

PHONE (808) 594-1888



FAX (808) 594-1868

Committee on Beneficiary Advocacy and Empowerment  
Trustee Robert K. Lindsey, Jr., Hawai'i, *Chair*  
Trustee Dan Ahuna, Kaua'i / Ni'ihau, *Vice-Chair*  
*Members*  
Trustee Leina'ala Ahu Isa, At-Large  
Trustee Rowena Akana, At-Large  
Trustee Keli'i Akina, At-Large  
Trustee Peter Apo, O'ahu  
Trustee Carmen Hulu Lindsey, Maui  
Trustee Colette Y. Machado, Moloka'i / Lāna'i  
Trustee John Waihe'e, IV, At-Large

**STATE OF HAWAII**  
**OFFICE OF HAWAIIAN AFFAIRS**  
560 N. NIMITZ HIGHWAY, SUITE 200  
HONOLULU, HAWAII 96817

Committee on Resource Management  
Trustee Carmen Hulu Lindsey, Maui, *Chair*  
Trustee John Waihe'e, IV, At-Large, *Vice-Chair*  
*Members*  
Trustee Leina'ala Ahu Isa, At-Large  
Trustee Dan Ahuna, Kaua'i / Ni'ihau  
Trustee Rowena Akana, At-Large  
Trustee Keli'i Akina, At-Large  
Trustee Peter Apo, O'ahu  
Trustee Robert K. Lindsey, Jr., Hawai'i  
Trustee Colette Y. Machado, Moloka'i / Lāna'i

JOINT MEETING OF THE  
COMMITTEE ON RESOURCE MANAGEMENT AND  
THE COMMITTEE ON BENEFICIARY ADVOCACY AND EMPOWERMENT

DATE: Wednesday, November 29, 2017  
TIME: 10:00 AM  
PLACE: Maui Ola Boardroom  
Nā Lama Kukui  
560 N. Nimitz Highway  
Honolulu, Hawai'i 96817

AGENDA

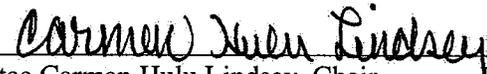
- I. Call to Order
- II. Public Testimony\*
- III. Approval of Minutes
  - A. May 24, 2017
  - B. May 24, 2017 continued to May 31, 2017
  - C. May 24, 2017 continued to June 7, 2017
  - D. May 24, 2017 continued to June 28, 2017
- IV. New Business
  - A. RM/BAE #17-02: 2018-2019 Scholarship Administration Grant Recommendation
- V. Community Concerns\*
- VI. Announcements
- VII. Adjournment

17 NOV 22 AM 4:2  
GOVERNOR'S OFFICE

\*Notice: Persons wishing to provide written testimony are requested to submit thirteen (13) copies of their testimony to the OHA Pouhana / CEO at 560 N. Nimitz Highway, 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 at the meeting may do so within a five (5) minute limit.

† Notice: The 72 Hour rule, pursuant to OHA Operations Guide, may be waived for distribution of new committee materials.

  
Trustee Robert K. Lindsey, Jr., *Chair*      NOV 22 2017  
Committee on Beneficiary Advocacy and Empowerment      Date

  
Trustee Carmen Hulu Lindsey, *Chair*      NOV 22 2017  
Committee on Resource Management      Date

**STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS  
560 N. Nimitz Hwy, Suite 200  
HONOLULU, HI 96817**

**Minutes of the Office of Hawaiian Affairs Joint Committee on Resource Management and  
Beneficiary Advocacy and Empowerment  
November 29, 2017  
10:00am**

**ATTENDANCE:**

Trustee Leinaala Ahu Isa  
Trustee Dan Ahuna  
Trustee Rowena Akana  
Trustee Keli'i Akina  
Trustee Peter Apo

Trustee Carmen Hulu Lindsey  
Trustee Robert Lindsey  
Trustee Colette Machado  
Trustee John Waihe'e, IV

**STAFF PRESENT:**

Kamana'opono Crabbe, CEO  
Albert Tiberi  
Claudine Calpito  
David Laeha, CFO  
Kauikeaolani Wailehua  
Keith Yabusaki  
Lehua Itokazu  
Lady Elizabeth Garrett

Liana Pang  
Lisa Victor, COO  
Lopaka Baptiste  
Melissa Wennihan  
Sterling Wong  
Paul Harleman  
Makana Chai  
Maxwell Mukai  
Mehana Hind

**GUESTS:**

Mia Porreca  
Steven Cup Choy  
Demont Conner

**I. CALL TO ORDER**

**Committee Chair Hulu Lindsey** – Calls the Joint Committee on Resource Management and Beneficiary Advocacy and Empowerment to order at 10:07 am, noting for the record the following Trustees present:

|   | <b>Present</b> | <b>Excused</b> | <b>Comments</b>         |
|---|----------------|----------------|-------------------------|
| TRUSTEE LEI<br>ISA AHU  |                |                | <b>Arrived at 10:05</b> |
| TRUSTEE DAN<br>AHUNA  | <b>X</b>       |                |                         |
| TRUSTEE ROWENA<br>AKANA   |                |                | <b>Arrived at 10:09</b> |
| TRUSTEE KELI'I<br>AKINA   | <b>X</b>       |                |                         |
| TRUSTEE PETER<br>APO  | <b>X</b>       |                |                         |
| TRUSTEE ROBERT<br>LINDSEY   | <b>X</b>       |                |                         |
| TRUSTEE COLETTE<br>MACHADO  | <b>X</b>       |                |                         |
| TRUSTEE JOHN<br>WAIHE'E   | <b>X</b>       |                |                         |
| CHAIRPERSON HULU<br>LINDSEY   | <b>X</b>       |                |                         |
| <b>TOTAL</b>  | <b>7</b>       | <b>0</b>       |                         |
| At the Call to Order, there are seven (7) Trustees present and zero (0) excused absences. |                |                |                         |

**II. PUBLIC TESTIMONY**

None.

**III. APPROVAL OF MINUTES**

Chair H. Lindsey calls for approval of the minutes seeing that there is no public testimony.

**Trustee Dan Ahuna moves to approve the minutes of the Resource Management and Beneficiary Advocacy and Empowerment Joint Committee dated May 24, 2017  
 May24, 2017 continued to May 31, 2017,  
 May24, 2017 continued to June 7, 2017  
 And May24, 2017 continued to June 28, 2017. Trustee John Waihe'e, IV seconds the motion.**

|                          | 1 | 2 | 'AE<br>(YES) | 'A'OLE<br>(NO) | KANALUA<br>(ABSTAIN<br>) | EXCUSED  |
|--------------------------|---|---|--------------|----------------|--------------------------|----------|
| TRUSTEE LEI AHU ISA      |   |   | X            |                |                          |          |
| TRUSTEE DAN AHUNA        | X |   | X            |                |                          |          |
| TRUSTEE ROWENA AKANA     |   |   |              |                |                          |          |
| TRUSTEE KELI'I AKINA     |   |   | X            |                |                          |          |
| TRUSTEE PETER APO        |   |   | X            |                |                          |          |
| TRUSTEE ROBERT LINDSEY   |   |   | X            |                |                          |          |
| TRUSTEE COLETTE MACHADO  |   |   | X            |                |                          |          |
| TRUSTEE JOHN WAIHE'E     |   | X | X            |                |                          |          |
| CHAIRPERSON HULU LINDSEY |   |   | X            |                |                          |          |
| <b>TOTAL VOTE COUNT</b>  |   |   | <b>8</b>     |                |                          | <b>0</b> |

**MOTION:** [ ] UNANIMOUS [ x ] PASSED [ ] DEFERRED [ ] FAILED

**Motion passes with eight (8) YES votes and zero (0) EXCUSED.**

**IV. NEW BUSINESS**

**A. RM/BAE #17-02: 2018-2019 Scholarship Administration Grant Recommendation**

Chair H. Lindsey moves on to new business.

CEO Crabbe introduces the Grants Manager Keith Yabusaki to present on the following action item: RM/BAE #17-02: 2018-2019 Scholarship Administration Grant Recommendation

Keith Yabusaki presents that the action item is to approve and authorize the disbursement of \$550,000 from the Fiscal Year 2018 ("FY18") and Fiscal Year 2019 ("FY 19") Core Operation Budget ("COB") (Object Codes 56530 & 57110), as approved on June 8, 2017

to fund a grant to the University of Hawaii system to serve as administrator for the Office of Hawaiian Affairs' scholarship fund.

**Chair H. Lindsey** points out that only those who are a part of the University of Hawaii ("UH") will have access to these scholarships. She points out that the applicants were all UH affiliated organizations. She asks Keith, "How can we be assured that the neighbor islands are going to have access to these funds?"

**Keith Yabusaki** says that there is a representative at all of the community colleges on the neighbor islands and all applicants from neighbor islands will be eligible.

**Trustee Apo** asks why this didn't go to the Hawaii Community Foundation (HCF).

**Keith Yabusaki** says that they were aware of the solicitation and they reached out to them and for some reason HCF missed the application deadline.

**Trustee Apo** says that it is the same situation with the charter school funding.

**Keith Yabusaki** says that OHA is subject to choosing from only those who apply. He goes on to say that it was his hope that someone could administer the grant to reach kids that go to school in state and out of state.

**Trustee Apo** points out that working with the HCF would be the best way to leverage the grant.

**Keith Yabusaki** says that they could still leverage, where HCF was interested in partnering with OHA, but it could not work out due to their deadlines.

**Trustee Apo** asks if the money can be used to serve students outside of the UH system.

**Keith Yabusaki** says these funds will only go toward the UH system.

**Trustee Apo** says that the reach of this grant has been diminished.

**Trustee Ahu Isa** explains that UH has a system-wide office that handles all of UH.

**Trustee Akana** says she sent a memo to the Chair expressing her concern on the matter, where it spoke about the potential for students who were not all college bound, but interested in trade school, where she says that OHA would administer the funds themselves, and Kamehameha schools was the partner.

**Keith Yabusaki** replies that UH does already give out scholarships for AA and Certificate students.

**Trustee Akana** says, "But they have to be certified by the university, and if they don't meet those specific qualifications, they may not be able to apply. And we don't know what those qualifications are."

**Trustee Ahu Isa** says she has background as the fiscal officer for Honolulu Community College.

**Keith Yabusaki** speaks to the income program as well, based on the fiscal biennium 2016-2017, where 94 Native Hawaiians received tuition support and obtain either a vocational certificate or license, where he points out that vocational education is important to the trustees.

**Trustee Akana** asks if we can partner with Kamehameha Schools again.

**CEO Crabbe** says that because OHA receives general funds, we have to follow procurement law, and Kamehameha Schools cannot accept funding from external organizations because of their compliance.

**Trustee Akina** suggests we speak about having third party grant administrators, where OHA is limited with restrictions. He asks if OHA has the capacity to administer these grants in house in the future.

**Trustee Akana** says that despite the comment made by administration, the funds for this only come from the investment portfolio withdrawal, and those funds can be managed in house.

**Chair H. Lindsey** says that CEO Crabbe can look in to this more.

**CEO Crabbe** this was a practice done in the past.

**Trustee Akana** says the law allows us to not have to seek out third parties.

**CEO Crabbe** says that this has been vetted by corporate counsel in terms of following procurement code and it was approved through the budget. He suggest corporate counsel clarify the use of the funds, and if the process is valid or needs to be reconsidered.

**Trustee Akana** says again that the funds that are received from the legislature were handled and administered in house at OHA, which is separate from the trust funds. She points out the trust funds have no restrictions.

**Trustee Ahu Isa** refers to the Randy Roth lecture with regard to fiduciary duty of the office of Trustee of OHA. She requests that CEO Crabbe go clarify the question at hand.

**Chair H. Lindsey** says the research will take place to make a determination.

**Trustee Akana** says that it refers to all the grants.

**Chair H. Lindsey** says we can implement these ideas in to the future process of the grants.

**Trustee Apo's** position with the grant is to move forward and he supports the idea of how the grants process can be improved. He says that if self-determination is important to

Hawaiians and OHA, this institution should be able to help that, and the fact that the scholarship is limited is working against that.

**Trustee Machado** asks what is the annual average for each scholarship award?

**Keith Yabusaki** replies that is it about \$2,250 per student.

**Trustee Machado** asks why was there a request to provide for administrative fee this round?

**Keith Yabusaki** says that whoever is awarded will have some administrative costs, which are capped at \$50,000.

**Trustee Machado** asks if HCF had an administrative fee attached as well?

**Keith Yabusaki** stated that they also were capped at \$50,000 to maximize funds going toward scholarships.

**Trustee Ahu Isa** (inaudible)

**Trustee R. Lindsey** supports the action item for the need is great.

**Trustee Waihee** makes a motion.

**Trustee Akina** asks if the \$50,000 in administrative fees is for both years?

**Chair H. Lindsey** answers that it is for both years.

**Trustee Akana** asks Keith Y. is this is a contract for two years only?

**Keith Yabusaki** confirms that question.

**Trustee John Waihee moves to approve and authorize the disbursement of \$550,000 from the Fiscal Year 2018 Core Operation Budget (Object Codes 56530 & 57110) and \$550,000 from the Fiscal Year 2019 Core Operation Budget (Object Codes 56530 & 57110), as approved on June 8, 2017 to fund a grant to the University of Hawaii system to serve as administrator for the Office of Hawaiian Affairs' scholarship fund.**

**Trustee Colette Machado seconds the motion.**

|  | 1 | 2 | 'AE<br>(YES) | 'A'OLE<br>(NO) | KANALUA<br>(ABSTAIN) | EXCUSED  |
|--|---|---|--------------|----------------|----------------------|----------|
| TRUSTEE LEI AHU ISA  |   |   | X            |                |                      |          |
| TRUSTEE DAN AHUNA  |   |   | X            |                |                      |          |
| TRUSTEE ROWENA AKANA   |   |   |              |                | X                    |          |
| TRUSTEE KELI'I AKINA   |   |   | X            |                |                      |          |
| TRUSTEE PETER APO  |   |   | X            |                |                      |          |
| TRUSTEE ROBERT LINDSEY   |   |   | X            |                |                      |          |
| TRUSTEE COLETTE MACHADO  |   | X | X            |                |                      |          |
| TRUSTEE JOHN WAIHE'E   | X |   | X            |                |                      |          |
| CHAIRPERSON HULU LINDSEY   |   |   | X            |                |                      |          |
| <b>TOTAL VOTE COUNT</b>  |   |   | <b>8</b>     |                |                      | <b>0</b> |
| <b>MOTION:</b> [ ] UNANIMOUS [ x ] PASSED [ ] DEFERRED [ ] FAILED    |   |   |              |                |                      |          |
| <b>Motion passes with eight (8) YES votes, one (1) ABSTAIN vote.</b> |   |   |              |                |                      |          |

**Chair H. Lindsey** confirms that the motion passed.

**Trustee Akina** says, "I am looking at the report of budget adjustments in your memo of Oct. 30, and there were a couple of budget adjustments that we had approved. One of them was for \$245K, another of \$54,998, so about \$300K of the grants in aid budget has been moved to repairs and maintenance. And I just wanted to ask, what the authority for that was? This was your Oct. 30 memo. My question is, what was the authority for moving \$300K from the approved grants in aid budget to repairs and maintenance?"

**CFO Laeha** replies, "To answer your question, when a purchase order is approved, but the services are not yet rendered in the FY 17, and or the payments are not made in that same FY, the monies get paid out in the following year 2018. And to cover those funds I believe that is the basis for the budget adjustment. I would like to go further to research that and be very specific with you on that in particular."

**Trustee Akina** says he would appreciate that research to show that the statement made by David is correct and accurate. He goes on to say, "This brings up another issue that we have discussed, the meaning of 10% discretion that the administration has with respect to the budget, and I don't think that it should apply to our Grants in Aid. So I hope we can have a further discussion about the meaning of that 10% discretion that the administration has."

**CEO Crabbe** says, “This is not agenized. But we will follow up with this Trustee Akina, so that the explanation is specific, and how we encumbered it.”

**Trustee Akana** asks if we could make a note that this meeting’s questions be answered in the following meeting. She wants to know that if the payment was put off to this FY, is OHA adding the money on from last year to this FY as encumbered and does that definitely change the figure.

**CEO Crabbe** says that a memo will be provided to the trustees.

**Chair H. Lindsey** says that she is in support of that. She refers to a discretionary funds pay out too late and had to pay out of pocket.

## **VI. ANNOUNCEMENTS**

**Chair H. Lindsey** announces that the next RM meeting will be conducting the selection process for the next hedge fund managers and asks that everyone is on time to that meeting, on December 6, 2017 at 9 AM.

**Trustee Ahu Isa** asks for a follow up on the real estate financial analyst and the audit.

**Chair H. Lindsey** informs Trustee Ahu Isa that the real estate financial analyst has been picked and his name is Sam Chung.

**Trustee Akina** updates the board on the OHA internal audit, where it is going forward, a firm has been selected, and negotiations have begun.

**Trustee Ahu Isa** also asks when the State Audit will be released.

**CEO Crabbe** says that he is unsure, although he met with the auditor and responded to the preliminary audit findings.

## **VI. COMMUNITY CONCERNS**

**Demont Conner** is the president and chair of the Hoomana Pono Political Action Committee (HPAC). He announces that between 8:30am-12:30pm on January 16 at the State Capitol in room 224, the Hoomana Pono Political Action Committee will present Native Hawaiian Organizations and groups to present their legislative priorities for 2018. He said that he doesn’t understand why OHA cannot participate in this event.

**CEO Crabbe** replies that based off of the fact that this is a political action entity, the ethics commission’s guidelines outline what a state agency can participate in or not.

**Demont Conner** said that he is not asking for money but simply to show up and participate, and hopes that it will encourage Hawaiian people to come together.

**Trustee Akana** asks, “I would like to ask the administration and in particular the in house attorney. We have a collection of AG opinions, past board opinions, of Sherry Broder, Judge Klein, and others, that when it comes to articles in our paper, as long as it is not slanderous, it is allowed. It is a matter of free press. It has nothing to do with ethics. So I am asking that our in house attorney please research all of these opinions, and there’s a book full of them about the newspaper, about almost anything, so that we don’t have to, we come to the table and we going to go research this. Research it before, because we have enough data. There is no such thing as a participant or a beneficiary cannot put an article our Ka Wai Ola.”

**Trustee Apo** asks if Hoomana Pono is going to be sharing their legislative priorities prior to the gathering.

**Demont Conner** says that they will, and they are ready to help with the OHA legislative package. His number one concern about the optics of Hawaiians being unified.

**Trustee Apo** appreciates his testimony.

**VII. ADJOURNMENT**

|  |                |          |          |                      |                        |                              |                |
|--|----------------|----------|----------|----------------------|------------------------|------------------------------|----------------|
| <b>Trustee John Waihe‘e, IV moves to adjourn the meeting. Trustee Rowena Akana seconds the motion.</b> |                |          |          |                      |                        |                              |                |
|  |                | <b>1</b> | <b>2</b> | <b>‘AE<br/>(YES)</b> | <b>‘A‘OLE<br/>(NO)</b> | <b>KANALUA<br/>(ABSTAIN)</b> | <b>EXCUSED</b> |
| <b>TRUSTEE LEI</b>   | <b>AHU ISA</b> |          |          | <b>X</b>             |                        |                              |                |
| <b>TRUSTEE DAN</b>   | <b>AHUNA</b>   |          |          | <b>X</b>             |                        |                              |                |
| <b>TRUSTEE ROWENA</b>  | <b>AKANA</b>   |          | <b>X</b> | <b>X</b>             |                        |                              |                |
| <b>TRUSTEE KELI‘I</b>  | <b>AKINA</b>   |          |          | <b>X</b>             |                        |                              |                |

|   |         |   |  |   |  |   |
|---|---------|---|--|---|--|---|
| TRUSTEE PETER   | APO     |   |  | X |  |   |
| TRUSTEE ROBERT  | LINDSEY |   |  | X |  |   |
| TRUSTEE COLETTE   | MACHADO |   |  | X |  |   |
| TRUSTEE JOHN  | WAIHE'E | X |  | X |  |   |
| CHAIRPERSON HULU  | LINDSEY |   |  | X |  |   |
| TOTAL VOTE COUNT  |         |   |  | 9 |  | 0 |
| <b>MOTION:</b> [ ] UNANIMOUS [ x ] PASSED [ ] DEFERRED [ ] FAILED<br><b>Motion passes with nine (9) YES votes and zero (0) EXCUSED.</b> |         |   |  |   |  |   |

Respectfully Submitted,

---

G. Maxwell Mukai  
Trustee Aide  
Committee on Resource Management

As approved by the Committee on Resource Management on March 7, 2018.



---

Trustee Carmen Hulu Lindsey  
Committee Chair  
Committee on Resource Management

ATTACHMENTS:

- Community Sign-In Sheet