

PHONE (808) 594-1888
BOARD OF TRUSTEES
Colette Y. Machado, Chairperson
Dan Ahuna, Vice Chairperson
Leina'ala Ahu Isa, At-Large
Rowena Akana, Trustee At-Large
Keli'i Akina, At-Large
Peter Apo, O'ahu Trustee
Carmen. Hulu Lindsey, Maui Trustee
Robert K. Lindsey, Jr., Hawai'i Trustee
John Waihe'e IV, Trustee At-Large

FAX (808) 594-1868



**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

MEETING OF THE BOARD OF TRUSTEES

DATE: Thursday, July 26, 2018
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. Unfinished Business
 - A. CEO's 15-Minute Update on Ho'oulu Lāhui Aloha and OHA Activities
- IV. Executive Session†
 - A. Action Item RM #18-07: Independent Audit. Pursuant to HRS §92-4, §92-5(a)(8) and §103D-304, Board discussions, deliberations, decisions regarding a matter that requires the consideration of information that must be kept confidential pursuant to State Law.
 - B. Consultation with Board Counsel Robert G. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities regarding Civil No. 17-1-1823-11 JPC, OHA v. State, et. al. Pursuant to HRS § 92-5(a)(4).
 - C. Approval of Minutes
 1. March 22, 2018
 2. April 26, 2018
 3. May 10, 2018
- V. New Business
 - A. Committee on Resource Management
 1. Action Item RM #18-07: Independent Audit
 - B. Action Item BOT #18-03: Approval of reformatted and comprehensive update of the OHA Board of Trustees' (BOT) Bylaws as approved and adopted by the BOT and that conform to BOT approved action and state statutes, 1st Reading †
 - C. Discussion and deliberations on the Ad Hoc Committee on Grants and Sponsorships' recommendation to adopt the "Kūlia Grants 2018 Guidelines and Process" †
 - D. Presentation by OHA's CEO on OHA's Strategic Planning 2020+ †
 - E. Approval of the Ad Hoc Committee for OHA Strategic Planning 2020+ †
- VI. Community Concerns*
- VII. Announcements
- VIII. Adjournment

*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.

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

Colette Y. Machado
Trustee Colette Y. Machado
Chairperson, Board of Trustees

7/19/18
Date

Office of Hawaiian Affairs
Board of Trustee Meeting
July 26, 2018
10:00 am

IV. Executive Session

- A. Action Item RM #18-07: Independent Audit. *Pursuant to HRS §92-4, §92-5(a)(8) and §103D-304*, Board discussions, deliberations, decisions regarding a matter that requires the consideration of information that must be kept confidential pursuant to State Law.
- B. Consultation with Board Counsel Robert G. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities regarding Civil No. 17-1-1823-11 JPC, OHA v. State, et. al. *Pursuant to HRS § 92-5(a)(4)*.
- C. Approval of Minutes
 - 1. March 22, 2018
 - 2. April 26, 2018
 - 3. May 10, 2018

Note: Any material that is relevant to this section will be distributed at the table.

Office of Hawaiian Affairs
Board of Trustee Meeting
July 26, 2018
10:00 am

V. New Business

A. Committee on Resource Management

1. Action Item RM #18-07: Independent Audit

**THE COMMITTEE ON RESOURCE
MANAGEMENT**

COMMITTEE REPORT

July 26, 2018

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

Madame Chair Machado,

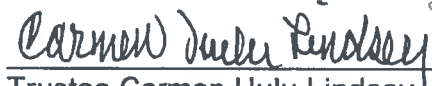
Your Committee on Resource Management, having met on July 11, 2018 and after full and free discussion, recommends approval of the following action to the Board of Trustees:

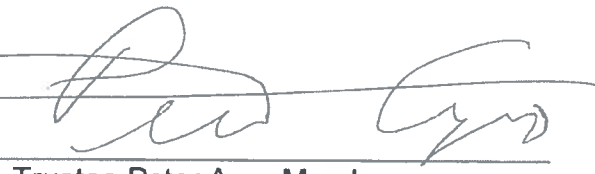
Approve and authorize OHA's independent Audit to proceed with a review of contracts and transactions less than the quantity and percentages authorized in Action Item RM #17-02 and RM #17-06 in addition to other audit terms and conditions discussed and approved by the OHA Board of Trustees (BOT) in executive session.

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

1. Action Item RM#18-07
2. RM Roll Call Vote Sheet (1)

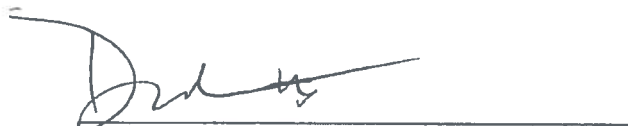
Respectfully submitted:



Trustee Carmen Hulu Lindsey, Chair



Trustee Peter Apo, Member



Trustee Leina'ala Ahu Isa, Member


Trustee Robert Lindsey, Member


Trustee Dan Ahuna, Member


Trustee Colette Machado, Member


Trustee Rowena Akana, Member


Trustee John Waihe'e, IV., Member


Trustee Keli'i Akina, Member

OFFICE OF HAWAIIAN AFFAIRS

Action Item

Committee on Resource Management

July 11, 2018

RM # 18-07

Action Item Issue: Approval of modified scope of OHA's independent audit

Prepared by: Carmen Hulu Lindsey 7/10/18
Trustee Carmen Hulu Lindsey Date
Chair, Committee on Resource Management

Reviewed by: [Signature] 7/10/18
Trustee John Waihe'e IV Date
Vice Chair, Committee on Resources Management

Reviewed by: [Signature] 7/11/18
Trustee Keli'i Akina Date
Chair, Audit Advisory Committee

I. Proposed Action

Approve and authorize OHA's independent Audit to proceed with a review of contracts and transactions less than the quantity and percentages authorized in Action Item RM #17-02 and RM #17-06 in addition to other audit terms and conditions discussed and approved by the OHA Board of Trustees (BOT) in executive session.

II. Issue

The BOT previously authorized an Independent Audit (the "Audit") through Action Items RM #17-02 and RM #17-06 (see attached). This action seeks to modify the scope of the Audit previously approved by BOT through RM #17-02 and RM #17-06, respectively, by decreasing the number of contracts and transactions to be reviewed by the Auditor as part of the Audit and to ensure that confidentiality of other audit terms and conditions discussed and approved in Executive Session be maintained.

III. Discussion

The BOT previously authorized an Independent Audit (the "Audit") through Action Items RM #17-02 and RM #17-06 (see attached).

On March 23, 2017, the BOT approved RM #17-02 authorizing OHA's Chief Procurement Officer to issue a request for qualifications for an independent CPA firm to conduct a financial audit and management review of OHA and its subsidiaries.

At the May 25, 2017 BOT meeting, the BOT approved Action Item #RM 17-06 which authorized SOQ No. RM 2017-35 requesting Statements of Qualifications for auditing services in order to procure an independent auditor to conduct the audit authorized by the BOT through Action Item RM #17-02.

The two actions approved by the BOT authorized the procurement of an independent auditor to conduct an audit pursuant to the audit guidelines approved by the BOT. The prior actions provided that the Audit be a financial audit to review all OHA and LLC contracts greater than \$100,000.00 and 25% of all financial transactions for the fiscal years 2012, 2013, 2014, 2015 and 2016 for compliance with applicable legal requirements and internal policies to identify potential areas of fraud, waste and abuse.¹ Financial transactions to be reviewed were to include disbursements made under the Hawaii Direct Investment Policy, the Native Hawaiian Trust Spending Policy, the Fiscal Reserve policy, and the Trustee Sponsorship and Allowance Fund. The audit was also to provide recommendations on organizational, structural and procedural improvement to strengthen the BOT's fiduciary oversight of the OHA and its LLCs.

This action seeks to clarify the scope of the Audit as previously approved by the BOT through Action Item RM #17-02 and RM #17-06 and to seek approval of other audit terms and conditions as discussed and approved by the BOT in executive session.

IV. Alternatives

Approve and authorize OHA's independent Audit to proceed with a review of contracts and transactions less than the quantities and percentages authorized in Action Item RM #17-02 and RM #17-06 and subject to any other audit terms and conditions approved by the BOT in executive session.

Decline to approve and authorize OHA's independent Audit to proceed with a review of contracts and transactions less than the numbers identified in Action Item RM #17-02 and RM #17-06 and subject to any other audit terms and conditions approved by the BOT in executive session.

Take no action.

V. Recommended Action

Approve and authorize OHA's independent Audit to proceed with a review of contracts and transactions less than the quantities and percentages authorized in Action Item RM #17-02 and RM #17-06 and subject to any other audit terms and conditions approved by the BOT in executive session.

VI. Timeframe

This action shall be effective upon approval by the BOT.

VII. Funding

¹ Originally, RM 17-02 provided for a three year financial and management audit. RM #17-06 removed the Management Audit component from the Audit and increased the audit period from three to five years.

No additional funding is required at this time.

VIII. Attachments

1. RM #17-02
2. RM #17-06

OFFICE OF HAWAIIAN AFFAIRS
Action Item

Attachment 1

Committee on Resource Management
February 8, 2017

RM # 17-02

Action Item Issue: Requesting the OHA Board of Trustees' authorization of OHA's Chief Procurement Officer to issue a Request for Qualifications for an independent CPA firm to conduct a financial audit and management review of OHA and its subsidiaries.

Prepared by: _____


Trustee Keli'i Akina
Board of Trustees

2/8/17
Date

Reviewed by: _____


Trustee Carmen Hulu Lindsey
Chair, Committee on Resource Management

Date

Reviewed by: _____


Trustee Leina'ala Ahu Isa
Acting Chair, Board of Trustees

2/9/17
Date

I. Proposed Action

To authorize OHA's Chief Procurement Officer to issue a Request for Qualifications for the purpose of retaining an independent CPA firm to conduct a financial audit and management review of OHA and its subsidiaries for the last three fiscal years.

II. Issue

Whether or not to authorize OHA's Chief Procurement Officer to procure an independent CPA firm to conduct a financial audit and management review of OHA for the last three fiscal years.

III. Discussion

Background:

Presently, OHA is required by statute and policy to undergo three audits. These are the annual Financial Statement Audit, the annual Federal Funds Audit and the State Audit which is conducted every four years. Each audit differs in scope and objectives.

The annual Financial Statement Audit attests to the fairness of financial statements prepared by OHA. The annual Federal Funds Audit attests to the fairness of financial statements prepared by OHA and examines OHA's compliance with grant requirements and applicable federal and state laws and regulations. The State Audit is a performance audit which examines the efficiency and effectiveness of OHA programs.

The three audits that OHA is subject to are limited in their scope and the level of assurance they provide to the Board of Trustees as well as to the beneficiaries. They do not provide the Board of Trustees or OHA's beneficiaries with the highest possible level of assurance that OHA's risk management, organizational governance and internal control policies are consistent with best practices for public finance and trust fund management.

Most importantly, OHA's beneficiaries have been vocal in their desire for an audit of OHA and its related entities. A financial audit and management review will alleviate tension and distrust between the Board of Trustees and Administration, as well as provide OHA's beneficiaries that their concerns have been heard.

Analysis:

To strengthen the Board's role as fiduciaries and ensure OHA's beneficiaries that OHA holds itself to a high ethical standard, OHA should seek to identify areas of internal weaknesses. An independent CPA firm should be hired and instructed to accomplish the following three objectives:

1. Identify potential areas of waste, abuse and fraud in the procurement of goods and professional services.
- 2.
3. Provide OHA with recommendations to ensure OHA's financial statements are free from fraudulent misstatements and misrepresentations and in full compliance with all applicable laws and internal policies.
- 4.
5. Provide recommendations on policies to strengthen the Board of Trustees' fiduciary oversight.

IV. Alternatives

1. To approve and authorize OHA's Chief Procurement Officer to issue an RFQ for the purpose of retaining an independent CPA firm to conduct a financial audit and management review of OHA and its subsidiaries.
2. Take no action.

V. Recommended Action

Request Board of Trustees to approve and authorize OHA's Chief Procurement Officer to issue an RFQ in order to retain an independent CPA firm to: (1) conduct a financial audit and management review of OHA and all subsidiaries and related entities, and (2) to develop procedures to accomplish the following:

1. Review of contract management

Review all single-year and multi-year contracts with a cumulative contract value of \$100,000 or more, and a random selection of 25% of all single-year and multi-year contracts with a cumulative value of \$99,999 or less. The contracts should be reviewed for the following:

- Procurement process
- Management and oversight of contracts
- Determine whether the contract deliverables have been met by the contractors

2. Review of financial transactions

Review all financial transactions with a value of \$100,000 or more, and a random selection of 25% of all financial transactions with a value of \$99,999 or less. The transactions should be reviewed for the following.

- Compliance with HRS:
 - Chapter 84 – Ethics
 - Chapter 103D and 103F – Procurement
- Compliance with OHA internal policies, if applicable:
 - Bylaws
 - Executive Policy Manual
 - Spending Policy
 - Investment Policy
 - Hawaii Direct Investment Policy
 - Land Acquisition Policy
 - Kaka'ko Makai Policy
 - Risk Management Policy

3. Review of management policies

Review all documented management policies and procedures for consistency with best practices. If no documented policies exist, or if policies are not consistent with best practices, provide recommendations for policies in the following areas:

- Internal control system
- Budget development and implementation
- Investment management
- Procurement and contract management compliance
- Oversight of subsidiaries and other related entities
- Oversight of grants management

VI. Timeframe

Action will be implemented upon approval by the BOT.

VII. Funding

None required for this action at this time. Upon approval by the Board, funding will be required upon selection of a CPA firm.

VIII. Attachments

None.

OFFICE OF HAWAIIAN AFFAIRS
Action Item

Attachment 2

Committee on Resource Management
May 24, 2017

RM# 17-06

Action Item Issue: Approval of SOQ No. RM 2017-35 requesting Statements of Qualifications for auditing services.

Prepared by:


Trustee Keli'i Akina, Ph.D.
Chair, Audit Advisory Committee

Date

5/18/17

Reviewed by:


Trustee Carmen Hulu Lindsey
Chair, Committee on Resource Management

Date

5/19/17

Reviewed by:


Trustee Leina'ala Ahu Isa, Ph.D.
Vice Chair, Audit Advisory Committee

Date

5/18/17

I. Proposed Action

To approve SOQ No. RM 2017-35, requesting Statements of Qualifications for auditing services, in order to procure an independent auditor to conduct the audit authorized by the Board of Trustees through action item RM #17-02.

II. Issue

Whether or not to approve SOQ No. RM 2017-35, requesting Statements of Qualifications for auditing services, in order to procure an independent auditor to conduct the audit authorized by the Board of Trustees through action item RM #17-02.

III. Discussion

1. On February 8, 2017, the Committee on Resource Management approved action item RM #17-02, authorizing the Chief Procurement Officer to issue an RFQ for an independent CPA firm to conduct a financial audit and management review of OHA and its subsidiaries.

2. On March 9, 2017 the Chair of the Committee on Resource Management appointed Trustee Akina and Trustee Ahu Isa, as well as Trustee Aides Paul Harleman, Davis Price and U'ilani Tanigawa to an advisory committee to draft the RFQ.
3. On March 23, 2017, the Board of Trustees approved action item RM #17-02, authorizing the Chief Procurement Officer to issue an RFQ for an independent CPA firm to conduct a financial audit and management review of OHA and its subsidiaries.
4. The Audit Advisory Committee adopted a charter, held two meetings and recorded minutes which have been incorporated into a committee report.
5. The Audit Advisory Committee received assistance in drafting SOQ No. RM 2017-35 from the Audit Advisory Committee members as well as Phyllis Ono-Evangelista (OHA Procurement Manager), Robert G. Klein (Board Counsel) and Carol Ho'omanawanui (Chief of Staff).

IV. Alternatives

1. To approve SOQ No. RM 2017-35, requesting Statements of Qualifications for auditing services, in order to procure an independent auditor to conduct the audit authorized by the Board of Trustees through action item RM #17-02.
2. Decline to approve SOQ No. RM 2017-35, requesting Statements of Qualifications for auditing services, in order to procure an independent auditor to conduct the audit authorized by the Board of Trustees through action item RM #17-02.

V. Recommended Action

To approve SOQ No. RM 2017-35, requesting Statements of Qualifications for auditing services, in order to procure an independent auditor to conduct the audit authorized by the Board of Trustees through action item RM #17-02.

VI. Timeframe

The Request for Statements of Qualifications will be posted by OHA's Procurement Unit upon approval by the BOT, and an audit will commence during FY 2018.

VII. Funding

Upon approval of this action, the Board of Trustees agrees to designate appropriate funding from the FY 2018-19 biennium budget.

VIII. Attachments

1. SOQ #RM 2017-35
2. Audit Advisory Committee Report

Office of Hawaiian Affairs
560 N Nimitz Hwy. Ste. 200
Honolulu, HI 96817
Roll Call Vote Sheet – ACTION ITEM

Committee on Resource Management	DATE: July 11, 2018 Motion: Vote:
---	--

AGENDA ITEM: V. New Business

A. RM #18-07: Independent Audit

Motion:

Approve and authorize OHA's independent Audit to proceed with a review of contracts and transactions less than the quantity and percentages authorized in Action Item RM #17-02 and RM #17-06 in addition to other audit terms and conditions discussed and approved by the OHA Board of Trustees (BOT) in executive session.

AMENDMENT:

MEANS OF FINANCING:

TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEI	AHU ISA			X			
DAN	AHUNA			X			
ROWENA	AKANA		X	X			
KELI'I	AKINA			X			
PETER	APO			X			
ROBERT	LINDSEY			X			
COLETTE	MACHADO			X			
JOHN	WAIHE'E	X		X			
CHAIR HULU	LINDSEY			X			
TOTAL VOTE COUNT				9			

MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED

--

Office of Hawaiian Affairs
Board of Trustee Meeting
July 26, 2018
10:00 am

V. New Business

- B. Action Item BOT #18-03: Approval of reformatted and comprehensive update of the OHA Board of Trustees' (BOT) Bylaws as approved and adopted by the BOT and that conform to BOT approved action and state statutes, 1st Reading [†]

Please bring to the meeting the Office of Hawaiian Affairs Board of Trustees Bylaws Binder that was distributed by Administration on July 18, 2018. A copy of the cover is provided for reference.

The action item was not received at time of folder distribution and will be distributed once it is received.



OFFICE OF HAWAIIAN AFFAIRS

BOARD OF TRUSTEES

BYLAWS

Approved by the Board of Trustees, *[Approved Date]*

Office of Hawaiian Affairs
Board of Trustee Meeting
July 26, 2018
10:00 am

V. New Business

- C. Discussion and deliberations on the Ad Hoc Committee on Grants and Sponsorships' recommendation to adopt the "Kūlia Grants 2018 Guidelines and Process"

The Ad Hoc Committee and Grants and Sponsorships' report was originally distributed to the Board at the June 7, 2018 meeting.



OFFICE OF
HAWAIIAN AFFAIRS
STATE OF HAWAII
RECEIVED-BOT

2018 MAY 27 A 10:01

OFFICE OF HAWAIIAN AFFAIRS
Interoffice Memorandum

DATE: May 25, 2018

TO: OHA Board of Trustees

FROM: Trustee Colette Y. Machado
Chair, Ad Hoc Committee on Grants and Sponsorships

SUBJECT: Findings and Recommendations from the Ad Hoc Committee on Grants and Sponsorships related to Kūlia Grants

Background

Beginning in May 2017, the OHA Board of Trustees (BOT) reviewed the Community Grant Recommendations for Fiscal Biennium, 2018-2019. It became clear in the discussion of the Joint Meeting of the Committee on Resource Management and the Committee on Beneficiary Advocacy and Empowerment, and at the subsequent BOT meeting, that Trustees had various concerns and questions regarding the grant making process.

In response to some of these concerns, Administration identified funds and created a new grant category, Kūlia Grants, for smaller startup organizations to have opportunities to compete for and receive OHA grant monies outside of the two-year award cycle for Community Grants. Funding for Kūlia Grants were included in the Fiscal Years 2018/2019 Biennium Budget (RM #17-07), which was approved by the Committee on Resource Management on June 7, 2017 and by the BOT on June 8, 2017.

On August 1, 2017, the OHA BOT approved the formation of the Ad Hoc Committee on Grants and Sponsorships ("Ad Hoc Committee"), with Trustee Machado as Chair, Trustee Waihe'e as Vice Chair, and David Laeha, Lōpaka Baptiste, Misti Pali-Oriol, and Monica Morris as members, passed with six yes votes and three excused absences. Because criteria for Kūlia Grants had not been established by the BOT, the Ad Hoc Committee was tasked to: "[s]olicit, develop, and provide recommendations for Kūlia Grant criteria[.]"

This report serves as the Ad Hoc Committee's findings and recommendations for Kūlia Grants.

Dates of Convened Meetings

Thursday, January 25, 2018
Thursday, February 15, 2018
Thursday, March 1, 2018
Thursday, March 15, 2018

Thursday, April 5, 2018
Tuesday, April 10, 2018
Friday, April 27, 2018
Friday, May 25, 2018

Discussion and Findings

Administration staff Everett Ohta from Corporation Counsel and Nancy King from the grants program provided subject matter expertise. BOT support staff included Melissa Wennihan, Crayn Kauahi Akina, Carol Ho‘omanawanui, Laurene Kaluau-Kealoha, and Dayna Pa.

The Ad Hoc Committee agreed that the 2018 Kūlia Grants should be implemented as a pilot program with a competitive process. Additional diligence was taken to be in compliance with the OHA Executive Policy Manual, OHA Board of Trustee Bylaws, and Hawai‘i Revised Statutes.

The Ad Hoc Committee determined that Kūlia Grants should be targeted to organizations that were not eligible for the Community Grants Program, which required programs to specifically address targets set in OHA’s Strategic Results. Based on Trustee feedback, the Ad Hoc Committee sought to create an avenue to support programs that benefitted Native Hawaiians in OHA’s broader Strategic Priority areas. The Ad Hoc Committee also created a review process that provided the BOT with greater latitude to make the final awarding decisions, while still conforming to OHA’s grant requirements under state law.

The Ad Hoc Committee discussed the possibility of a set-aside in Kūlia Grants for DHHL beneficiaries--homestead associations, homestead associations or Hawaiian Homes Commission Act (HHCA) beneficiary associations as defined by 43 CFR 47.10, or to an organization controlled by native Hawaiians as defined by the Hawaiian Homes Commission Act of 1920. Although a set-aside was not included in the final guidelines, the Ad Hoc Committee notes that there is nothing to preclude these organizations from applying for a Kūlia Grant or Trustees from considering such organizations in their awarding of Kūlia Grants. The Ad Hoc Committee also notes that the BOT may also want to consider the creation of a stand-alone competitive grants program for these beneficiary organizations at a later time.

Other issues raised and agreed-upon in Ad Hoc Committee discussions included: requirements for post-award reporting; minimum requirements of applicants seeking funding, such as tax-exempt non-profit status; matching funds requirements; and information to be included in the funding request.

The Ad Hoc Committee on Grants and Sponsorships remains standing to meet on other matters in its purview. Future findings will continue to be provided to the Board of Trustees.

Recommendation

The Ad Hoc Committee, by an affirmative vote on May 25, 2018, approved its recommendation in the form of the document *Kūlia Grants 2018 Guidelines and Process*. The Ad Hoc Committee recommends that the OHA BOT adopt this document so that a process based on the *Kūlia Grants 2018 Guidelines and Process* can be implemented by the Administration. This document is attached to this report.

This *Kūlia Grants 2018 Guidelines and Process* document outlines Purpose, Program Guidelines, Program Process, and Post-Award Reporting. The section *Funding Request Review and Recommendation* explains in detail the process through which funding requests for Kūlia Grants will be considered.

Attachments

1. Kūlia Grants 2018 Guidelines and Process



OFFICE OF
HAWAIIAN AFFAIRS
STATE OF HAWAII
RECEIVED-BOT

Kūlia Grants
2018 Guidelines & Process

2018 MAY 25 P 3:01

(approved by Ad Hoc Committee on Grants and Sponsorship on 5/25/18)

Purpose

The Office of Hawaiian Affairs (OHA) Kūlia Grants provide funding to eligible organizations with programs that benefit the Hawaiian community and align with OHA's Strategic Priorities and mission. These grants are provided as a pilot program for Kūlia Grants consideration in 2018.

Under state law, OHA is tasked with disbursing grants for Native Hawaiian programs and services.¹ Kūlia Grants are provided and approved as an OHA Board of Trustees (BOT) Initiative Funding Request, as a grant initiated outside of the established grants program.²

"Kūlia," as one of OHA's core values, connotes excellence, innovation, and initiative. This funding opportunity is intended to allow OHA to support unique and innovative programs that continue to assist OHA to "Ho'oulu Lāhui Aloha."

Program Guidelines

Minimum Requirements

- **Non-Profit Status.** Organizations must have IRS tax-exempt non-profit status and be registered to do business in the State of Hawai'i.³
- **Compliance with applicable law.** Applicants must comply with applicable federal, state, and county laws, ordinances, and administrative rules and must hold applicable licenses and permits as required to conduct its activities and operations.⁴ Organization applicants must possess a Certificate of Vendor Compliance from the State of Hawai'i (available through <http://vendors.ehawaii.gov>). Even if an organization is currently receiving funding support from OHA, the organization must provide proof that it is compliant and in good standing prior to requesting funding through Kūlia Grants.
- **Matching Funds.** Applicants must provide a percentage of project costs from other funding sources.
- **Funding Requests.** Applicants shall submit an application online that addresses all of the requirements contained in the Solicitation.

¹ Hawai'i Revised Statutes (HRS) § 10-3(5).

² OHA BOT Executive Policy Manual § 3.5.g.

³ See HRS § 10-17(c).

⁴ HRS § 10-17(b)(1)-(2), (4).

FOR INTERNAL USE ONLY

Eligibility Criteria

OHA seeks to support organizations that offer programs that are designed to improve the lives of Native Hawaiian individuals, families, and/or communities by increasing access to needed public and private resources, programs, and information.

This funding opportunity is **not intended** to support programs that could otherwise apply through the Community Grants Program (CGP) for funding consideration. The CGP fiscal biennium funding (FB18-19) application period ran from September 2016 to December 2016 and was designed for programs that specifically address the targets set in OHA's Strategic Results.

Examples of eligible Kūlia Grants requests include:

- Requests that fall outside of the CGP fiscal biennium funding period;
- Requests that align with the broader OHA Strategic Priorities of health, education, income, land, culture, and housing; and
- Requests for projects that are ineligible for consideration under the CGP, such as capital improvement projects (CIP) and capacity-building.

Source of Funding

Kūlia Grants are competitive grants, for a total budgeted amount of \$500,000 for Fiscal Year 2018, as approved and set aside by the OHA BOT in OHA's core operating budget.⁵

There is a minimum award amount of \$25,000 and a maximum award amount of \$100,000; however, all awards are subject to the availability of funding.

Program Process

Funding Request Submission

Funding requests for Kūlia Grants must be submitted for consideration via an online application by the announced deadline. The application should give OHA an accurate and complete picture of the proposed program and the following information:

- a. Identify the non-profit organization making the request and its mission statement.⁶
- b. Identify the OHA Strategic Priority that will be addressed by the program and describe how this program impacts the identified Strategic Priority.⁷

⁵ OHA Action Item RM #17-07.

⁶ HRS §10-17(a)(1).

⁷ HRS §10-17(a)(6).

- c. Explain how the proposed program services will benefit the Native Hawaiian community and estimate the number of Native Hawaiian beneficiaries to be served.⁸ Explain how the number of Native Hawaiians to be served was estimated or derived.
- d. Describe the proposed project purpose and plan including: the program objectives, activities or tasks, program timeline, staffing, and anticipated results and outcomes.⁹
- e. Explain why the request is being submitted as a Kūlia Grants request and not through the Community Grants Program solicitation process.
- f. Provide a list of applicable licenses or permits required for the proposed activities or services and the status in applying for each license or permit.¹⁰
- g. Provide a detailed program budget that identifies costs to be supported with OHA funding.¹¹ Include documentation of any matching funding to the program. All units and price/unit information should be provided. Explain the relevance of each budgeted item to the program.

Organization applicants must certify that they possess sufficient funds available to its effective operations of activities for the purpose for which the grant is sought.¹²

Applicants must make available to OHA all records relating to operations and programs for which Kūlia Grants funding is sought.¹³

Additionally, OHA reserves the right to offer partial awards and/or restrict OHA funds from being used to pay for unallowable, inappropriate, or restricted expenses. This includes the purchase of real property (land or buildings) or entertainment and perquisites.¹⁴

- h. Certify that board members have no material conflicts of interest and that they serve without compensation.
- i. Provide support documents: (1) IRS letter of determination of non-profit status and (2) a copy of organization bylaws or other policy related to the conduct of business and conflicts of interest, including nepotism.¹⁵

Funding Request Review and Recommendation

- 1. Funding requests for Kūlia Grants will be received by the OHA Grants program. Requests will be assessed and scored based on benefit to the Native Hawaiian community, alignment with the identified OHA Strategic Priority, the level of matching funds, relevance and appropriateness of budget, and justified need. The scoring criteria and review process for application evaluation shall be included in the Kūlia Grants Solicitation.

⁸ HRS §10-17(a)(4), (6).

⁹ HRS §10-17(a)(2), (3).

¹⁰ HRS § 10-17(b)(1), (4).

¹¹ HRS §10-17(a)(5).

¹² HRS § 10-17(c)(4).

¹³ HRS § 10-17(c)(3).

¹⁴ HRS § 10-17(b)(3).

¹⁵ HRS § 10-17(c)(2).

2. A list of applicants with scores will be subject to review and approval by CFO, to ensure consistency and compliance with 2018 Kūlia Grants Guidelines and Process and Kūlia Grant Solicitation.
3. Applicant must indemnify and hold OHA and the State of Hawai'i harmless for activities undertaken with grant funding.¹⁶
4. A matrix containing a list of top five applicants, with scores and funding request amounts, in each Strategic Priority will be prepared by OHA's Grants program and presented in a workshop to a OHA Joint RM/BAE Committee ("Joint Committee"). The Joint Committee shall make a recommendation that includes the recommended Kūlia Grant applicants and the amount of award for each applicant.
5. The Joint Committee's recommendation will be forwarded to the Grants program to prepare an Action Item. The Joint Committee will agendize a meeting to consider and vote upon the Action Item, which shall be based upon the Joint Committee's recommendation. If approved, the Action Item will be referred to the BOT for decision making.
6. If the BOT's decision is to award, OHA will send an award letter to Kūlia Grants awardees, signed by the BOT Chairperson. OHA administration will negotiate and execute contracts with Kūlia Grants awardees. The BOT decision to award a Kūlia Grant is final.
7. If an applicant is not funded, Grants staff will send a letter notifying applicant of the decision not to fund.

Post-Award Reporting

On a quarterly basis, each of the Kūlia Grants recipients shall prepare and submit a report to the OHA TAP program, on forms provided by OHA, which shall include a narrative statement of the work performed, performance measures, expenditures incurred, and assurance of services provided to Native Hawaiians. Each recipient shall further accommodate requests for on-site visits or requests for additional financial or other information, as requested by OHA Grants staff.

On a quarterly basis, the OHA Grants program will conduct a review of compliance with grant requirements and the project purpose of each of the grants awarded.¹⁷ On an annual basis, the OHA Grants program will conduct an evaluation of the activities performed with Kūlia Grants funding and the results and outcomes produced under each of the grants awarded.¹⁸ The annual report shall also include a final report on program objectives met; activities or tasks performed; program progress; staffing; and results and outcomes achieved. The quarterly and annual reviews will be provided as a report and transmitted to the OHA BOT. The annual reviews of each of the Kūlia Grants recipients shall be presented to the OHA BOT for review and final closeout findings, if any.

¹⁶ HRS § 10-17(b)(5).

¹⁷ HRS § 10-17(d)(1).

¹⁸ HRS § 10-17(d)(2).

Office of Hawaiian Affairs
Board of Trustee Meeting
July 26, 2018
10:00 am

V. New Business

D. Presentation by OHA's CEO on OHA's Strategic
Planning 2020+†

Office of Hawaiian Affairs
Board of Trustee Meeting
July 26, 2018
10:00 am

V. New Business

- E. Approval of the Ad Hoc Committee for OHA
Strategic Planning 2020+
-



OFFICE OF HAWAIIAN AFFAIRS

Interoffice Memorandum

DATE: July 23, 2018

TO: OHA Board of Trustees:
Trustee Lei Ahu Isa
Trustee Dan Ahuna
Trustee Rowena Akana
Trustee Keli'i Akina
Trustee Peter Apo
Trustee C. Hulu Lindsey
Trustee Robert K. Lindsey
Trustee John Waihe'e IV

FROM: Trustee Colette Y. Machado, Chairperson Colette Y. Machado

CC: Dr. Kamana'opono Crabbe, CEO/Ka Pouhana

SUBJECT: Request for the Formation of an Ad Hoc Committee for OHA Strategic Planning 2020+

I hereby request your consideration and approval of an Ad Hoc Committee for OHA Strategic Planning 2020+ for the purposes indicated in this memo. This matter has been placed on the July 26, 2018 agenda for consideration. The proposed ad hoc committee is created consistent with Hawai'i Revised Statutes §92-2.5(b)(1).

Background

On February 15, 2018, Administration met with OHA Board Chair Colette Y. Machado and RM Committee Chair Hulu Lindsey to propose a planning process and phases for OHA's next Strategic Plan, 2020 and beyond. The plan included utilizing fiscal year 2019 to carry out the phases.

On February 27, 2018, Ka Pouhana, in his Ho'oulu Lahui updates to the Board, provided a brief update to the Board on Administration proposed process and the meeting held with Chair Machado and RM Chair Hulu Lindsey. During the update, Ka Pouhana referenced the consideration of an ad hoc committee for purposes of strategic planning.

Chair Machado received a written request for the creation of an Ad Hoc Committee for OHA Strategic Planning 2020+ in a July 17, 2018, memo from Ka Pouhana.

Ad Hoc Committee Purview

The charge and purview of the ad hoc committee would be for Trustees and administrative staff to work together to achieve the goals in the following phases:

- Preparation
 - Strategic Planning Process Development
 - Transition Planning
- Phase 1
 - Revisit OHA's identity: HRS Chapter 10, Vision, Mission, Roles, and Approaches
 - Obtain BOT agreement on elements
- Phase 2
 - Presentation of data on current conditions of Native Hawaiians, Stakeholder input, and Matrix of Native Hawaiian Serving Organization's Strategic Plan
 - Obtain BOT agreement on Priority Areas
- Phase 3
 - Presentation on Conceptual Framework and Financial Strategic Approach
 - Obtain BOT agreement on Strategies
- On-going
 - Implementation Planning

The ad hoc committee shall perform duties, including external consultations, necessary to accomplish its task.

Ad Hoc Committee Members

The membership of the ad hoc committee is as follows:

1. Trustee Dan Ahuna, Ad Hoc Committee Chair
2. Trustee Robert Lindsey, Ad Hoc Committee Vice-Chair
3. Ka Pouhana Kamana'opono M. Crabbe
4. Lisa Watkins-Victorino, Ka Pou Kihi Kāne — Research Director
5. Mehana Hind, Ka Pou Kihi Lono — Community Engagement Director
6. Carla Hostetter, Ka Pou Kāko'o Noi'i Pāhana Kūikawā

Ad Hoc Committee Term/Duration

The term of the ad hoc committee expires at the completion of the assigned task, or at the discretion of the Chair of the Board of Trustees, subject to later adjustment.

Updates to the Board

Updates on the progress of the ad hoc committee to the Board shall be done as pursuant to and consistent with Hawai'i Revised Statutes §92-2.5(b)(1).

Applicable OHA Bylaws and Policies

According to OHA Bylaws, Article XIII, E, the Board Chair designates the ad hoc committee and appoints its members, subject to Board approval by a simple majority vote. The committee must have at least three (3) members, one of whom shall be a Trustee and who shall chair the committee.

The term of the ad hoc committee shall be until the task is completed or at a set time determined at the time of the appointment of the committee or at the discretion of the Board Chair.

Communications from the ad hoc committee flow from the committee to the Board Chair, and the Board Chair to the Board of Trustees and vice versa (Board of Trustees to Board Chair to the ad hoc committee). All communications from the ad hoc committee shall be made to the Board Chair no later than ten (10) days before a Board meeting.

All ad hoc committee members, with the exception of Trustees, shall serve on a voluntary basis without compensation, other than reasonable expenses such as travel, parking and meals.

Chapter 92, Public Agency Meetings and Records, of the Hawai'i Revised Statutes, as amended, will apply.