

**STATE OF HAWAI'I
OFFICE OF HAWAIIAN AFFAIRS
560 N. NIMITZ HIGHWAY, SUITE 200
(VIRTUAL MEETING - VIA ZOOM WEBINAR)
COMMITTEE ON RESOURCE MANAGEMENT
MINUTES**

February 15, 2022 1:30 p.m.

ATTENDANCE:

Chairperson John Waihe'e, IV
Vice-Chairperson Luana Alapa
Trustee Dan Ahuna
Trustee Kaleihikina Akaka
Trustee Keli'i Akina
Trustee Brendon Kalei'aina Lee
Trustee C. Hulu Lindsey
Vacancy, Hawai'i Island

BOT STAFF:

Crayn Akina
Melissa Wennihan

ADMINISTRATION STAFF:

Sylvia Hussey, CEO / Ka Pouhana / Administrator
Casey Brown, COO / Ka Pou Nui
Arlene Aguinaldo, IT
Erin Nakama, IT
Everett Ohta, Corporation Counsel
Grace Chen, FS
Nietzsche Ozawa, Corporation Counsel
Ramona Hinck, CFO

EXCUSED:

Trustee Leina'ala Ahu Isa

I. CALL TO ORDER

Chair Waihe'e calls the Committee on Resource Management meeting for Tuesday, February 15, 2022 to order at **1:30 p.m.**

Chair Waihe'e notes for the record that **PRESENT** are:

MEMBERS			AT CALL TO ORDER (1:30 p.m.)	TIME ARRIVED
CHAIR	JOHN	WAIHE'E, IV	PRESENT	
TRUSTEE	DAN	AHUNA	PRESENT	
TRUSTEE	KALEIHIKINA	AKAKA	PRESENT	
TRUSTEE	KELI'I	AKINA	PRESENT	
TRUSTEE	BRENDON KALEI'AINA	LEE	PRESENT	
TRUSTEE	CARMEN HULU	LINDSEY	PRESENT	
VICE CHAIR	LUANA	ALAPA	PRESENT	Arrived at 1:37 p.m.
TRUSTEE	HAWAI'I ISLAND			VACANCY

At the Call to Order, **SIX (6) Trustees are PRESENT**, thereby constituting a quorum.

EXCUSED from the RM Meeting are:

MEMBERS			COMMENT
TRUSTEE	LEINA'ALA	AHU ISA	MEMO – REQUESTING TO BE EXCUSED

II. PUBLIC TESTIMONY on Items Listed on the Agenda*

None

III. APPROVAL OF MINUTES

A. January 25, 2022

Trustee Akaka moves to approve the minutes of January 25, 2022.

Trustee Hulu Lindsey seconds the motion.

Chair Waihe'e asks if there is any discussion.

There is no discussion.

Chair Waihe'e calls for a ROLL CALL VOTE.

		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	1:32 p.m.
TRUSTEE							EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA	1		X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA						Arrived at 1:37 p.m.
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY		2	X			
HAWAI'I ISLAND	TRUSTEE						VACANCY
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				6	0	0	2

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

Chair Waihe'e notes for the record that ALL members present vote 'AE (YES) and the **MOTION CARRIES**.

IV. UNFINISHED BUSINESS

None

V. NEW BUSINESS

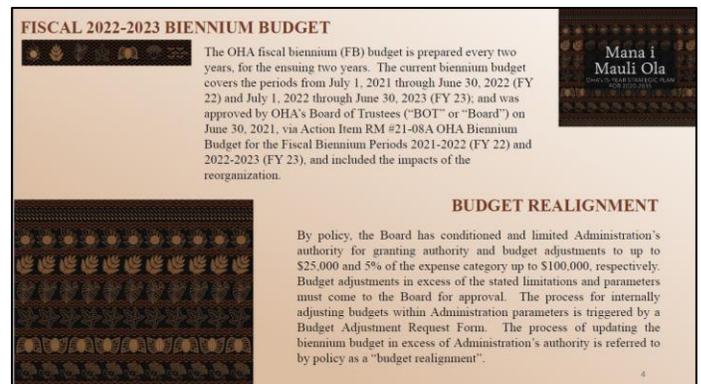
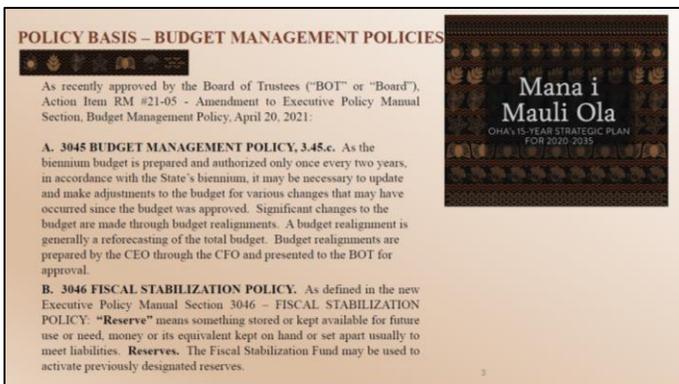
A. WORKSHOP: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY22) and 2022-2023 (FY23) – Realignment #2

Chair Waihe'e turns it over to Ka Pouhana Sylvia Hussey.

Pouhana Hussey: Thank you, Chair Waihe'e. Trustees, as is customary, we'll go ahead and do a workshop regarding Budget Realignment #2 and then field any questions, comments, adjustments before an actual action item. I'll just pull up the slides that we have in the folder and start to walk through that with you. In summary, our Policy Basis, our Policy Management, to do a Biennium Budget and any changes to that budget as a result of that original authorization is done through authorizations that the Board provides to the Administrator or, if not all other budget adjustments need to come back to the Board. So, the first, two slides are just resetting context for the budget management policies, as well as the budget realignment.



Pouhana Hussey: Slide four has a slight correction on the budget realignment; the authorities provided by the Board is up to the lesser of \$100,000 or 5% of the account expense category, anything else needs to be brought back to the Trustees and all adjustments in and out of the grants needs to be brought to the Trustees for authorization. So those are the policy parameters that Administration continues to operate under.



Pouhana Hussey: Again, for context back in June, the Board approved the biennium budget, which included the reorganization activities, and for the last six months administration has been implementing the reorganization activities. We did provide an update at the January Resource Management Committee meeting about the progress of the reorganization, including the cost and the separation amounts that have now amounted to an estimated \$600,000 of the 1 million that was approved by the Trustees to hold for the reorganization activities, and we can talk a little bit about that later.

ATTACHMENT 1
REORGANIZATION

OFFICE OF HAWAIIAN AFFAIRS
TOTAL OPERATING BUDGET
BIENNIUM PERIODS 2021-2022 (FY 2021) 2022-2023 (FY 2023)

FY 2022	FTE	Core	Commercial Property Budget		Legacy Property Budget		Other OHA Program Budget		FY 2022
			Kali-ole Makai	% Lease Makai	Palms Cultures Preserve	Wai- Māui Forest	Federal Funded	Others	
Personnel & Fringe	133	\$12,872,228	\$102,819	\$99,800	\$0	\$0	\$24,228	\$0	\$13,996,077
Programs		390,283	402,615	368,242	1,250	2,275	219,878	-	1,384,083
Contracts		3,457,396	444,443	404,013	35,600	14,810	585,231	-	5,630,533
Grants		15,175,500	0	0	0	0	0	-	15,175,500
Travel		487,224	0	0	2,340	4,000	38,068	-	40,408
Equipment		383,348	243,080	1,061,425	31,550	186,300	87,300	-	2,179,983
Overhead		3,004,448	445,385	902,780	6,000	-	-	-	4,454,938
Debt Service		133,178	0	2,510,979	-	-	-	-	3,184,157
Totals:		\$36,481,215	\$1,796,228	\$5,628,672	\$74,740	\$267,569	\$1,813,506	\$0	\$48,202,080

FY 2023	FTE	Core	Commercial Property Budget		Legacy Property Budget		Other OHA Program Budget		FY 2023
			Kali-ole Makai	% Lease Makai	Palms Cultures Preserve	Wai- Māui Forest	Federal Funded	Others	
Personnel & Fringe	133	\$13,233,143	\$105,094	\$99,704	\$0	\$0	\$27,721	\$0	\$14,359,474
Programs		391,000	424,471	370,003	1,250	2,275	218,262	-	1,410,923
Contracts		3,489,337	444,443	412,407	35,600	14,810	481,188	-	5,783,825
Grants		15,175,500	0	0	0	0	0	-	15,175,500
Travel		487,224	0	0	2,340	4,000	39,230	-	40,294
Equipment		383,348	250,332	1,228,089	31,550	186,300	74,370	-	2,279,841
Overhead		3,003,717	438,644	918,973	6,000	-	-	-	4,546,730
Debt Service		133,242	0	2,510,912	-	-	-	-	3,042,894
Totals:		\$37,453,608	\$1,821,814	\$5,740,344	\$74,740	\$267,569	\$1,666,777	\$0	\$48,839,672

3-Year Totals: \$74,035,178 | \$3,618,072 | \$11,408,856 | \$149,480 | \$415,010 | \$3,479,777 | \$0 | \$95,040,742

Pouhana Hussey: The first realignment for the budget came as a result of the Commercial Property acquisitions made at the end of the first quarter of the fiscal year. So, in October, a budget realignment primarily featuring the non-core was brought to the Trustees for approval. You'll notice that the authorities included the separate and standalone approvals of the Iwilei properties, both at 500 North Nimitz as well as 501 Sumner Street properties. These commercial property budgets that were approved by an action item were also complemented by a non-core realignment in other parts of the Commercial Properties, specifically Kaka'ako Makai and Nā Lama Kukui. So, to set context we've had our initial Budgets approved, and then the realignment #1, because of Commercial Property.

**Budget
Realignment #1**

Action Item RM #21-16: Iwilei Commercial Properties
Non-Core Operating Budget for the Fiscal Biennium
Periods 2021-2022 (FY 22) and 2022-2023 (FY 23),
October 26, 2021

Action Item RM #21-17: FB22-23 Non-Core Budget
Realignment #1, October 26, 2021

ATTACHMENT #1
FY 2022 AND FY 2023 BUDGET REALIGNMENT #1

OFFICE OF HAWAIIAN AFFAIRS
FY 2022 AND FY 2023 BUDGET REALIGNMENT #1
2021-2022 (FY 22) Core and Non-Core Budgets; and 2022-2023 (FY 23) Core and Non-Core Budgets; Realignment #1

Table 1: FY 2022 REALIGNMENT #1 (October 2021)

FY 2022	FTE	Core	Commercial Property Budget		Legacy Property Budget		Other OHA Program Budget		FY 2022
			Kali-ole Makai	% Lease Makai	Palms Cultures Preserve	Wai- Māui Forest	Federal Funded	Others	
Personnel & Fringe	133	\$12,872,228	\$102,819	\$99,800	\$0	\$0	\$24,228	\$0	\$13,996,077
Programs		390,283	402,615	368,242	1,250	2,275	219,878	-	1,384,083
Contracts		3,457,396	444,443	404,013	35,600	14,810	585,231	-	5,630,533
Grants		15,175,500	0	0	0	0	0	-	15,175,500
Travel		487,224	0	0	2,340	4,000	38,068	-	40,408
Equipment		383,348	243,080	1,061,425	31,550	186,300	87,300	-	2,179,983
Overhead		3,004,448	445,385	902,780	6,000	-	-	-	4,454,938
Debt Service		133,178	0	2,510,979	-	-	-	-	3,184,157
Totals:		\$36,481,215	\$1,796,228	\$5,628,672	\$74,740	\$267,569	\$1,813,506	\$0	\$48,202,080

Table 2: FY 2023 REALIGNMENT #1 (October 2021)

FY 2023	FTE	Core	Commercial Property Budget		Legacy Property Budget		Other OHA Program Budget		FY 2023
			Kali-ole Makai	% Lease Makai	Palms Cultures Preserve	Wai- Māui Forest	Federal Funded	Others	
Personnel & Fringe	133	\$13,233,143	\$105,094	\$99,704	\$0	\$0	\$27,721	\$0	\$14,359,474
Programs		391,000	424,471	370,003	1,250	2,275	218,262	-	1,410,923
Contracts		3,489,337	444,443	412,407	35,600	14,810	481,188	-	5,783,825
Grants		15,175,500	0	0	0	0	0	-	15,175,500
Travel		487,224	0	0	2,340	4,000	39,230	-	40,294
Equipment		383,348	250,332	1,228,089	31,550	186,300	74,370	-	2,279,841
Overhead		3,003,717	438,644	918,973	6,000	-	-	-	4,546,730
Debt Service		133,242	0	2,510,912	-	-	-	-	3,042,894
Totals:		\$37,453,608	\$1,821,814	\$5,740,344	\$74,740	\$267,569	\$1,666,777	\$0	\$48,839,672

3-Year Totals: \$74,035,178 | \$3,618,072 | \$11,408,856 | \$149,480 | \$415,010 | \$3,479,777 | \$0 | \$95,040,742

Pouhana Hussey: Which brings us to realignment #2. In realignment #2 there are adjustments to both core budgets, as well as non-core budgets. Core budgets are primarily adjustments related to reclassifications; and reclassifications are primarily a result of moving, reallocating because of underlying details that we found. There is some contract information that really should be better classified in equipment. What is in the account category of equipment are repairs and maintenance, so there are contracts that were originally budgeted in that line item that really should be *repairing* classification items. You will also see that there are three classifications in personnel and fringe, these are costs that were incurred post the budget approval in June that relate to costs associated

with the reorganization and so, these costs, need to be put back into their correct year of authorization and so you'll see that adjustment there. The additional adjustments on core, are additional actions for our Legacy Land Properties, the Pahua Heiau, as well as the Waialua Courthouse; there's major repair items that need to be attended to, and so the budgets have been put into the budget realignments for the core budgets there. I'll pause there, Chair Waihe'e, if the Trustees have any questions about the proposed Core realignments.



FY22 Budget Realignment #2 Request Summary

FY22 CORE BUDGET REALIGNMENT #2
FY22 Budget Realignment #2 Request Summary

CORE OPERATING BUDGET	FY 2022				Ref Page(s)
	Approved Budget	Approved Realignment #1	Proposed Realignment #2	Adjustments	
	(a)	(b)	(c)	(d) = (c - a)	
Contracts	3,457,396	3,457,396	3,116,660	(340,736)	
Debt Service	553,178	553,178	553,178	-	
Equipment	583,348	583,348	1,187,033	603,685	
Grants	15,173,500	15,173,500	15,173,500	-	
Overhead	3,004,448	3,004,448	2,885,687	(118,761)	
Personnel & Fringe	12,872,126	12,872,126	12,772,126	(100,000)	
Program	590,283	590,283	839,865	249,582	
Travel	447,234	447,234	153,464	(293,770)	
Total	36,681,513	36,681,513	36,681,513	-	

Chair Waihe'e: *Members, are there any questions?*

Chair Waihe'e recognizes Trustee Lee.

Trustee Lee: Thank you, Chair. So, Ka Pouhana the Legacy Land addition that you're talking about that's the \$249,000 that's going on the program.

Pouhana Hussey: That is the part of the \$603,000.

Trustee Lee: For equipment.

Pouhana Hussey: Right, equipment includes repair and maintenance pieces.

Trustee Lee: Okay, What's the \$249,000 for Program?

Pouhana Hussey: I'm going to ask Grace to help remind us.

Financial Analyst Chen: With regards to the program, within the categories of programs are advertising, printing, freight, and delivery bulk mail. So, at the time of the approval there were items in contract that were relating to the printing of our newspaper and that accounting protectiveness realized that they should have it under the Program expenditures. So, in the action item we will be presenting the adjustments of what it was originally in the original approved and in the proposed realignment #2. Seeing right now what you'll see in the Action item for printing it was initially budgeted for \$8,860. However, the printing that we have, we're proposing is \$181,900 that was originally in contract and should have been classified under advertising, which is in the program category.

Pouhana Hussey: To add to that Trustee Lee, that includes, I don't know if Trustees have noticed, but our Ka Wai Ola print productions have been larger. Normally, in prior years they were budgeted for a 28-page spread and every time you increase that you have to increase it by four pages; so, you also notice that we have special pull out sections and others, so the increase in dollars, is to also support the increase in Ka Wai Ola production and distribution and the special inserts that are there.

Trustee Lee: Thank you, Ka Pouhana. Thanks, Grace.

Chair Waihe'e recognizes Trustee Akina.

Trustee Akina: Thank you, Mr. Chair. Sylvia, back on page five you talk about separation costs, I think you gave a figure approximately \$600,000 out of 1.2 million had been spent, can you give me those figures again and what is your estimation, as to how much more is likely needed of that overall allotted.

Pouhana Hussey: Thank you, Trustee Akina. For the Trustees overall context, setting the Board approved Administration's request, a million-dollar reserve for Fiscal Year 21 to account for the separation costs and just for your breakdown of that

- \$100,000 was budgeted for vacation separations,
- Severance \$450,000,
- COBRA cost as part of separation \$325,000,
- Career transitions at \$100,000,
- \$25,000 for additional recruitment costs that may be needed.

So, if you total all of that, and we'll provide the details in a follow up to the Trustees that accounts for the million dollars. What we have experienced in the payouts has amounted to \$600,000, so there is \$400,000 that is still there in budgetary authority related to the reorganization. At this point, Administration is recommending to the Trustees to leave that there in the event that there are any claims associated with reorganization; until such time that we know better information, before releasing that accrual or authority.

Trustee Akina: Thank you, Sylvia so, in other words we're pretty much of the thinking that those million dollars would probably be enough, but you're leaving some funds there just as a safeguard.

Pouhana Hussey: Correct, and the reason is the million dollars was estimated at the most conservative where all separated individuals would separate and we know, based on our report that 60% returned in new positions. In addition, those new positions often were at higher compensation rates than was previously, so that is all factored in there, and yes, Trustee Akina we are recommending that the balance be left just in case. There may be some claims or other costs that come through that we're not anticipating.

Trustee Akina: So, Sylvia is it safe to say that the process of separations largely complete.

Pouhana Hussey: Correct

Trustee Akina: Thank you.

Chair Waihe'e recognizes CFO Ramona Hinck.

CFO Hinck: I just wanted to add some background, when we developed the first budget, we were actually over-budget, but then we have to stay within our spending limit and so we took care of our fixed expenses and then we tried to budget as much as in the contracts as possible, fee for service, and that was held in eventually in the COO's office. So, when there's a lot of reclassifications, such as in programs, because we're going to the second budget realignment and we're finding funds where it can be allocated where it's needed now. So, I guess what I'm saying is that we deliberately under budgeted in the fee for services, contracts category in order to balance the budget. Thank you, Chair.

Chair Waihe'e if there are not further questions, I'll turn it back over to Sylvia.

There are no further questions.

Pouhana Hussey: Okay. So, Trustees if there are no questions regarding the core budget adjustments, which again are primarily reclassifications in account categories, we will go to the non-core realignment adjustments. Non-core, overall there's the plus up there, primarily in Kaka'ako Makai that's primarily for planning funds there, as you are well aware, the planning for Kaka'ako Makai is going hot and heavy and so additional resources are needed for planning. The rest of the items we will walk through on a property-by-property basis.



FY22 Budget Realignment #2 Request Summary

Row Labels	APPROVED BUDGET	APPROVED REALIGNMENT #1	PROPOSED REALIGNMENT #2	ADJUSTMENTS
4410 HLID	459,490	459,590	465,680	6,090
4420 NHRLF	1,353,805	1,353,805	1,353,805	-
8210 KAKA'AKO MAKAI	1,796,258	2,682,900	3,282,900	600,000
8220 NA LAMA KUKUI	5,628,672	5,695,521	5,695,521	-
8230 500 N NIMITZ	-	1,312,839	1,312,839	-
8240 501 SUMNER	-	506,374	506,374	-
8310 PALLUA'EA CULTURE PRES	74,740	74,740	191,494	116,754
8320 WAO KELE O PUNA	207,505	207,505	204,380	(3,125)
Grand Total	\$9,520,470	\$12,293,274	\$13,012,993	\$719,719

Pouhana Hussey: HLID; some very minor adds to the Halawa office and repairs.

For NHRLF, or the Native Hawaiian Revolving Loan Fund. As you know, the Administration for Native Americans is the one that authorizes and approves their budget, and so, when there are reclassifications that are done, they are sent back to ANA for approval. So they receive approval for these realignments and reallocations; these also reflect future intentions to be able to allocate some of the fixed overhead costs that OHA carries on behalf of the program for IT, HR and other services, so this is part of reallocation of resources from OHA charging basically charge backs for support that OHA provides for the Revolving Loan Fund.

FY22 NONCORE BUDGET REALIGNMENT #2 – Halawa-Luluku Interpretive Development (HLID)

Row Labels	APPROVED BUDGET	APPROVED REALIGNMENT #1	PROPOSED REALIGNMENT #2	ADJUSTMENTS
4410 HLID	459,490	459,590	465,680	6,090

Key Takeaway: Minor Adjustments re: Halawa Office Trailer Repair, Improvements

FY22 NONCORE BUDGET REALIGNMENT #2 TOTAL – Native Hawaiian Revolving Loan Fund (NHRLF)

NHRLF	FY 2022				
	Approved Budget	Approved Realignment #1	Proposed Realignment #2	Adjustments	Ref Page(s)
	(a)	(b)	(c)	(d) = (c - b)	
Contracts	365,231	365,231	365,231	0	
Grants	0	0	0	0	
Equipment	0	0	30,800	30,800	
Personnel & Fringe	779,768	779,768	742,276	(37,492)	
Program	113,478	113,478	138,127	24,649	
Overhead	57,261	57,261	67,371	10,110	
Travel	38,068	38,068	10,000	(28,068)	
Sub-total NHRLF:	\$1,353,805	\$1,353,805	\$1,353,805	\$0	

Key Takeaway: Realign to Forecast Year End Spend

Pouhana Hussey: Kaka'ako Makai; again this is primarily for planning dollars for consultant costs, so that the planning can continue for not only Kaka'ako Makai and all of its additional pieces that you're very well aware.

For Nā Lama Kukui it hasn't changed since the last adjustment, where they made adjustments then, so in budget realignment #2 there are no additional adjustments proposed at this time for NLK.

FY22 NONCORE BUDGET REALIGNMENT #2 TOTAL – Kaka'ako Makai

FY22 NONCORE BUDGET REALIGNMENT #2 TOTAL FY22 Budget Realignment #2 Request				
Row Labels	APPROVED BUDGET	APPROVED REALIGNMENT #1	PROPOSED REALIGNMENT #2	ADJUSTMENTS
8210 KAKAAKO MAKAI	1,796,258	2,682,900	3,282,900	600,000

Key Takeaway: Kaka'ako Makai Planning

FY22 NONCORE BUDGET REALIGNMENT #2 FY22 Budget Realignment #2 Request - Kaka'ako Makai					
Category	Approved Budget	Approved Realignment #1	Proposed Realignment #2	Adjustments	Ref Page(s)
Contracts	344,443	1,021,443	2,220,895	357,443	
Equipment	245,000	510,000	610,000	0	
Overhead	440,287	391,927	391,927	0	
Program	156,428	122,628	222,628	0	
Debt Service	60,100	60,100	60,100	0	
Totals	1,796,258	2,682,900	3,282,900	600,000	

FY22 NONCORE BUDGET REALIGNMENT #2 TOTAL – Na Lama Kukui

FY22 NONCORE BUDGET REALIGNMENT #2 TOTAL FY22 Budget Realignment #2 Request				
Row Labels	APPROVED BUDGET	APPROVED REALIGNMENT #1	PROPOSED REALIGNMENT #2	ADJUSTMENTS
8220 NA LAMA KUKUI	5,628,672	5,695,521	5,695,521	-

Key Takeaway:
No change since Action Item RM #21-17 FB 22-23 Non-Core Budget Realignment #1, October 26, 2021

FY22 NONCORE BUDGET REALIGNMENT #2 FY22 Budget Realignment #2 Request - Na Lama Kukui					
Category	Approved Budget	Approved Realignment #1	Proposed Realignment #2	Adjustments	Ref Page(s)
Contracts	40,811	111,111	111,111	0	
Equipment	1,378,222	1,378,222	1,378,222	0	
Overhead	362,120	362,120	362,120	0	
Program	368,800	368,800	368,800	0	
Debt Service	368,719	368,719	368,719	0	
Totals	3,888,672	3,888,672	3,888,672	0	
Sub-total	5,628,672	5,695,521	5,695,521	0	
Less: Debt Service	1,963,879	1,963,879	1,963,879	0	
Sub-total NLK	3,664,793	3,731,642	3,731,642	0	

Pouhana Hussey: The Iwilei properties, as well, the action items established as of October, there are no adjustments to this budget yet. We just established these budgets, so no changes there.

Palaeua; Administration intentionally did not include the description, because at the time of the slides being prepared, Legacy Land Programs were going through their projections and budgets for the Cultural Preserve on Maui. So, while there is \$116,000 proposed there for some activities, the action item will not include this just yet. We will ask the Legacy Land Program to do a little bit more planning, sketching and projection; and bring back a more comprehensive adjustment at that time. So, this is here as a placeholder, as a heads up of the kind of planning the Legacy Land Program is doing for Palaeua, and then we will come back to the Trustees for a more definitive adjustment at a future time.

FY22 NONCORE BUDGET REALIGNMENT #2 TOTAL – Iwilei Properties – 500 N Nimitz, 501 Sumner

Iwilei Properties	FY 2022				Ref Page(s)
	Approved Budget (a)	Approved Realignment #1 (b)	Proposed Realignment #2 (c)	Adjustments (d) = (c - b)	
500 N Nimitz					
Contracts		308,250	308,250	0	
Equipment		166,854	166,854	0	
Overhead		120,051	120,051	0	
Program		189,615	189,615	0	
Debt Service		528,069	528,069	0	
Totals - 500 N Nimitz:		\$1,312,839	\$1,312,839	\$0	
501 Sumner					
Contracts		48,250	48,250	0	
Equipment		154,735	154,735	0	
Overhead		79,553	79,553	0	
Program		8,658	8,658	0	
Debt Service		215,178	215,178	0	
Totals - 501 Sumner:		\$506,374	\$506,374	\$0	

Key Takeaway:
No change since establishment via Action Item RM #21-16: Iwilei Commercial Properties Non-Core Operating Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), October 26, 2021

FY22 NONCORE BUDGET REALIGNMENT #2 TOTAL – Palaeua Cultural Preserve

FY22 NONCORE BUDGET REALIGNMENT #2 TOTAL FY22 Budget Realignment #2 Request				
Row Labels	APPROVED BUDGET	APPROVED REALIGNMENT #1	PROPOSED REALIGNMENT #2	ADJUSTMENTS
8310 PALAEUA CULTURE PRES	74,740	74,740	191,494	116,754

FY22 NONCORE BUDGET REALIGNMENT #2 FY22 Budget Realignment #2 Request - Palaeua Cultural Preserve					
Category	Approved Budget	Approved Realignment #1	Proposed Realignment #2	Adjustments	Ref Page(s)
Contracts	10,000	10,000	10,000	0	
Equipment	10,000	10,000	10,000	0	
Overhead	10,000	10,000	10,000	0	
Program	10,000	10,000	10,000	0	
Debt Service	10,000	10,000	10,000	0	
Totals	50,000	50,000	50,000	0	
Sub-total Available Funds	100,000	100,000	100,000	0	
Less: Debt Service	10,000	10,000	10,000	0	
Sub-total Available Funds	90,000	90,000	90,000	0	
Less: Debt Service	10,000	10,000	10,000	0	
Sub-total Available Funds	80,000	80,000	80,000	0	
Less: Debt Service	10,000	10,000	10,000	0	
Sub-total Available Funds	70,000	70,000	70,000	0	
Less: Debt Service	10,000	10,000	10,000	0	
Sub-total Available Funds	60,000	60,000	60,000	0	
Less: Debt Service	10,000	10,000	10,000	0	
Sub-total Available Funds	50,000	50,000	50,000	0	
Less: Debt Service	10,000	10,000	10,000	0	
Sub-total Available Funds	40,000	40,000	40,000	0	
Less: Debt Service	10,000	10,000	10,000	0	
Sub-total Available Funds	30,000	30,000	30,000	0	
Less: Debt Service	10,000	10,000	10,000	0	
Sub-total Available Funds	20,000	20,000	20,000	0	
Less: Debt Service	10,000	10,000	10,000	0	
Sub-total Available Funds	10,000	10,000	10,000	0	
Less: Debt Service	10,000	10,000	10,000	0	
Sub-total Available Funds	0	0	0	0	

Pouhana Hussey: Wao Kele o Puna; similarly, some very small adjustments there in the programming, Trustees may recall that Wao Kele o Puna had funding that initially started in 2006, at the time of their establishment and those funds have now run out. So those funds, now the core is picking up the cost of Wao Kele o Puna maintenance and the efforts there, so again part of Legacy Land Program are there opportunities to seek from original partners, Federal partners or other to share in the cost of the management of the land, instead of it all coming from the core funding.

That's it, so we can go back to any of the non-core, but the budget realignment #2 is reclassifications on core and then no surprise Kaka'ako Makai non-core adjustments. Chair Waihee, any questions from the Trustees.

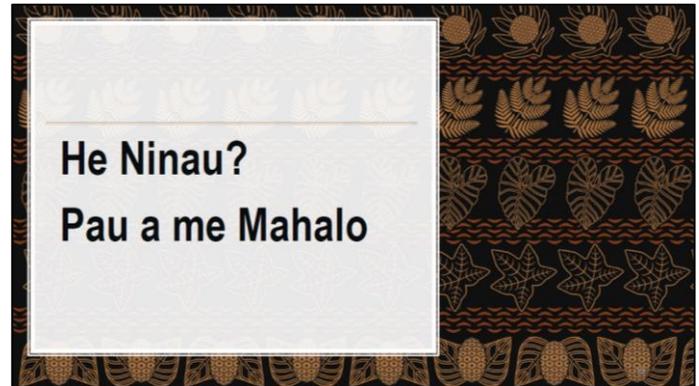
FY22 NONCORE BUDGET REALIGNMENT #2 TOTAL - Wao Kele o Puna

FY22 NONCORE BUDGET REALIGNMENT #2 TOTAL FY22 Budget Realignment #2 Request				
Row Labels	APPROVED BUDGET	APPROVED REALIGNMENT #1	PROPOSED REALIGNMENT #2	ADJUSTMENTS
8320 WAO KELE O PUNA	207,505	207,505	204,380	(3,125)

Key Takeaway:

- Adjustments re: Conceptual Master Plan Implementation

FY22 NONCORE BUDGET REALIGNMENT #2 TOTAL - Wao Kele o Puna					
Wao Kele o Puna	Approved Budget	Approved Realignment #1	Proposed Realignment #2	Adjustments	Net Budget
8320 WAO KELE O PUNA	207,505	207,505	204,380	(3,125)	204,255



Chair Waihe'e: Thank you, Sylvia. Members, are there any questions?

There are no further questions.

Chair Waihe'e: Hearing none, are we ready to move on to the next item, Sylvia.

Pouhana Hussey: That's it for the budget realignment workshop presentation, as is familiar to the Trustees the action item that will be brought forward will have more of the tables that we normally have, but the essence of the action are these actions that we've called out.

Chair Waihe'e: Thank you, so we'll move on to the next issue which is an update on Grants and Sponsorships.

V. NEW BUSINESS

B. Update by Administration: Beneficiary & Community Investments, FY 2022 Grants & Sponsorship Update

Chair Waihe'e turns it over to Ka Pouhana Sylvia Hussey.

Pouhana Hussey: Thank you, Chair. I'll just go ahead and walk trustees through the memo, it's pretty straightforward. The quarterly schedules that were included in the memo are the quarterly schedules that you received back in January as part of the quarterly reporting that is done. Administration just wanted to again put into context, that there is the Ad hoc Committee on Grants and Sponsorships that is still open and there's been a number of changes and Administration has done some thinking around flow charts, processes, policies, and so we will wait for guidance from the Chair of the Ad hoc Committee, Chair Hulu, as well as Trustee Waihe'e's guidance on next steps regarding any of that material. That's the update and the context.

The implementation of the Fiscal Biennium Budget, again, this is a summary, you'll notice that our general funds, instead of the 3 million we have 2.254 million in general funds and so those will go out through our normal solicitation. What Administration tried to do is to go back to each of the budget line items and then put in the updates for the plans for that, whether it's a solicitation, whether that's additional collaboration or other recommendations.

The first thing is just a refresh of where the grants sit here in the budget, it is the 15.1 million, which in this year's budget, we were very intentional about that number to match our Public Land Trust number. The first table we'll go through is the breakdown of the 15.1 million and so we'll go through each line and just give the Trustees and update on what plans for grants will be.

The first one is our Social Services, this currently is being administered by Hawaii Community Lending, they have a contract to do, Ka Wailele, that's the branded program name. They just announced and we sent out to the Trustees and to our Community that they are adjusting not only the rental and housing and utilities that were a focus during the pandemic, but additional costs that our beneficiaries need. This is also the program that we intended to stand up with our in-house Beneficiary Services programs, to be able to administer. So, right now, it is being administered by a third-party contractor, the intent is for us to administer this ourselves, subject to filling positions, like the Beneficiary Services Manager and getting the IT and the systems built, tested and implemented. That's that whole big line item, we do match Trust funds with these General funds.

Next, we'll jump to the disaster and then go to each of the tables if that's okay. The Grants in Aid-Disaster started at \$132,579 and with the Trustees approved support for the Waimea fires, you see there's a balance in there of \$49,579 as previously budgeted. So those are funds that are available for any future considerations for disaster impact kind of assistance. Before I go on Chair Waihe'e is there any questions on these two particular items from Trustees.

Chair Waihe'e: *Members, are there any questions?*

There are no questions.

Chair Waihe'e: *Hearing none, Sylvia, please continue.*

Pouhana Hussey: Okay, so Table 4 is what is commonly referred to as the Community Grants; in the initial budget, the total amount is the one that totals up to the 7.3 million. What you'll see is the familiar top of the solicitations for culture, health, etc.; these solicitations are getting ready to be released in March, next month. The housing is the new general funds that we received to do occupancy strengthening and right now it's general funds of \$500,000 match with a million from Trust Funds for a total of 1.5 million. The intention was to provide security deposit help, down payments, deposits for rentals, certainly down payments on mortgages is in the concept there, but we would need to think really hard about how to provide for all of that need; so, Administration is proposing that it's \$500,000 for programming and a million for the actual beneficiary, security deposit, rental kind of assistance for this first launch of the Program.

The rest of the lines are the familiar items, the post-secondary; Administration is recommending that we take \$250,000 from what was then Native Hawaiian Teacher Education and Professional Development, put them together and focus it on Immersion Teachers. Having more Teachers in our Immersion and Hawaiian Focus Programs, which we know there is a shortage of. Whether this is scholarships or stipends to help increase the practice and the profession, this is the intent for this line item.

The Homestead Community, the solicitation, the amount is increased from \$250,000 last cycle to \$300,000. This is the recommendation here at \$250,000, to add it to the Higher Education Scholarships.

The Ohana Scholarships; there is a proposal to add what is previously identified as a line item here of just COVID impacts, to add it together. Initially, in COVID there were some very specific things that our communities needed to address COVID; sanitation, masks, those kinds of things, but now, as the communities are living with, it makes sense to Administration to put those dollars together so that our Ohana can utilize it in ways that are needed. There's a particular emphasis on the impacts of incarceration; with our families that are impacted by incarceration as well as human trafficking and LGBTQ communities and service gaps that may exist in our communities. So, Administration's recommendation is to put those two together and create a bigger pot of dollars for our Community.

Increase in Iwi Kupuna, \$300,000.

That is the Community Grants section.

Pouhana Hussey: Chair Waihe'e, do you want me to continue and then come back or pause here for Trustee questions.

Chair Waihe'e: *Members, are there any questions?*

Chair Waihe'e recognizes Trustee Lee.

Trustee Lee: Thank you, Chair. Thank you for the update, Ka Pouhana. When I'm looking at the table for Community Grants, it shows that everything's being prepared for solicitation to go out next month, correct?

Pouhana Hussey: Correct.

Trustee Lee: Can I ask why the nine-month delay; that's nine months into the Fiscal Year, which means we'll have three months to deploy the money, or we'll have to do a carry over realignment, because the Fiscal Year will be over.

Pouhana Hussey: The plan is that as long as it is awarded by the end of the Fiscal Year. That award is encumbered and sufficient to carry into the next year.

Trustee Lee: So then, just go back to my original question, why the nine-month delay. This seems, if I'm thinking back over the last four years, this seems like late; that we normally do granting much earlier than this.

Pouhana Hussey: Yes, normally in the Community Grants the Authorization is actually received by the Trustees in October of the previous year ahead of the budget; the solicitations are all done, so that by the time the Budget approvals from the Legislature and the actual Budget, they can go ahead and start contracting. So, it's a condition of backing up of the backup with a backup. For example, the Iwi Kupuna Grants and the Teacher Education and Charter School Grants were approved by Trustees in June 2020, right after the big \$3 million approval in May of 2020 for COVID. Between that time and June 2021, Grants programming were trying to help all of our grantee's pivot from in person events to virtual events, so helping grantees pivot then also delayed the launch of those solicitations, so those solicitations didn't occur till the spring of 2021. Then the contracting of those solicitations took through the end of the year 2021, because as explained later in the memo, we're trying to align the Grant Monitoring provisions on the measurement tables, along with the evaluation of the entire program, without overburdening the grantee. Process backups then resulted in a delay in the solicitation. The Board actually approved the 22 pieces back in October, as well, in preparation for the budgets, but it's process backups that caused the delay.

Trustee Lee: I understand that we're short in granting. This processing backup, while I understand the foreseen need for that, there must be a way that we can do this better, is what I'm trying to get to.

Pouhana Hussey: Yes.

Trustee Lee: As you have stated, Ka Pouhana, this is the single largest way that we touch our beneficiaries, and nine months into the biennium and we haven't done that yet, seems problematic to me.

Pouhana Hussey: Yes, I understand, Trustee. Process: to ensure that contracting, the time span between awarding and contracting shouldn't take six months, which is what happened with our current awarding. So, process improvements of ensuring awarding and contracting are almost simultaneous, because once the Trustees approve the awards, there shouldn't be any reason that we shouldn't turn it over as quickly as possible, because it benefits nobody when it doesn't get out. So agree that is absolute. In addition, though, we are trying to ensure that we're gathering all of the information, so that we can have a good program evaluation. Grant Monitoring addresses the individual grant, Program Evaluation is to ensure that, does our culture grant, does our housing grants really address the overall programming in there. In the Ahahui Grants, do all of those grants, or do the sum collective of all the Iwi Kupuna Grants of the five or six awardees that we did, has that been evaluated in the totality of the program. So that's another slow down, that we have, because we're trying to integrate that into it, so that the next time we award, this is easy, we shouldn't have this delay in process.

Trustee Lee: If I remember correctly, and please correct me if I'm mistaken, my memory is not the end all be all. But in the realignment we beefed up our Data Collecting and Analysis Division. *Is that a fair analysis.*

Pouhana Hussey: The Office of Strategy Management, or what was then known as the Systems Office was designed to work with Research to be able to set up the Evaluation. So yes, in the reorganization, the Office a Strategy Management was designed to be able to do these evaluations, whether in house or contracted with external. So yes, correct.

Trustee Lee: So, for the current granting cycle, they just weren't up to speed yet and that's been addressed, so like you said this shouldn't happen, the next time around.

Pouhana Hussey: So, the Office of Strategy Management, like Grants and, like other parts of our organization, even without the reorganization, we're short of people. The last six months of the Reorganization has been about filling positions, bringing them on and then orienting them to the work as well, so that's another delay in seating people and getting them into the processes that they need. Which again, by the end of December, we should be pau, but for the open positions that are still there. Yes, that is part of the process improvements that we need to make.

Trustee Lee: So then should these positions, not be filled in by the end of December, then we're going to have a problem. Because what I'm hearing is that this was reorg related and because we're still short on all of these people, if we're still short of these people come the end of December then we're still going to be where we are today, and we possibly will face this same predicament next biennium Fiscal Year.

Pouhana Hussey: So, Office a Strategy Management is filled, except for one position. Grants wasn't reorganization related, but Grants continues to be, and of course with the eminent departure of the Manager; recruitment is a priority, as well as the Grants Officer positions that are there as well. But yes, the intent is that it shouldn't, because those processes and people should be aligned to the overall improvement that awarding and contracting need to be tighter. The other thing that I'd like to share with Trustees is among the reasons that it's important to establish the process and I'm concerned that it's like a fire hydrant that has too much water, and if you don't have the right pipe to funnel the water to where the fire is we're going to receive resources and then it'll just get spilled all over on the street, because we don't have the right mechanisms, hoses to get those resources to where we need to. That is a matter of, because of Federal funding and the kinds of things that are being made available; so I want to ensure that OHA's structure is ready to be able to scale up when there are more resources to get to our communities, so it has to be more than us processing; its collaboration, its contracting, it's a multiplicity of ways to get our dollars out which then ties to the Policy recommendations that are be brought forward to the Ad hoc Committee.

Trustee Lee: So, Ka Pouhana, my concern, using your same analogy; is with that fire hydrant, if these processes and policies that we put in place, if we don't have it running the way we need it to be running, which it doesn't seem like it is yet, that the attachment that we've attached to that fire hydrant is the size of a garden hose. So, while we have all these resources available to us, it's not getting out, and that doesn't help our beneficiaries in any way, shape, or form. For us to be having it bottled up in the hydrant when we should be expending it out through a fire hose and not a garden hose.

Pouhana Hussey: I agree, and that's exactly the reason that we need to strengthen that. Get the right attachment, get the right partners, yes, I share that exact concern as well.

Trustee Lee: Along those lines of that concern is, I know you can't tell when we're going to hire anybody, right because we only can hire whoever we get that applies. What assurances can the Trustees have, I understand the intention behind all of this, but in the meantime, we can have the greatest intentions, but if it's not happening, then it's not happening, and our beneficiaries are the ones that are suffering. That's the gist of all the questions I'm having, and my concern is that the grants are the biggest impact we have on a day to day basis to our beneficiaries, and for the last nine months we haven't been able to affect that. I would argue, longer than that, and so that's my concern that while we have the intention of all of these new things is to make this flow better. Currently it's not and we don't know when it's going to, so what can we do in the interim, to make sure that we're helping our beneficiaries, because they desperately need this grant money.

Pouhana Hussey: With that plan right, the opening of the spigot in March and ensuring that. The other process changes that the memo alludes to is also an open application period, a cyclical open application, among the items that we have observed with the deadlines are important in order to process and ensure we have that, but our communities have needs that transcend deadlines. We also have communities who have variations of ability and so at the last minute they'll say *Oh, I need this* and it's like *Oh, the cycle has passed* and too often our grantees or communities feel like *oh poho I missed that okay now what*, so some of the process, improvements are that we have open cyclical awarding all year round, subject to funding. But that cyclically we're processing all year round, batching and then coming to the Trustees for approval, and getting into a cycle, so that that we can continue that and our communities can know that there are resources all year round, because there are needs all year round.

Trustee Lee: So when can we expect to see drafts of that because we significantly increased our grantees, that was one of the major selling points of the reorg was that it would provide significantly more funding for granting. So, if we're planning on moving, because this is the first time I'm hearing about a cyclical, and that's great. So when can the Trustees expect to see the outline of that and how the mechanics of that is going to work.

Pouhana Hussey: So that would be, at the time of the solicitation. All of that kind of planning; because there's also changes that we're proposing in terms of the external reviewers, involvement of others, and increased communication, status of where your application is, who applied, what strengths, and can you resubmit for the next awarding, can you strengthen your application and continue it in. There's also an entire conversation on Sponsorships that the Trustees, while we have our Event Sponsorships through Ahahui, as well as Merrie Monarch and Keiki Hula, those things that the Board has approved, there are still larger sponsorship conversations that really should be held around Festival of the Pacific, Polynesian Voyaging Society when they have four-year kinds events. I would call those Lāhui Sponsorships, like larger commitments over time and how did the Trustees want to authorize and plan for those large Sponsorship opportunities. The short answer is, with the implementation of the solicitations and the sequencing of those solicitations, would be the plan for process improvements in that as well.

Trustee Lee: That didn't really answer my question, so if we're ever going to go towards that this type of constant cyclical funding, are Trustees going to see an outline of how that's going to work?

Pouhana Hussey: Yes, we can provide that.

Trustee Lee: *Was that not planned on being provided to us?*

Pouhana Hussey: No, we can provide it. Well, I guess, from an operational point of view I didn't plan, but it's certainly not a secret that's something operationally we can provide.

Trustee Lee: No, I mean I guess if that's not something that Trustees had to approve then I guess you don't need to provide it. I'm just trying to get to a comfort level for me of knowing that the money is going to start flowing again and that we're not going to have this nine months or longer gap. Right, the last time we provide grants was more than nine months ago, this is the longest that I've been a Trustee that we have not awarded grants. So that's where my line of questioning is coming from, right, that's my concern that the money is not flowing to our beneficiaries that need it. So, I guess, if this is just an operational thing, and this doesn't require Trustee approval, then I guess we don't need to see the outline. I guess we'll wait for updates within the RM committee of when solicitations go out, which I know these ones are going to want in March, but beyond that and who's awarded, and all of that is, this is a long time in between. We haven't heard anything from grants in a while. Thank you, Mr. Chair.

Pouhana Hussey: I understand.

Chair Waihe'e: *Thank you, Trustee Lee. Members, are there any other questions?*

There is none.

Chair Waihe'e: *Okay, Sylvia, please continue.*

Pouhana Hussey: Okay, Trustees the next table is what are called Level II Grants. They have the familiar DHHL payment in there and just for context it's another 10 years of this particular commitment. Its quarterly payments that are sent over, the Department does provide quarterly details of the expenditure as they did when they came to the Trustees in the Summer, and we will pass those on to the Trustees as we get them.

The Hawaiian-Focused Public Charter School, the recommendation from Administration is that the 1.5 million: KALO – Kanu o Ka 'Āina Learning 'Ohana was the selected and approved vendor to be able to administer the 16 Charter School and then their school, Kanu o Ka 'Āina, the school, we issued that and manage that contract separately, so that they're not managing their own schools' contract. Based on Grants monitoring, as well as the recommendation, Administration is recommending that we just amend the contract so that they can continue to manage the 1.5 million in Grants for the 16 Charters, and then the separate contract for Kanu o Ka 'Āina, the school will be managed directly by the Grants program. So, in the upcoming Action Item there's a separate motion for this recommendation. You will notice that there is an additional 1.5 million, that is there, that is reserved for a collaboration recommendation that Administration wants to bring back to the Trustees so that we can affect 'Ohana Programming through the Charter School Network, and so we will bring that back for recommendation to the Trustees at a future time. Right now, the recommendation from Administration is to amend the contract, rather than going out for the solicitation on for this particular administration of the Grant.

Chair Waihe'e recognizes Trustee Ahuna.

Trustee Ahuna: Just a quick question, so we're gonna bifurcate just that one portion?

Pouhana Hussey: So, when we bring the recommendation in the Action Item, the recommendation will be to amend the contract for KALO, the Learning 'Ohana for the 16 schools, and then it would be to amend the contract for Kanu o Ka 'Āina for the one school, rather than going out for additional solicitation. Yes, that's true, unless you're thinking of another bifurcation that you want us to note.

Trustee Ahuna: Yes. I wanted to make sure that if there was money going towards Hawaiian-Focused Public Charter Schools, personally, I wanted to bifurcate that out, yeah.

Pouhana Hussey: Okay I'll make a note of that when we draft the Action Item to be brought forward to Trustees.

Trustee Ahuna: Okay, Thank you.

Pouhana Hussey: In this classification, is also the Kūlia program, for a refresher the Kūlia was a part of the Ad hoc Committee creation back in 2017. Administration is recommending that we reallocate the \$500,000 to another category, because it was a pilot Program our Office of Strategy Management is preparing an evaluation for Kūlia so that we can know the impacts of the three years of the pilot. So that will be coming forward, but in the meantime, we're recommending to the Trustees to take the \$500,000 and reallocate it to one of the line items above you, so if we want to add more 'Ohana grants, more Homestead grants, or other classification, we would recommend that it be reclassified to other Grant purposes as well.

Chair Waihe'e recognizes Trustee Lee.

Trustee Lee: Thank you, Mr. Chair. Ka Pouhana, I'm interested to hear what the Ad hoc Committee Chair thinks about that, because my concern about that was the Kūlia Grants were specific to fill in the gaps that we missed with the other grants, so if we are waiting on an assessment of how well that program did and in the meantime we want to spend the money someplace else, my concern is those people that we were trying to pick up, we're now going to drop on a side. I'm curious to hear what the Chair of the Ad hoc Committee has to say about that.

Trustee Lindsey: I haven't studied that yet Trustee Lee. Actually, in early talks we were discussing not having a Kūlia Grant.

Trustee Lee: So the program that your Committee recommended three years ago, the committee is now recommending that we do away with it.

Trustee Lindsey: We have talked in the past, not recently with Trustee Waihe'e and we were wondering if the Kūlia grant is a good thing for us because we don't see that Kūlia grant would take care of our people in all the other categories that we have grants. So I don't know what you mean by that people falling through the cracks.

Trustee Lee: Well, that's where I'm confused Trustee, because the reason your Ad hoc Committee first recommended the Kūlia Grants is because there were organizations that can't qualify for the Community Grants because there's such a big grant and there was so much that went into having to apply for that grant. So the Kūlia Grant was meant for the smaller organizations that don't necessarily have to go for those big Community Grants, so that's what I mean about the beneficiaries that are going to fall through the cracks. The reason your committee first recommended this was because you said, well not you...

Trustee Lindsey: I don't think it was my committee.

Trustee Lee: I'm sorry, Ka Pouhana mentioned that you're the Chair of that Committee now so I'm just referring to the Committee.

Trustee Lindsey: Now I am, but it was Chair Machado that recommended it.

Trustee Lee: So, the Committee's recommendation at the time was that there are beneficiaries and beneficiary organizations that were falling through the cracks, because they cannot compete for the Community Grants, so the Committee came up with the Kūlia Grants to service that level of beneficiaries. Because those that went for the Community Grants couldn't qualify because they were too big. So that's where my concern is, especially because we don't have – What Ka Pouhana said was that Systems is doing an analysis on how successful this was, but in the meantime let's do away with it. I have concern with that, let's say we get rid of it right now and we reallocate the \$500,000 to another line of Community Grants and they come back and go, you know what Trustees that program was hugely successful, we've analyzed the data, and it was a great thing, but in the meantime, we did away with it.

Trustee Lindsey: So, we need to analyze the data, we haven't done that.

Trustee Lee: But the recommendation is to do away with it, not wait until we analyze the data. The recommendation is to do away with it, while they analyze the data, I would prefer that we keep the Kūlia Grants and wait till we get the data back as to whether we phase it out or not. The data may come back and tell us we should increase this.

Trustee Lindsey: We'll have the Ad hoc Committee look at that and I don't think we'll do anything before the Ad hoc Committee makes that determination and recommendation.

Trustee Lee: Maybe the Ad hoc Committee should talk with Administration because that's not what Administration just said. Administration just said that in the Action Item for next week, that we're going to move this 500, we're going to do away with Kūlia Grant and move this 500,000.

Pouhana Hussey: Subject to Trustees discussion today, right, if the Trustees tell Administration, no, we don't want to take Administration's recommendation, then the Action Item won't do anything with Kūlia.

Trustee Lee: Right, which is why I'm having the discussion.

Pouhana Hussey: Exactly.

Trustee Lee: If we didn't have any of this discussion, that's what was going to happen next week, so that's why I'm bringing these discussions. So I'm just speaking for myself, not the other Trustees, and I see Trustee Ahuna's hand up, but I would appreciate that Systems does that analysis, provides that analysis to the Ad Hoc Committee, so the Ad Hoc Committee can better advise the Chair of the RM Committee as to what we should or should not do with Kūlia Grants versus doing away with it right now.

Chair Waihe'e recognizes Trustee Ahuna.

Trustee Ahuna: Thank you, Chair. My comment is why would we evaluate if we are going to cancel. Anyway, moving along, I think one of the big concerns and why we're moving money to Homestead classification, is those type of people wanted the grants, those are the people that need it. I thought, these Kūlia Grants were successful because a lot of the grantees were from the homestead. I thought it was a big success, I'm just surprised that we would be cancelling it, I really wish we would look more into it. Aloha and Thanks.

Trustee Lindsey: Maybe our Pouhana can give us a list of the grantees, the people that received grants from the Kūlia and we can do a check of the monitoring and how the money was spent, because no question it's unusual grants, that's why it's called Kūlia. Otherwise, it would fall in the other parts of our Grant program, so we should look at the grants that were given out and what it has done for our people and see if it's a necessity, because our policies require that we give out to nonprofits. Kūlia is strictly no need be nonprofit and that's the cracks we are talking about.

Pouhana Hussey: Trustee Waihe'e, also Kūlia, the observations we've made, and we'll provide because we summarize in our annual report the awards by program so we can go to our annual report and collect the awarding. One of the observations we've made in the Kūlia is one of the things it did provide, in addition to timing, people who missed the deadline, or they had capital, so one of the benefits that Kūlia did provide is you could do capital not large capital what small capital, you know certified kitchen capital. We weren't able to fund everything, but Kūlia Grants were able to fund, you know certified kitchen equipment for the Kau Hale in the Homestead or the Community, so there is benefit for Kūlia which can be picked up in any of our other grants. So, with the change in process timing that you're awarded year-round, you can award year-round, subject to funding, so Administration's recommendation is to reclassify that but take all of the program pluses, before the final evaluation is known and put those pluses into the other granting, from the processing year round to the expansion of capital. Modest capital, parts of it, to other kinds of fiscal sponsor, our Granting program accepts fiscal sponsors, to be able to help small nonprofits who have the 'ike, but they don't have the capability. We saw a lot of that in our awarding, in either the Homestead or in our COVID-19, we had fiscal sponsors, Iwi Kupuna as well, they have the 'ike, but they don't have the palapala to be able to qualify, but that was accomplished through fiscal sponsors. I think some of those concerns that Kūlia was trying to address can easily or has already been addressed in our current granting, but that's the observations that we've had over the past three years of this classification.

Chair Waihe'e recognizes Trustee Ahuna.

Trustee Ahuna: I just wanted to add, yes, and it was places like Anahola Community finally got things, Robin Danner was congratulating us. Thank you, that's all I wanted to say.

Chair Waihe'e recognizes Trustee Lee.

Trustee Lee: Thank you, Chair. Ka Pouhana, it sounds like they've already done an analysis of this, so if I'm understanding this correctly right without having an outline for us, it sounds like we're doing away with labeling Community Grants and Kūlia Grants. That the shift for Administration is just as we did a reorg for OHA, that we're doing a reorg for the way we do granting. That we're going to grant by category and we're going to grant year round, and it will no longer be, so you can apply for Community Grants, or you can apply for Kūlia Grants; our Grants are now going to be categorized differently and you guys can apply all year round, subject to funding for whatever your needs are and OHA will, I guess the different categories are going to have a budget line item, versus a lump sum for Community Grants and a lump sum for Kūlia. So, each of these different categories, which I'm assuming will be somewhat broad, so lots of different people can fall into these buckets, and when their money's expended will either add a realignment, move money from another granting bucket that didn't need it.

Pouhana Hussey: Yes, so I would say that in the past we granted based on line items, versus granting strategically, that our families have needs. Our families have needs that transcend Education, health and housing, and our families have needs that transcend age and our families have needs. So, the intent of granting and why we sort of relabeled things, Beneficiary and Community Investments is because we want to think holistically about granting collaborations and all of that. Yes, we do have to have the budgets for that, but we'd like to say our community has these needs, here are all the different funding mechanisms that can be available. In addition to the mindfulness of regional islands, the COVID-19 Grants we specifically carved out for each island to have its own dollar, so people weren't competing with you know large population. So, the Island of Kaua'i had, Moloka'i had, etc. We also learned some things in that as well, so granting and investments in our community has to balance all of that, it has to balance needs, it has to balance islands, it has to balance what is already available in that community, for programming. So, trying to balance all of that is like an eighth-grade simultaneous equation, right, $2X + 4y = X$ and we're trying to balance all the equations, plus the dollars to be able to have impact. But yes, Trustee, it is a broader look at how we, *grant the verb, grant the noun* - that we have, there's many ways that we can, we can sponsor, we can collaborate. There's a number of ideas, I want to explore with the Trustees regarding something like Alekoko; when we have a treasure like that that's available, how do we work with the communities to be able to have the Community take care of their wahi pana there. So, I would love to have a continuing conversation with the Trustees, how do we support that kind of 'āina funding for our communities.

Trustee Lee: The picture is clear Ka Pouhana, and I can see how that could be beneficial, with this shift into that. My, I wouldn't say concern, but my hope is that, while we are working on this eighth-grade multiple faction equation, that we don't do it with 1+1. That we continue with one plus one until we have figured out that multifaceted complicated equation, and not work on this complicated multifaceted equation on the fly, while we're trying to dispense the money. That to me, doesn't make sense, if we're going to work on this complicated equation, I think that's great, but in the meantime, we should continue with the one plus one until we know what the answer to that equation is. Thank you, Mr. Chair.

Chair Waihe'e: *Thank you, Trustee Lee. Are there any other questions, members?*

There are no questions.

Chair Waihe'e: *Sylvia, you may continue.*

Pouhana Hussey: Okay, the last section is Sponsorships, and this section here is the Board and CEO sponsorships that have been perpetually on hold, since 2018. We always put it in pending the Ad hoc Committee's or the Board's resolution, in times of COVID we have reclassified this to our COVID responses. As an example, last year, as we got to the last Budget Realignment and there wasn't any resolution from the Ad hoc Committee, Administration will recommend reclassifying this to other grant lines, so that we can award more, because our application pools are very healthy as we would say. However, I would like the Trustees to think about Sponsorships on a larger scale, when there are multi-year events such as Festival of the Pacific, Voyaging, Moananuiākea, as an example when there are multi-year and very large sponsorship supports that are often asked, that the Trustees think about that kind of Sponsorship commitment, almost like on a not for profit pledge, we're going to pledge so much per year so that, this is not a budget term, this is just kind of a, so we can chipmunk away the resources and then, if the authority, and then be able to spend it when we need to, rather than trying to look for 200 or 400,000 in Sponsorship, all in one year. So that's a concept, I want to throw out there for the Trustees to think about because these dollars can be reallocated in any other way, as well as be left open all year round. Again, right now, the process is once the solicitations go out for a whole week and then it's Pau and, as you know, opportunities for sponsorships come up all year round and they're often large.

Chair Waihe'e recognizes Trustee Lee.

Trustee Lee: Thank you, Mr. Chair. I like that idea, Ka Pouhana, that's similar to the idea that I floated with you about Kaka'ako Makai, and the maintenance, that we put aside *X amount*, but my caveat would be, like the caveat that I had for that Kaka'ako Makai idea that there's a cap. So every quarter, we put *X amount* in and we just keep putting *X amount* in, but when it reaches whatever, 2.1 million, \$3 million or whatever, then the cap is met and the amount that's supposed to go there, goes someplace else, it automatically gets reallocated someplace else and does not just keep going into this *fund*. So we create a cap and once we reach that cap savings, then the money gets reallocated someplace else and we just maintain that cap.

Pouhana Hussey: Yes. So there are a number of mechanisms that can be affected, hence the discussion here for the Trustees, if the desire. There are a number of ways that the mechanisms, the pledging, the control, the authorities are recognized as well, and then we balance it all with the spending policy because you're going to end up cashing out in one-year, budgetary authority from prior years. So yes, that kind of *chipmunking* strategies apply to Grants as well and Sponsorships.

Chair Waihe'e recognizes RM Vice Chair Alapa.

Vice Chair Alapa: My question is, on a smaller scale compared to the large sponsorships that Ka Pouhana outlined, is there anything for Trustees that could award on a smaller scale, for smaller events. Maybe under \$3,000 to \$4,000, is there something that is set aside for us, or do we create that on our own, or how does that work, would we even do you have anything like that.

Pouhana Hussey: So, Trustee Alapa, the BOT Sponsorships as it was originally known, prior to the moratorium is this line item here, the \$135,000 and the CEO Sponsorship and those amounts were bifurcated from what was then known as the Trustee Protocol Allowance. Now there's a new Protocol Allowance process and policy. What you're speaking of, I think, is what we tried to put in the budget. So these are all the Sponsorships that the Trustees approved in the last budget, these are the line items from traditionally the larger program events that we do, and we have sponsored. In some cases, these are in addition to Sponsorship rights that we have when we buy advertising and media. So, Merrie Monarch we buy advertising and media and there's certain sponsorship, accoutrements that we get, but the Board also approved an additional amount, and similarly with Keiki Hula. What is also in here are other Sponsorship line items, and I think this is the that was intended for small, our rural communities, \$300, \$500, the the 'Ōlelo Speech Festival at the high school, or whatever that may be, this was designed so that in the communities, the smaller sponsorships could be provided, and that the mechanism would come back to the trustees. So, this year-round kind of application, effort and reward, so to get a \$500 scholarship we shouldn't require the kind of application, you know, clap your hands, spin around three times kind of process, this should be a one pager, simple. The process could come from Trustees up through and Administration can aggregate once a month, once a quarter and then bring the entire Action Item to the Board. Knowing our communities, it's probably more monthly that they would want, here's the ask, the event is two weeks from now, that approval would need to be much sooner. So, Administration can implement a process that will bring this all to the Board, aggregate, package, cut off is the 15th, you package all of that, and then you write the Action Item, and then it comes to the Board. That's what this line item was intended or envisioned by Administration when we set up this line item for the Budget.

Vice Chair Alapa: Okay Thank you so much, I'm glad that's put in there, because there are events happening in Moloka'i and they're not asking for anywhere near the larger amount, it's much smaller, so I wanted to ensure that we'd be able to help them out. I know there's the big Paniolo Festival that's coming up, so that's something we really want to see through, it's going to happen Kamehameha Day weekend, and it would be great that we could somehow participate and support the Paniolo heritage.

Pouhana Hussey: These sponsorships are in addition to the Ahahui Grants that exist already, so those Event Grants for up to \$10,000 are available as well, and they will have their cycle as well. These were intended for smaller, like under \$1,000 that are two weeks from now or next month. Or we just decided we're gonna do something for Prince Kūhio day or something like that, so they're meant for smaller, more urgent needs but it still provides the process to come back through the Trustees for approval.

Vice Chair Alapa: Okay wonderful. Thank you so much.

Pouhana Hussey: Okay, this is the last table Trustees. It has the Advocacy, and these are the National Native American Sponsorships for Conventions that Washington DC Bureau has. You'll notice here that the Congressional Fellowship is in redesign, it is a valuable Fellowship that we believe should be reactivated, but we want to make sure that we redesign it so that it doesn't have unintended tax or other consequences for the Fellows that are brought into the program. So that's why it's zero now, because we're doing program redesign, that's it Chair.

Chair Waihe'e: *Thank you, Sylvia. Members, are there any further questions?*

There are no further questions.

VI. ANNOUNCEMENTS

Trustee Akaka: We have a BAE Meeting next Tuesday February 22, 2022.

VII. ADJOURNMENT

Trustee Ahuna moves to adjourn the RM meeting.

Trustee Akaka seconds the motion.

Chair Waihe'e asks if there is any discussion.

There is no discussion.

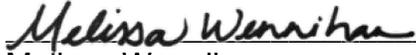
Chair Waihe'e calls for a **ROLL CALL VOTE**.

		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	2:47 p.m.
TRUSTEE							EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA	1		X			
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY			X			
HAWAII ISLAND	TRUSTEE						VACANCY
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				7	0	0	1

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

Chair Waihe'e adjourns the RM meeting at 2:47 p.m.

Respectfully submitted,



Melissa Wennihan
Trustee Aide
Committee on Resource Management

As approved by the Committee on Resource Management (RM) on March 8, 2022.



Trustee John Waihe'e, IV
Chair
Committee on Resource Management