'ΟΚŪ'AUHAU

In his campaign for the throne and throughout his rule, King David Kala'kaua maintained the slogan "E Ho'oulu Lāhui." Originally, efforts to increase the nation were compelled by the persistent decline of the ' $\bar{o}iwi$ (native) population that began with the arrival of European foreigners in the latter 18th Century. "Increasing the nation" became a rallying point among the ali'i. At its core, the push to ho'oulu lāhui was inherently connected to procreation and



ATTACHMENT 6 - E HO'OULU LĀHUI

proliferating the 'ōiwi population. Yet, Kalākaua's platform and rule also promoted the concept of increasing the nation in a variety of other capacities that speak to the kind of lāhui that he envisioned and was compelled to support in line with his genealogical kuleana. Kalākaua's rule allowed and demanded space for 'ōiwi ideas and practices to expand and flourish in both public and private spaces.

Increasing the cultural attributes of the lāhui reflect a framework wherein conceptions of the past are directly tied to and inclusive of the contributions made by the ancestors who lived before us, appended by those living in the present, and built upon by our children in the future. In as much as Kalākaua had sought the protection and proliferation of the Native Hawaiian population, he had also encouraged the increase of Native Hawaiian knowledge through the cultural and political institutions that he had created and through public performances and displays of his leadership.

Today, the concept of *lāhui* has expanded beyond simply the identification of a body of Native Hawaiians, but also extends to our culture, identity, values, beliefs, and aspirations. To grow the nation is to productively expand every facet of our society, politics, economics, and environment.

IV. SCOPE AND DELEGATION OF AUTHORITY

Trustees of the Office of Hawaiian Affairs collectively maintain the sole authority to amend this policy subsequent to majority Board approval.

IV. RELATED POLICIES

Example Policy Areas: Governance; Native Hawaiian economy; innovative Hawaiian business ownership; food security and sustainability; real estate, land, and resource acquisition and expansion; wealth; economic self-sufficiency; loans, grants, and sponsorships; asset limits; international relations; identity; culture; etc.

V. CONTACTS

The Policy Administrator is:

Organizational Unit	Position
Board	Board Chair

VI. EXHIBITS

None

----- END OF ATTACHMENT 6 -----

Office of Hawaiian Affairs Board of Trustee Meeting May 30, 2019 9:30 am

IV. New Business

F. Action Item BOT #19-07: Approve the formation of a Permitted Interaction Group to investigate the Board of Trustees By-Laws.

OFFICE OF HAWAIIAN AFFAIRS Action Item

BOARD OF TRUSTEES

May 30, 2019

BOT #19-07

Action Item Issue: Approve the formation of a Permitted Interaction Group to investigate the alignment and update of the existing Board of Trustees By-Laws for OHA's Board Governance Framework

Prepared by:

Hussey, Ed.D. Sylvia M.

Ka Pou Nui, Chief Operating Officer

Reviewed by:

5/22

5/23/19

Date

5

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

Reviewed by:

Commen du

Carmen Hulu Lindsey Permitted Interaction Group Member

Colette Y. Machado

Reviewed by:

Robert K. Lindsey Jr.

5/22/

Date

Permitted Interaction Group Member

Malk

Vice Chair, Permitted Interaction Group

Date

Reviewed by:

Reviewed by:

Brendon Kale faina Lee Chair, Permitted Interaction Group

Formation of a Permitted Interaction Group to investigate the alignment and update of the existing Board of Trustees By-Laws for OHA's Board Governance Framework

I. Action Item:



Approve the formation of a Permitted Interaction Group to investigate the alignment and update of the existing Board of Trustees By-Laws for OHA's Board Governance Framework.

II. Issue:

Whether or not the Board of Trustees will approve the formation of the Permitted Interaction Group, consistent with Hawai'i Revised Statutes§92-2.5(b), to investigate the alignment and update of the existing Board of Trustees By-Laws for OHA's Board Governance Framework.

III. Discussion:

A. Applicable Law in Hawaii Revised Statutes, Permitted Interaction Groups

In accordance with HRS, CHAPTER 92, PUBLIC AGENCY MEETINGS AND RECORDS §92-2.5 (b) Permitted interactions of members: (b) Two or more members of a board, but less than the number of members which would constitute a quorum for the board, may be assigned to: (1) Investigate a matter relating to the official business of their board; provided that: (A) The scope of the investigation and the scope of each member's authority are defined at a meeting of the board; (B) All resulting findings and recommendations are presented to the board at a meeting of the board; and (C) Deliberation and decision making on the matter investigated, if any, occurs only at a duly noticed meeting of the board held subsequent to the meeting at which the findings and recommendations of the investigation were presented to the board; or (2) Present, discuss, or negotiate any position which the board has adopted at a meeting of the board; provided that the assignment is made and the scope of each member's authority is defined at a meeting of the board prior to the presentation, discussion, or negotiation.

Formation of a Permitted Interaction Group to investigate the alignment and update of the existing Board of Trustees By-Laws for OHA's Board Governance Framework

B. Board Governance Framework Permitted Interaction Groups To Date



Board Governance Framework. In January 2019, the Board approved the formation of a Permitted Interaction Group (PIG) to: Investigate various elements of governance frameworks and models, including but not limited to cultural, indigenous, native, national and international contexts. The PIG was established with: 1) Trustee Brendon Kalei'āina Lee as Project Sponsor and Chair; 2) Trustee Colette Machado as Business Process Owner and Vice Chair of the PIG; and 3) Trustees Robert Lindsey¹ and John Waihee² as members. The PIG was supported by Trustee Machado, Lee, Lindsey and Waihee's Aides; and Administration, Ka Pouhana, Kamana`opono

Crabbe, Ka Pou Nui, Sylvia Hussey and staff. The PIG presented its final report and recommendations to the Board of Trustees (BOT) at its March 28, 2019 meeting; and on April 4, 2019, via Action Item BOT# 19-04, the 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).

L-Lāhui Level Policies. On April 4, 2019, via Action Item #19-05, the BOT approved the formation of a Permitted Interaction Group to investigate the development of L-Lāhui level policies for OHA's Board Governance Framework. The purview of the PIG was for the Board of Trustees (BOT), BOT staff and OHA Administration staff to work together to: (1) Investigate the development of L-Lāhui policies for OHA's Board Governance Framework, which would 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; (2) Establish consistent policy formulation, format, review and update parameters, mechanisms and processes; and (3) Integrate the developed policies into the Board Governance Framework.

Subsequent to the April 4th authorization, the PIG completed its work and reported its findings to the BOT at its May 16, 2019 meeting. Via Action Item #19-06, scheduled for the May 30, 2019 BOT meeting, the Board will consider the findings of the PIG and recommended approval of L-Lāhui Level Policies: (1) E Mālama (to protect); (2) E Ho'omau (to perpetuate); (3) E Pūpūkahi i Holomua (to unite in order to progress); (4) E 'Imi 'Ike (to seek knowledge); (5) E Ho'oulu Lāhui (to grow the Lāhui), developed in accordance with the approved PIG purview.

¹ Interim Chair of the Resource Management Committee at the time of the formation of the Permitted Interaction Group

² Chair of the Beneficiary, Advocacy and Empowerment Committee

Formation of a Permitted Interaction Group to investigate the alignment and update of the existing Board of Trustees By-Laws for OHA's Board Governance Framework

C. New Permitted Interaction Group, Board Governance Framework – Board of Trustees By-Laws

Permitted Interaction Group - Purview. Via this Action Item, approval is sought to form a new PIG to continue the implementation of the Board Governance Framework elements. The purview of the new PIG is for the Board of Trustees (BOT), BOT staff and OHA Administration staff to work together to: (1) Investigate the alignment and update of existing BOT By-Laws and related documents; (2) Establish consistent format, review and update parameters, mechanisms and processes; and (3) Integrate the developed BOT By-Laws and related documents into the Board Governance Framework.

Permitted Interaction Group – Members. The membership of the Permitted Interaction Group is as follows:

- 1. Trustee Colette Machado, BOT Chairperson
- 2. Trustee Brendon Kalei'āina Lee, BOT Vice Chairperson
- 3. Trustee Robert K. Lindsey, Jr, Resource Management Vice Chairperson
- 4. Trustee Carmen Hulu Lindsey
- 5. Kamana'opono M. Crabbe, Ka Pouhana
- 6. Sylvia M. Hussey, Ka Pou Nui

Trustee Lee will serve as the Chair of the Permitted Interaction Group and Trustee Machado will serve as its Vice Chair.

Permitted Interaction Group - Term/Duration. The term of the Permitted Interaction Group expires at the completion of the assigned tasks or at the discretion of the Chair of the Board of Trustees, subject to later adjustment, but in no event later than July 31, 2019.

Formation of a Permitted Interaction Group to investigate the alignment and update of the existing Board of Trustees By-Laws for OHA's Board Governance Framework

D. Summary of Board Governance Framework Implementation Tracking via Permitted Interaction Groups

The slide below summarizes the implementation of Board Governance Framework elements via current or proposed permitted interaction groups.



Action Item BOT #19-07 Formation of a Permitted Interaction Group to investigate the alignment and update of the existing Board of Trustees By-Laws for OHA's Board Governance Framework

The slide below summarizes the implementation of Board Governance Framework elements via new, to be approved, permitted interaction groups



IV. Funding Source:

Not applicable, no dedicated funding needed to authorize and form a new Permitted Interaction Group to investigate the alignment and update of existing BOT By-Laws for OHA's Board Governance Framework.

V. Recommended Action:

Approve the formation of a Permitted Interaction Group to investigate the alignment and update of the existing Board of Trustees By-Laws for OHA's Board Governance Framework

Formation of a Permitted Interaction Group to investigate the alignment and update of the existing Board of Trustees By-Laws for OHA's Board Governance Framework

VI. Timeframe:

Immediate action is recommended to ensure that the following newly formed and executed PIGs (subject to BOT approval) can be launched to "operationalize" the framework elements no later than December 31, 2019:

- 1. Development of L-Lahui level policies Action Items BOT #19-05 (April 4, 2019) and #19-06 (on the May 30, 2019 BOT agenda);
- 2. Alignment and update of existing BOT By-Laws Action Item BOT #19-07 (on the May 30, 2019 BOT agenda);
- 3. Development of T-Trustee level policies TBD;
- 4. Development of C-CEO level policies TBD; and
- 5. Incorporation of completed and approved work products of the Board Governance Framework and alignment and update of existing Board governance documents -Action Item BOT #19-08 (on the May 30, 2019 BOT agenda).

VII. Attachment: None

Office of Hawaiian Affairs Board of Trustee Meeting May 30, 2019 9:30 am

IV. New Business

G. Action Item BOT #19-08: 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, L-Lahui Policies PIG, Board of Trustees By-Laws PIG, T-Level Policies PIG, and C-CEO Level Policies; and alignment and update of existing Board governance documents.

OFFICE OF HAWAIIAN AFFAIRS Action Item

BOARD OF TRUSTEES

May 30, 2019

BOT #19-08

Action Item Issue: 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, L-Lahui Level Policies PIG, Board of Trustees By-Laws PIG, T-Trustee Level Policies PIG, and C-CEO Level Policies; and alignment and update of existing Board governance documents.

Prepared by:

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

Reviewed by:

5/22/1

Date

5/23/19

Date

Kamana opono Crabbe Ka Pouhana, Chief Executive Officer

Reviewed by:

Carmen

Carmen Hulu Lindsey Permitted Interaction Group Member

Reviewed by:

Date

Robert K. Lindsey, Jr. Permitted Interaction Group Member

1 Ma

Reviewed by:

Colette Y. Machado Vice Chair, Permitted Interaction Group

Date

Reviewed by:

Brendon Kalei'āina Lee Chair, Permitted Interaction Group

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, L-Lahui Level Policies PIG, Board of Trustees By-Laws PIG, T-Trustee Level Policies PIG, and C-CEO Level Policies; and alignment and update of existing Board governance documents.

I. Action Item:



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, L-Lahui Level Policies PIG, Board of Trustees By-Laws PIG, T-Trustee Level Policies PIG, and C-CEO Level Policies; and alignment and update of existing Board governance documents.

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II. Issue:

Whether or not the Board of Trustees will approve the formation of the Permitted Interaction Group (PIG), consistent with Hawai'i Revised Statutes§92-2.5(b), to investigate the incorporation of completed and approved work products of the Board Governance Framework PIG, L-Lahui Level Policies PIG, Board of Trustees By-Laws PIG, T-Trustee Level Policies PIG, and C-CEO Level Policies; and alignment and update of existing Board governance documents.

III. Discussion:

A. Applicable Law in Hawaii Revised Statutes, Permitted Interaction Groups

In accordance with HRS, CHAPTER 92, PUBLIC AGENCY MEETINGS AND RECORDS §92-2.5 (b) Permitted interactions of members: (b) Two or more members of a board, but less than the number of members which would constitute a quorum for the board, may be assigned to: (1) Investigate a matter relating to the official business of their board; provided that: (A) The scope of the investigation and the scope of each member's authority are defined at a meeting of the board; (B) All resulting findings and recommendations are presented to the board at a meeting of the board; and (C) Deliberation and decision making on the matter investigated, if any, occurs only at a duly noticed meeting of the board held subsequent to the meeting at which the findings and recommendations of the investigation were presented to the board; or (2) Present, discuss, or negotiate any position which the board has adopted at a meeting of the board; provided that the assignment is made and the scope of each member's authority is defined at a meeting of the board prior to the presentation, discussion, or negotiation.

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, L-Lahui Level Policies PIG, Board of Trustees By-Laws PIG, T-Trustee Level Policies PIG, and C-CEO Level Policies; and alignment and update of existing Board governance documents.



B. Board Governance Framework Permitted Interaction Groups To Date

Board Governance Framework. In January 2019, the Board approved the formation of a Permitted Interaction Group (PIG) to: Investigate various elements of governance frameworks and models, including but not limited to cultural, indigenous, native, national and international contexts. The PIG was established with: 1) Trustee Brendon Kalei'āina Lee as Project Sponsor and Chair; 2) Trustee Colette Machado as Business Process Owner and Vice Chair of the PIG; and 3) Trustees Robert Lindsey¹ and John Waihee² as members. The PIG was supported by Trustee Machado, Lee, R Lindsey and Waihee's Aides; and Administration, Ka Pouhana, Kamana`opono

Crabbe, Ka Pou Nui, Sylvia Hussey and staff. The PIG presented its final report and recommendations to the Board of Trustees (BOT) at its March 28, 2019 meeting; and on April 4, 2019, via Action Item BOT# 19-04, the 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).

L-Lāhui Level Policies. On April 4, 2019, via Action Item #19-05, the BOT approved the formation of a Permitted Interaction Group to investigate the development of L-Lāhui level policies for OHA's Board Governance Framework. The PIG was supported by Trustee Machado, Lee, H Lindsey and R Lindsey's Aides; and Administration, Ka Pouhana, Kamana`opono Crabbe, Ka Pou Nui, Sylvia Hussey and staff. The PIG presented its final report and recommendations to the Board of Trustees (BOT) at its May 16, 2019 meeting. Via Action Item #19-06, scheduled for the May 30, 2019 BOT meeting, the Board will consider the findings of the PIG and recommended approval of L-Lāhui Level Policies: (1) E Mālama (to protect); (2) E Ho'omau (to perpetuate); (3) E Pūpūkahi i Holomua (to unite in order to progress); (4) E 'Imi 'Ike (to seek knowledge); (5) E Ho'oulu Lāhui (to grow the Lāhui), developed in accordance with the approved PIG purview.

¹ Interim Chair of the Resource Management Committee at the time of the formation of the Permitted Interaction Group

² Chair of the Beneficiary, Advocacy and Empowerment Committee

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, L-Lahui Level Policies PIG, Board of Trustees By-Laws PIG, T-Trustee Level Policies PIG, and C-CEO Level Policies; and alignment and update of existing Board governance documents.

C. 1st New Permitted Interaction Group, Board Governance Framework – Board of Trustees By-Laws – Action Item BOT #19-07

Via Action Item BOT #19-07, at the May 30, 2019 Board meeting, approval will be sought to form a Permitted Interaction Group to investigate the alignment and update of the existing Board of Trustees By-Laws for OHA's Board Governance Framework. The purview of the new PIG is for the Board of Trustees (BOT), BOT staff and OHA Administration staff to work together to: (1) Investigate the alignment and update of existing BOT By-Laws and related documents; (2) Establish consistent format, review and update parameters, mechanisms and processes; and (3) Integrate the developed BOT By-Laws and related documents into the Board Governance Framework. The proposed members of the PIG are: Trustees Lee, Machado, R Lindsey and H Lindsey, including their aides; and Administration, Ka Pouhana, Kamana`opono Crabbe, Ka Pou Nui, Sylvia Hussey and staff. Trustee Lee will serve as the Chair of the Permitted Interaction Group and Trustee Machado will serve as its Vice Chair. The term of the Permitted Interaction Group is proposed to expire at the completion of the assigned tasks or at the discretion of the Chair of the Board of Trustees, subject to later adjustment, but in no event later than July 31, 2019.

D. 2nd New Permitted Interaction Group, Board Governance Framework – Investigate the incorporation of completed and approved work products of the Board Governance Framework PIG, L-Lahui Level Policies PIG, Board of Trustees By-Laws PIG, T-Trustee Level Policies PIG, and C-CEO Level Policies; and alignment and update of existing Board governance documents – Action Item BOT #19-08

As the implementation of the Board Governance Framework progresses, it is necessary to incorporate the completed and approved work products from each of the PIGs.

Permitted Interaction Group - Purview. Via this Action Item, approval is sought to form a second new PIG to continue the implementation of the Board Governance Framework elements. The purview of the new PIG is for the Board of Trustees (BOT), BOT staff and OHA Administration staff to work together to:

(1) Establish consistent format, review and update parameters, mechanisms and processes for each of the completed and approved work products of the Board Governance Framework from the Board Governance Framework PIG, L-Lahui Level Policies PIG, Board of Trustees By-Laws PIG, T-Trustee Level Policies PIG, and C-CEO Level Policies PIG;

(2) Maintain the Board Governance Framework elements and integrate each final approved work product;

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, L-Lahui Level Policies PIG, Board of Trustees By-Laws PIG, T-Trustee Level Policies PIG, and C-CEO Level Policies; and alignment and update of existing Board governance documents.

> (3) Create and define on going Board Governance Framework maintenance roles and responsibilities; and

(4) Align and update related Board governance documents (e.g., policies, procedures, handbooks, manuals).

Permitted Interaction Group – Members. The membership of the Permitted Interaction Group is as follows:

- 1. Trustee Colette Machado, BOT Chairperson
- 2. Trustee Brendon Kalei'āina Lee, BOT Vice Chairperson
- 3. Trustee Robert K. Lindsey, Jr, Resource Management Vice Chairperson
- 4. Trustee Carmen Hulu Lindsey
- 5. Kamana'opono M. Crabbe, Ka Pouhana
- 6. Sylvia M. Hussey, Ka Pou Nui

Trustee Lee will serve as the Chair of the Permitted Interaction Group and Trustee Machado will serve as its Vice Chair.

Permitted Interaction Group - Term/Duration. The term of the Permitted Interaction Group expires at the completion of the assigned tasks or at the discretion of the Chair of the Board of Trustees, subject to later adjustment, but in no event later than December 31, 2019.

E. Summary of Board Governance Framework Implementation Tracking via **Permitted Interaction Groups**



summarizes the implementation of Board Governance Framework elements via current or proposed permitted interaction groups

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, L-Lahui Level Policies PIG, Board of Trustees By-Laws PIG, T-Trustee Level Policies PIG, and C-CEO Level Policies; and alignment and update of existing Board governance documents.

The slide below summarizes the implementation of Board Governance Framework elements via new, to be approved, permitted interaction groups



IV. Funding Source:

Not applicable, no dedicated funding needed to authorize and form a new Permitted Interaction Group to investigate the incorporation of completed and approved work products of the Board Governance Framework PIG, L-Lahui Level Policies PIG, Board of Trustees By-Laws PIG, T-Trustee Level Policies PIG, and C-CEO Level Policies; and alignment and update of existing Board governance documents.

V. Recommended Action:

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, L-Lahui Level Policies PIG, Board of Trustees By-Laws PIG, T-Trustee Level Policies PIG, and C-CEO Level Policies; and alignment and update of existing Board governance documents.

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, L-Lahui Level Policies PIG, Board of Trustees By-Laws PIG, T-Trustee Level Policies PIG, and C-CEO Level Policies; and alignment and update of existing Board governance documents.

VI. Timeframe:

Immediate action is recommended to ensure that the following newly formed and executed PIGs (subject to BOT approval) can be launched to "operationalize" the framework elements no later than December 31, 2019:

- 1. Development of L-Lahui level policies Action Items BOT #19-05 (April 4, 2019) and #19-06 (on the May 30, 2019 BOT agenda);
- 2. Alignment and update of existing BOT By-Laws Action Item BOT #19-07 (on the May 30, 2019 BOT agenda);
- 3. Development of T-Trustee level policies TBD;
- 4. Development of C-CEO level policies TBD; and
- Incorporation of completed and approved work products of the Board Governance Framework PIG, L-Lahui Level Policies PIG, Board of Trustees By-Laws PIG, T-Trustee Level Policies PIG, and C-CEO Level Policies; and alignment and update of existing Board governance documents. - Action Item BOT #19-08 (on the May 30, 2019 BOT agenda).

VII. Attachment: None