



**STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS**

**Committee on Resource Management**

Trustee John Waihe'e IV, *At-Large - Chair*

Trustee Luana Alapa, *Moloka'i / Lāna'i - Vice Chair*

*Members*

Trustee Leina'ala Ahu Isa, *At-Large*

Trustee Dan Ahuna, *Kaua'i / Ni'ihau*

Trustee Kaleihikina Akaka, *O'ahu*

Trustee Keli'i Akina, *At-Large*

Trustee Brendon Kalei'aina Lee, *At-Large*

Trustee Carmen Hulu Lindsey, *Maui*

Trustee Mililani Trask, *Hawai'i Island*

**MEETING OF THE  
COMMITTEE ON RESOURCE MANAGEMENT (RM)**

**DATE:** Tuesday, May 31, 2022

**TIME:** 1:30 p.m.

**PLACE:** Virtual Meeting viewable at [www.oha.org/livestream](http://www.oha.org/livestream) OR

Listen by phone: (213) 338-8477,

Webinar ID: 840 0869 8043

**Due to COVID-19, the OHA Board of Trustees and its standing committees will hold virtual meetings until further notice.**

**This virtual meeting can be viewed and observed via livestream on OHA's website at [www.oha.org/livestream](http://www.oha.org/livestream) or listened to by phone at: (213) 338-8477, Webinar ID: 840 0869 8043. A physical meeting location open to the general public will be available at 560 N. Nimitz Hwy., Suite 200, Honolulu HI 96817. All members of the public that wish to access the physical meeting location must pass a wellness check and provide proof of full vaccination or a negative COVID-19 test taken within 72 hours of entry.**

**AGENDA**

**I. Call to Order**

**II. Public Testimony on Items Listed on the Agenda\***

(Please see page 2 on how to submit written testimony or provide oral testimony online.

Oral testimony by telephone/landline **will not** be accepted)

**III. Approval of Minutes**

A. May 3, 2022

**IV. Unfinished Business - None**

**V. New Business**

A. Administration Presentation re: State of Hawai'i, Employees Retirement System,  
Executive Director, Thomas Williams, Endowment Function

B. ACTION ITEM RM #22-08: Community Based, Micro Kokua Grants

C. ACTION ITEM RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022  
(FY 22) and 2022-2023 (FY 23) - Realignment #3

D. ACTION ITEM RM #22-10: Limited Delegation of Authority of Chapter 10-17 Grant Awards  
for the Purposes of Effecting Responsive Emergency Financial  
Assistance and Community Based, Micro Kokua Grants

**VI. Announcements**

**VII. Adjournment**

If you require an auxiliary aid or accommodation due to a disability, please contact Everett Ohta at telephone number (808) 594-1988 or by email at: [everetto@oha.org](mailto:everetto@oha.org) no later than three (3) business days prior to the date of the meeting. Meeting materials will be available to the public 72 hours prior to the meeting and posted to OHA's website at: [www.oha.org/rm](http://www.oha.org/rm).



**STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS**

In the event that the livestream or the audiovisual connection is interrupted and cannot be restored, the meeting may continue as an audio-only meeting through the phone and Webinar ID listed at the beginning of this agenda. Meeting recordings are available upon request to [BOTmeetings@oha.org](mailto:BOTmeetings@oha.org) until the written meeting minutes are posted to OHA's website.

†Notice: The 72 Hour rule, pursuant to OHA BOT Operations Manual, Section 49, shall be waived for distribution of new committee materials.

**\* Public Testimony on Items Listed on the Agenda must be limited to matters listed on the meeting agenda.**

Hawai'i Revised Statutes, Chapter 92, Public Agency Meetings and Records, prohibits Board members from discussing or taking action on matters not listed on the meeting agenda.

Testimony can be provided to the OHA Board of Trustees either as: (1) **written testimony emailed** at least 24 hours prior to the scheduled meeting, (2) **written testimony mailed** and received at least two business days prior to the scheduled meeting, or (3) live, **oral testimony online** during the virtual meeting.

- (1) Persons wishing to provide **written testimony** on items listed on the agenda should submit testimony via **email** to [BOTmeetings@oha.org](mailto:BOTmeetings@oha.org) at least **24 hours prior** to the scheduled meeting or via **postal mail** to Office of Hawaiian Affairs, Attn: Meeting Testimony, 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817 **to be received at least two business days prior** to the scheduled meeting. Any testimony received after these deadlines will be 'late' testimony and will be distributed to the Board members after the scheduled meeting. **Due to COVID-19 office closure and limited in-office staffing, please do not fax or hand-deliver written testimony.**
- (2) Persons wishing to provide **oral testimony online** or **at the physical meeting location** during the virtual meeting must first register at:

[https://us06web.zoom.us/webinar/register/WN\\_qaMRBK0IR4m7EfZI\\_Xyzxg](https://us06web.zoom.us/webinar/register/WN_qaMRBK0IR4m7EfZI_Xyzxg)

You need to register if you would like to orally testify. Once you have completed your registration, a confirmation email will be sent to you with a link to join the virtual meeting, along with further instructions on how to provide oral testimony during the virtual meeting. The registration page will close once the Public Testimony or Community Concerns agenda items have concluded.

To provide oral testimony online, you will need:

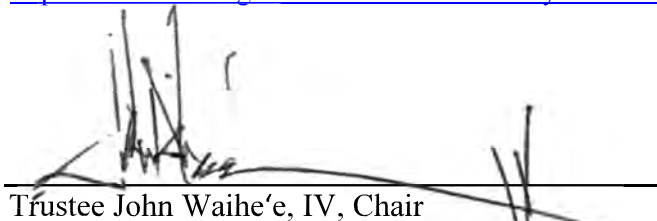
- (1) a computer or mobile device to connect to the virtual meeting;
- (2) internet access; and
- (3) a microphone to provide oral testimony.

Oral testimony online or at the physical meeting location will be limited to five (5) minutes.

Oral testimony by telephone/landline **will not** be accepted at this time.

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

Please visit OHA's website for more detailed information on how to submit Public Testimony OR Community Concerns at: <https://www.oha.org/how-to-submit-testimony-for-oha-bot-meetings/>.

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

05/24/2022

Date

May 31, 2022 - Continued



**STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS**

**Committee on Resource Management**

Trustee John Waihe'e IV, *At-Large - Chair*

Trustee Luana Alapa, *Moloka'i / Lāna'i - Vice Chair*

*Members*

Trustee Leina'ala Ahu Isa, *At-Large*

Trustee Dan Ahuna, *Kaua'i / Ni'ihau*

Trustee Kaleihikina Akaka, *O'ahu*

Trustee Keli'i Akina, *At-Large*

Trustee Brendon Kalei'aina Lee, *At-Large*

Trustee Carmen Hulu Lindsey, *Maui*

Trustee Mililani Trask, *Hawai'i Island*

**MEETING OF THE  
COMMITTEE ON RESOURCE MANAGEMENT (RM)**

**DATE:** Tuesday, May 31, 2022

**TIME:** 1:30 p.m.

**PLACE:** Virtual Meeting viewable at [www.oha.org/livestream](http://www.oha.org/livestream) OR

Listen by phone: (213) 338-8477,

Webinar ID: 840 0869 8043

**Due to COVID-19, the OHA Board of Trustees and its standing committees will hold virtual meetings until further notice.**

**This virtual meeting can be viewed and observed via livestream on OHA's website at [www.oha.org/livestream](http://www.oha.org/livestream) or listened to by phone at: (213) 338-8477, Webinar ID: 840 0869 8043. A physical meeting location open to the general public will be available at 560 N. Nimitz Hwy., Suite 200, Honolulu HI 96817. All members of the public that wish to access the physical meeting location must pass a wellness check and provide proof of full vaccination or a negative COVID-19 test taken within 72 hours of entry.**

**AGENDA**

**I. Call to Order**

**II. Public Testimony on Items Listed on the Agenda\***

(Please see page 2 on how to submit written testimony or provide oral testimony online.

Oral testimony by telephone/landline **will not** be accepted)

**III. Approval of Minutes**

**A. May 3, 2022**

**IV. Unfinished Business - None**

**V. New Business**

- A. Administration Presentation re: State of Hawai'i, Employees Retirement System, Executive Director, Thomas Williams, Endowment Function
- B. ACTION ITEM RM #22-08: Community Based, Micro Kokua Grants
- C. ACTION ITEM RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3
- D. ACTION ITEM RM #22-10: Limited Delegation of Authority of Chapter 10-17 Grant Awards for the Purposes of Effecting Responsive Emergency Financial Assistance and Community Based, Micro Kokua Grants

**VI. Announcements**

**VII. Adjournment**

If you require an auxiliary aid or accommodation due to a disability, please contact Everett Ohta at telephone number (808) 594-1988 or by email at: [everetto@oha.org](mailto:everetto@oha.org) no later than three (3) business days prior to the date of the meeting. Meeting materials will be available to the public 72 hours prior to the meeting and posted to OHA's website at: [www.oha.org/rm](http://www.oha.org/rm).

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

**May 3, 2022 1:30 p.m.**

**ATTENDANCE:**

Chairperson John Waihe'e, IV  
Vice-Chairperson Luana Alapa  
Trustee Leina'ala Ahu Isa  
Trustee Kaleihikina Akaka  
Trustee Keli'i Akina  
Trustee Brendon Kalei'aina Lee  
Trustee C. Hulu Lindsey  
Trustee Mililani Trask

**EXCUSED:**

Trustee Dan Ahuna

**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  
Nietzsche Ozawa, Corporation Counsel  
Ramona Hinck, CFO  
Ryan Lee, Interim Investment Manager

**GUESTS:**

Greg Pietsch, LLC Community Manager  
Joe Falcha, Commonfund Director  
Leilani Kaho'āno, LLC Community Manager  
Rachel Clivaz, Commonfund Analyst  
Richard Pezzulo, Waimea Valley Executive Director  
Roberts "Bob" Leinau, LLC Community Manager

**I. CALL TO ORDER**

**Chair Waihe'e** calls the Committee on Resource Management meeting for Tuesday, May 3, 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	
VICE CHAIR	LUANA	ALAPA	PRESENT	
TRUSTEE	LEINA'ALA	AHU ISA	PRESENT	
TRUSTEE	KALEIHIKINA	AKAKA	PRESENT	
TRUSTEE	KELI'I	AKINA	PRESENT	
TRUSTEE	BRENDON KALEI'AINA	LEE	PRESENT	
TRUSTEE	CARMEN HULU	LINDSEY	PRESENT	
TRUSTEE	MILILANI	TRASK	PRESENT	

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

**EXCUSED from the RM Meeting** are:

MEMBERS			COMMENT
TRUSTEE	DAN	AHUNA	MEMO – REQUESTING TO BE EXCUSED



## II. PUBLIC TESTIMONY on Items Listed on the Agenda\*

None

## III. APPROVAL OF MINUTES

### **A. April 12, 2022**

Trustee Akina moves to approve the minutes of April 12, 2022.

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**.

							1:32 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA			X			
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA	1		X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY			X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
<b>TOTAL VOTE COUNT</b>				8	0	0	1

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

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

## IV. UNFINISHED BUSINESS

None

## V. NEW BUSINESS

### **A. Presentation & Updates: Commonfund Managed Investments in the Native Hawaiian Trust Fund, Joe Falcha, Director and Rachel Clivaz, Associate**

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

**Pouhana Hussey:** Thank you, Chair. Trustees we want to introduce our friends from Commonfund, and I'll turn it over to Joe and Rachel. Joe, maybe you can go ahead and reintroduce Commonfund and yourselves to the Trustees and begin your presentation.

**Investment Officer Falcha:** Hello. Sylvia, thank you very much. It's good to see everyone, some faces, it's been a little while - so it's good to see everybody. My name is Joe Falcha, I'm an Investment Officer for Commonfund. I've worked with OHA and the Native Hawaiian interests for the past five or six years.

Commonfund has been working with OHA in one capacity or another for the last decade or so. As a reminder, Commonfund is a nonprofit organization; we work with foundations and endowments. We work with all the good people who think about their community, and work on behalf of the community.

I also have with me Rachel Clivaz, she's an Associate, who I think most of you have met before. She's been on the team for the last three years or so. We're delighted to be here and it's great to see some familiar faces. Rachel if you could share the slides for us.

We tried to keep the slideshow short, as we can talk forever about what's going on in the macro environment, but we thought we would just kind of stick to performance.

I just wanted to kind of take a quick step back, especially for those we haven't seen in a number of years, just to kind of talk about the relationship there.

As I mentioned, Commonfund and OHA have been working together for over a decade. We started with a more discretionary relationship, meaning Total Portfolio: private capital, private investments, as well as public investments, public equities, and fixed income.

About four or five years ago, the relationship changed from the investment office to more non-discretionary, meaning OHA would decide what investments they'd want to use from Commonfund. OHA at that time, stopped committing to private capital, after the 2015 vintage year. In 2018, we stopped that part of the relationship on the private side.

Then we were asked to provide specific investments that would complement the overall Native Hawaiian Trust. For example, low volatility hedge fund, which we'll talk about in a few minutes. We have a short dated, high yield index fund, also illiquid Real Assets Portfolio. These are pieces that we don't normally do for our discretionary outsourced clients, but of course with the relationship we have with OHA, we certainly wanted to continue to work with you all. We just wanted to give you a little background, before we go into performance, bringing us to present day.

I'd like to note this before we go into performance. Just looking at what's going on in the markets, as of last night's close, equities or the S&P 500 was down about 13% year to date. The Barclays US Aggregate Index, which represents core bonds was down negative 9.5%. We don't typically see that, so it certainly is unusual. I believe there is only one time where both the S&P and the Barclays Ag. were both down in the same year; back in the early 90s, I think it was 1994. So, certainly some challenging times in the markets, and I just wanted to note that, thinking about where we are.

Mostly everything, if we look at all the asset classes for the last quarter, the first quarter, 2022, were negative. The only positive was in the real assets and the resources which have done very well. As you can imagine, with the high prices of commodities, as well as oil and gas certainly being lifted as far as price is concerned.

So that's a little bit of a backdrop, unfortunately, a negative backdrop, I'm sure you all know. You read the paper and you see the highlights and it's certainly a very challenging time, especially on the public side, within the portfolio.

**Investment Officer Falcha:** With that, I want to turn over to Rachel to talk about our diversifying hedge fund portfolio.

**Commonfund Analyst Clivaz:** Thanks Joe, it's wonderful to see everyone virtually. Here on page 3, we've outlined the performance of the various funds and asset classes that OHA has invested with Commonfund. At the top, there we have the hedge fund strategies, we have a fund of funds hedge fund strategy that is called Global Absolute Alpha Company that OHA invests in.

As Joe mentioned, we do work with our OCIO clients generally in a discretionary relationship and it's important to note how this hedge fund strategy is constructed. For our discretionary OCIO clients we generally have a low allocation to this strategy, and it's meant to provide an uncorrelated source of return to their portfolio. It has little to no equity *beta*. So, whatever equity markets are doing, this is supposed to be completely agnostic and just producing a kind of a constant return stream. So, when we look at what Joe just mentioned, this challenging quarter that we just had, where both equity markets and fixed income markets were down about 6%; this strategy was actually positive, that's exactly what we want to see.

With that being said, OHA has a different approach to their overall hedge fund portfolio. The policy benchmark that you can see here, that's the three months T-BILL plus 400 basis points. That is not necessarily, how we manage the global absolute alpha company, that's not its goal.

So, unsurprisingly, the way that we've constructed this fund, it did not keep up with that three months T-BILL plus 400 basis points - that's not the overall objective of the fund. You have that at the top, there you can see the 1 year, 3 years and 5 years, since 2011 numbers there.

I'll pass it on to Joe unless there are questions on the hedge fund strategies before we get into the other portions of the OHA investments.

Office of Hawaiian Affairs   Performance Summary						
As of March 31, 2022						
	Market Value	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Diversifying (HF) Strategies</b>	\$24,099,296					
Total Portfolio (GAAC)		0.67%	3.03%	2.93%	2.71%	7/3/2011
Policy Benchmark (3 Month T-Bill + 400bps)*		4.32%	4.68%	5.05%	4.58%	
Difference		-3.65%	-1.65%	-2.12%	-1.87%	
<b>Marketable Equity Portfolio</b>	\$49,877,354					
OHA Cash	\$1,887,737					
<b>Global Equity Fund (Liquid)</b>	\$47,126,116					
Total Portfolio (Global Equity Fund)*		3.42%	11.50%	10.15%	8.06%	6/30/2014
Policy Benchmark (MSCI ACWI)*		7.38%	13.75%	11.84%	8.75%	
Difference		-3.96%	-2.25%	-1.69%	-0.69%	
<b>Private Capital*</b>	\$43,027,112					
MSCI ACWI - 100bps		71.87%	34.50%	27.04%	14.08%	8/31/2011
Difference		8.50%	16.58%	14.47%	13.14%	
		63.37%	17.92%	12.57%	0.94%	
<b>Credit Portfolio</b>	\$9,679,478					
Total Portfolio (WAMCO SDHY)		1.20%	4.43%	4.39%	3.59%	11/30/2013
Policy Benchmark (Short-Term Agg)		4.13%	1.80%	2.14%	2.82%	
Difference		-2.93%	2.58%	2.25%	0.73%	
<b>Private Natural Resources*</b>	\$13,916,241					
MSCI World Energy		24.53%	-1.01%	4.55%	-0.27%	3/31/2013
Difference		40.00%	2.38%	-1.17%	-1.01%	
		-15.46%	-3.39%	5.87%	0.74%	
	\$141,574,388					

\* As of December 31, 2021.  
Past performance is not indicative of future results.  
Fund performance is depicted as of Dec. Please see Important Notes, Benchmarks and Performance.  
(05/03/2022)

**Investment Officer Falcha:** Thank you, and please stop us as we move along. The next section we're going to talk about equities. So, first we look at, there's a few pieces here, you see Marketable Equity Portfolio and then it says OHA Cash. The OHA Cash account was set up....

**Chair Waihe'e:** Joe, I'm sorry. *Trustee Akina, did you have a question?*

**Trustee Akina:** Thank you, I'm sorry, I should have raised my hand a couple of sentences earlier. Rachel and Joe, thank you.

Back to the hedge fund, and you may not be the ones to answer this –

- *What is the purpose for alternate benchmark of the three-month T?*
- *What are we trying to do by identifying that as a benchmark?*

**Commonfund Analyst Clivaz:** That would be a question for OHA. That's OHA's benchmark, not Commonfund's benchmark.

**Pouhana Hussey:** I'm going to ask Chair Waihe'e, if Ryan can come on-camera and speak to that question.

**Interim Investment Manager Lee:** Sure. That was a Policy benchmark that was set for this strategy. Given the absolute term, the goals for the asset classes to generate unquoted returns. T-BILL + 4 would be sort of this typical benchmark to monitor and benchmark the strategies performance. So, it's an overall goal that we want to generate for that asset class - a T-BILL plus 4% return objective.

**Trustee Akina:** And Ryan, *what is that benchmark telling us about the health of our investments there?*

**Interim Investment Manager Lee:** That benchmark is an absolute, you have T-BILLS, which is sort of cash benchmark plus 4%. There are no market returns in that benchmark, it is an ideal return that you want to generate for the asset class.

**Trustee Akina:** Thank you.

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

**Investment Officer Falcha:** Thank you, sir. So, the OHA cash account was set up for all the distributions coming out of the private investments, out of a private equity venture capital. When those programs start to distribute cash, it would go directly into the OHA Cash Account.

Commonfund holds that, but the privates are not solely with Commonfund, there are other institutions that OHA has committed to on the private side. All the cash was coming into this OHA Cash Account, and the conversation that we had prior to Ryan coming on board, was - *why are we keeping so much cash in his account?* Our answer was *this is what you wanted to set up*; so, we recommend putting this back into the equity markets. Typically, on the private side it starts in the equity and the public equity liquid equity market.

You call that CAP, you commit the capital to the private capital, and then you start pulling capital and putting that money to work and that capital comes from the public side - so it's public side into the private side.

As funds start to distribute in the later years, let's say years 5 to 10 on the private capital commitments, the distributions come back out and they become liquid. So, our recommendation was to put them into

equities. The prior regime asked us to open up a global equity fund, and then we would typically keep about approximately \$800,000 to cover all the CAP calls for not only Commonfund, but also for non-Commonfund private investments.

**Investment Officer Falcha:** You can see it's about 2 million here, but those are just distributions that happen after we rebalance at the end of the month, so typically it is about 800,000 in cash.

I just wanted to give you the background there, so the funds were going into is the Global Equity fund, which is a liquid fund. This fund up until right around COVID, generally outperformed the policy benchmark, which is the MSCI All Country World Index (ACWI). The last two years has certainly been a struggle for this fund. One of our managers was the largest attractor in 2022, an active European Equity Manager, very concentrated, had done very well since the early 2000s. This manager is more of a boutique, fundamental, high-quality-growth manager with a long, track record, but has really struggled coming out of the COVID drawdown. So that's been the biggest headwind for this portfolio, and it really drives the longer, term performance. The last two years of underperformance is really driven for the long haul.

I believe it's at 84% of the time - if you look at a rolling three-year average prior to the COVID drawdown that this fund has outperformed the policy benchmark, but certainly there's no excuse there and we're reevaluating. We've made some changes already within this portfolio.

The last piece, we think about, a little differently than OHA. We typically bucket private capital as part of equity and it's a separate entity within the Hawaiian Trust. We do have it here under the umbrella of equities. So, private capital, that's your venture capital, your private equity. Also, for U.S and non-U.S. emerging markets, those are the pieces within private capital.

What I'll say is, there were two rounds of commitments from OHA with Commonfund private investments in 2012 and 2015. Those did stop; our recommendation is always to continue on those commitments. We are now working with Ryan to continue on that process, because what happens is as distributions come back out, your allocation of private starts to go down. So, with that said, typically when we work with our clients, there would be another round of commitments in 2018 and then another round of commitments in 2021, around those periods.

**Investment Officer Falcha:** With that said, there's still been some very strong performance. You can see over the last year, but even historically since inception. Outperformance using the benchmark is MSCI ACWI, they're also putting from OHA's perspective of 300 basis point additional return on to that index. So that's MSCI ACWI plus 300 basis points, so you want to make sure that you get that illiquid premium relative to the public markets. If you're going to invest for the long term, and those investments are going to be locked up, you want to make sure you get a premium and we certainly think they've done that plus some.

Happy to answer any questions there, or we certainly can dive into the portfolio as well and let you know what we're thinking about, from the investment side, but I know that we are limited for time.

**Chair Waihe'e** asks if there are any questions.

There are no questions.

**Chair Waihe'e:** You may continue, Joe.

**Investment Officer Falcha:** Okay, thank you. I think one of the pieces, this actually is not a Commonfund investment, it is the Credit Portfolio. You can see, it says WAMCO-SDHY, that is a Short Dated High Yield fund. It stays very short, one to five years. The average I believe, is about 2.3 years of duration. My understanding is the idea is to generate in the OHA portfolio a little bit more of a yield relative to the Barclays Agg. Typically, this would not be a benchmark, the Barclays Agg would be more towards core bonds, but we were asked to open this up as a piece of the Fixed Income portfolio to be additive to the overall bucket and within fixed income.

**Investment Officer Falcha:** In the long term, it's outperformed the Barclays Agg over the 1, 3, and 5 since inception there, and you could see that it has done well in this short period of time. It's one year, where the Barclays Agg was negative 4% and the WAMCO portfolio was actually positive 1.2%. It's a small piece of the overall portfolio, a little under \$10 million.

Lastly, is this Private Natural Resources, which really is, from OHA's perspective, part of the Private Capital piece. We tend to think about it more as a Real Asset bucket. Certainly, there has been some challenges over the long term, you can see that.

There's been outperformance since inception, but you're looking at a negative return and it's twofold; one, the last decade has been incredibly challenging for the natural resources. Generally speaking, commodities, except for over the last, let's say one year or so - you can see the returns in the short period of time.

It's benchmark here, I don't believe this is OHA's benchmark, but especially to the MSCI World Energy, it's not hundred percent energy, there are different pieces to it. It's a little more diversified, but overall, if you look at the five years, since inception, it has outperformed. This also has missed the last two rounds of commitments, so just want to put that in perspective.

Those are the pieces, and again, these are individual pieces to the total OHA puzzle. We don't always have complete directions to the puzzle. These we were asked to do a number of years ago, and we've done what we were asked to do.

**Investment Officer Falcha:** I know Ryan has started to make some changes. I know, there was a Public Real Assets Portfolio which we were thinking about. It, didn't make sense, given all the investments that OHA has, but that was in there, and was sold off, over the past six months, or so.

**Chair Waihe'e** recognizes Trustee Akina.

**Trustee Akina:** Thank you, Chair. Joe, I appreciate you sharing how tenuous the market has been, as well as what I'm hearing from you, maybe some of the difficulties or challenges in integrating your advice, with our strategy. *What can we do to ensure better performance in our long-term returns?*

**Investment Officer Falcha:** That's the million-dollar question, Trustee Akina.

**Trustee Akina:** Well, let me reframe it. *Not what can we, what are the strategies that you're pursuing on our behalf?*

**Investment Officer Falcha:** Maybe the first question is easier, but I think, maybe it's easiest to talk about how we think about portfolios. I think how we're doing it here is fine. It's hard for us to understand what the Equity portfolio is looking like, what the Private Capital portfolio is looking like. I would say more consistency on the Private Capital side. There's been I would say some decently missed opportunities over the last four to five years because there were not commitments being made.



**Investment Officer Falcha:** Again, I think that's more towards the last regime. That's a big piece, when we think about our client portfolios at Commonfund that we have total discretion over the entire portfolio; Private Capital is a huge piece to the puzzle. We also have different *privates*. Within our fixed income portfolio, we also have Private credit - within that portfolio that's both liquid credit and private credit. Private credit, we think is important in this environment when interest rates are going up. Those are some of the pieces that we think about at Commonfund.

The OHA Native Hawaiian Trust is put together a little differently. I would say, there are some differences. I think one of the things that we look at is - with our clients, who have the ability, and the willingness to take on illiquidity in the portfolio, meaning private capital. That they have higher policy targets to Private Capital. We're probably talking, on average, between 30 and 35% in Private investments. We think those are the long-term drivers, that if an institution can take on that illiquidity and have the willingness to do so, from our perspective, we think that makes sense. Sorry if I was too long-winded there.

**Trustee Akina:** No, but I'm picking up in what you say, that, and correct me if I'm wrong - it sounds as though we're not necessarily fully, integrated in terms of the position and philosophy of OHA and the advice of Commonfund. I don't say that as criticism, but it seems to be a refrain that I'm hearing from you. *Am I hearing that?*

**Investment Officer Falcha:** Yes, respectfully yes. I think so. *Now, there are certainly challenges with that, right?* We are one of the pieces of the puzzle and you have been working with a consultant; it's harder for us to chime in.

I know Ryan, and the Commonfund team - we have a lot of conversations. I know he's got a lot of work to do in his realm and it's tough when you have a policy already in place. So, we can give our advice, but when you have a consultant, it makes it a little more challenging. It's just another layer to the process.

Typically, we are the outsourced, we're the quarterback. It's much easier, we think, for most institutions to have one voice, and I think when you have a consultant, and you have Commonfund, and you have Goldman Sachs, and JP Morgan, it makes it a little more challenging. I think you're onto something there, Trustee Akina.

**Trustee Akina:** Thank you, Joe and I don't mean to put you on the spot, but perhaps someone from the Administration in all fairness could share your perspective.

**Interim Investment Manager Lee:** I can add to it. I would say over the last year we've been reestablishing that communication with Commonfund and other managers to better integrate the overall portfolio strategy and implementation. As Joe mentioned, there have been many years with the private equity allocation, where we have not made commitments to. Previous allocations have been pretty lumpy, I would say, and inconsistent, which has hurt the returns. We do want to implement a more disciplined program over the long term, which would definitely help with the overall returns for the Trust.

**Trustee Akina:** Thank you, Ryan and thank you, Joe.

**Investment Officer Falcha:** Absolutely, and thank you, Ryan. I'll say this if I could, Ryan's been unbelievable. I know how hard he's working because if my lights are off, he's calling me and we're having conversations. He's looking out at a beautiful view on O'ahu, and I'm here in little old Seymour, Connecticut and the snow is coming down. I think Ryan has done a fantastic job, and like you said

we've recommitted and it's going to take a little bit, but I think that it's very important, at least for us to say that we appreciate the conversations we have and the work that he's doing.

**Chair Waihe'e** recognizes Vice-Chair Alapa.

**Vice-Chair Alapa:** I have a question. *Why have no, new, investments been initiated since 2018 and has your outlook for the alternative investment space changed or was this driven by total portfolio allocation constraints?*

**Investment Officer Falcha:** *Vice-Chair Alapa, how are you?* It's good to see you.

**Vice-Chair Alapa:** Hi Joe.

**Investment Officer Falcha:** The first thing I would say, and Ryan feel free to jump in - that was the prior regime. The conversations we had with Ray Matsuura - we were told that OHA was moving to a single manager approach. In other words, at Commonfund - we like to put together more of a co-mingle - have a number of 15 to 20 different managers.

When you're committing 5 or 10 million dollars to an investment, our thought was, you want to have a little bit of diversity within the managers. So, that was one of the things that Ray had said. So, on the private side, when we went back, there were a number of conversations, not just involving myself, but from our Commonfund Capital Team, that works day-to-day on the private side. I know, there was a number of conversations on O'ahu.

The decision was - whether it was Ray's, or whether it was Segal Marco's, we don't know - but, the decision was made not to continue those commitments. I think to Ryan's point, we're trying to get back to that. There's a little bit of a hole where the allocations are going to start going down before it can start coming back up. That's what I would say, I'm sure Ryan can add to that.

**Investment Officer Falcha:** The other part of it is, from an alternative perspective, we think that they're even more important now, given what we think are going to be over the next five years - more muted public, for example, public equity returns.

So, we think number one, from the private side - as long as you have the access to the managers. We have some of our managers since the 1980s, so the access has been there for Commonfund.

Also, the diversification. In these types of environments, if you just had traditional equities and fixed income, it's very challenging. So, having real assets, and I know you do in the portfolio - having different pieces, we think, are even more important today within the portfolio.

**Vice-Chair Alapa:** *What is the specific strategy for the 'alternative investments' allocation?*

**Interim Investment Manager Lee:** *Are you referring to the private program?*

**Vice-Chair Alapa:** Yes.

**Interim Investment Manager Lee:** I think, as Joe mentioned, the private allocation has a role within the overall portfolio. You tend to get returns that you cannot get in public markets. Certain strategies for example, venture, tend to be high risk, high return potential strategies that can add to the overall returns for the overall portfolio. So, the purpose of the alternatives, especially privates, is to gain access to that market, to generate returns required to meet the spending goals, as well as return goals for the portfolio, long term.

**Vice-Chair Alapa:** *So, how does the consultant determine the sizing commitment amount of each individual investment, like what do you look for?*

**Interim Investment Manager Lee:** *Are you referring to the Private Commitments?*

**Vice-Chair Alapa:** I'm sorry, yeah, same thing.

**Interim Investment Manager Lee:** So, the Private Commitments, when you look at it, in order to maintain a certain exposure, as Joe mentioned, you have distributions coming in, as well as commitments that you have to maintain to continue to have exposure to a certain target size.

So that's an ongoing modeling exercise that you have to perform, but typically when we did the modeling with Joe and Commonfund, we're looking at close to \$20 to \$25 million of new commitments per year to maintain a certain exposure. I believe we target 25% or so, that's the exercise that we go through to figure out the commitments. In terms of the allocations for each manager, it depends on the strategy itself, certain strategies are a lot more, higher risk than others, and we factor that in. Typical commitment size would be about \$5 million to \$10 million, depending on the strategy.

**Vice-Chair Alapa:** Okay, thank you.

**Chair Waihe'e** recognizes Trustee Trask.

**Trustee Trask:** Thank you. When I went through my onboarding, Joe, because I only came in the second week of March - I went through every division and looked at the paperwork and the graphics. When I take a look at what I see here, it is only what is posted. In terms of Commonfund services to this office, *do you periodically provide advisories? Have you done this in the past?*

**Investment Officer Falcha:** By the way, great to meet you, Trustee Trask.

**Trustee Trask:** Good to meet you too, Joe.

**Investment Officer Falcha:** When you say advisories - *do you mean, giving our Commonfund, like our point of view, and what we think is going on in the markets?*

**Trustee Trask:** Yes. I understand that your relationship with our office is non-discretionary in some ways, but I'm wondering, because I'm looking at the figures. Some policy decisions were made before I came on in terms of investing on the private, but I'm wondering and I'm asking if you.

*As Commonfund, have you ever sent out advisories or guidance?*

Whether it's generally, what we see on the market, everybody does that periodically, but I'm wondering, in terms of Commonfund and your actual contract for services with our office. Only because I'm looking at the outcomes and I'm hearing your comments.

**Investment Officer Falcha:** Sure, that's fair. So, as you know, first we don't have an advisory agreement, but with that said, I think, and maybe Ryan could add to this from our perspective, and this is going back to Ray Matsuura, we used to have monthly meetings.

We would certainly give our advice. There's no two ways around that, we certainly give our advice. We were pretty adamant that whether it was Commonfund or another institution that provided private capital, that they should continue on in 2018.

I'm sure Ryan's heard me say this, whether it's Commonfund or whether it's one of the other investment managers that you use, we've had these conversations around trying to get back up on the private side. So, I would say *yes* and *no*.

Officially, we don't have an advisory agreement, but certainly, unofficially, we've had conversations, where we've added our two cents and our advice. I think that's important and, I think, from our perspective, we try to go above and beyond what we've been tasked to do. When it comes to everything from thinking about the capital calls on privates, we take care of all that, from our side.

So, again my answer is *yes* and *no*. *No* in the fact that we don't officially have an advisory agreement but *yes*, the fact that we've had numerous conversations around the markets, the privates, what's going on there.

The hard part is, I would say, we don't have it in front of us on a daily basis - the rest of the investments within the Native Hawaiian Trust. So, it's hard for us. We give our view and how we work with our clients, but it's a little more challenging when you don't have a total portfolio that you understand in front of you, on a daily, and monthly basis. I know that was long-winded. I hope I answered your question.

**Trustee Trask:** I understand, thank you.

**Investment Officer Falcha:** My pleasure.

**Chair Waihe'e** asks if there are any other questions.

There are no other questions.

**Chair Waihe'e:** You may continue, Joe.

**Investment Officer Falcha:** Well, you tell us Chair, we can certainly go over another section, but I also want to be respectful of your time. The last section, we have is another piece on private so we're happy to go through it.

**Chair Waihe'e:** We can go through it quickly.

**Investment Officer Falcha:** *Rachel?*

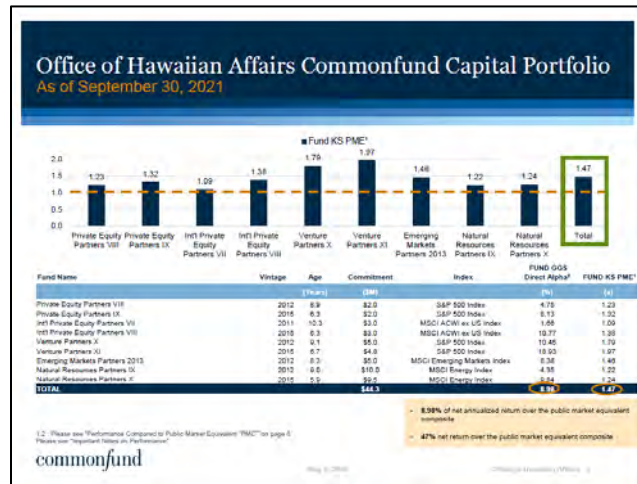
**Commonfund Analyst Clivaz:** Yes, happy to do so. When we think about reporting performance for private investments there are a lot of different ways to look at these investments, and one of the most important ways is by taking a look at what we call a Public Market equivalent.

As Joe mentioned and Ryan mentioned it as well, with these Private commitments, these investments are calling capital over their fund to life, investing that capital and then distributing that capital back. So, it's not as simple as public equity investment, where you put the money in and it's fully invested, there are these cash flows.

So, what we want to do with the public market equivalent is take a look at these cash flows and map them correctly. So that whenever the capital is called into a private fund; if it were hypothetically to be invested into the public index instead, and then distributed back out of the public index, at the same time, it was distributed back out of the private investment - investment would do more, would provide more capital back to the investor. What we're trying to get here is - *is there a premium, is there a benefit to being invested in the private markets versus just investing in the public indices?*

A little, confusing of a topic. A bit more complicated than the normal time-weighted performance we look at, but a little bit more accurate of a number when we think about private investments.

We have all the funds here that OHA has invested in on the private side with Commonfund. The table at the bottom there, you can see the two right columns all the way at the bottom. We use this PME method. Essentially what we see is that the private investments, on average, over the lifetime here perform 9% more than the Public Market Equivalent. Overall, if you look at the full life, this is a total 47% net return over the public markets, so it is giving that premium. It is worth locking up that capital, because it does have a pretty, large return, over and above those public markets.



**Commonfund Analyst Clivaz:** I'm happy to answer any questions on this, I know these metrics may be new to many people on the call.

**Interim Investment Manager Lee:** I just want to add, Joe mentioned that we're looking at new investments. So, we're looking at making a recommitment to venture partners. They're at 14 now, so we did miss two vintages which could have contributed to returns.

**Chair Waihe'e** recognizes Trustee Lee.

**Trustee Lee:** Thank you, Chair. I'm sure Rachel is going to go over this when they flip to page 9, but it's not that they could have contributed. When we go to the next page and you look at the venture partners that we missed out on because we weren't consistently contributing, we missed out on a lot. Those two vintages that we missed were unicorns, their performances were absolutely incredible.

For those of us that went to Orlando, I don't know how many of you sat in on that presentation that Mark gave, where they talked about how fortunate they were on those two vintages, that the performance on them were unheard of, and, unfortunately, because we weren't being consistent in the past, we missed out on those.

**Commonfund Analyst Clivaz:** Trustee Lee is correct. Those were strong funds and that's why there is the importance of continuing to commit, to vintage year diversification. There's going to be some years that are stronger than others when it comes to venture capital. So, it's important to stay consistent, but yes, funds #12 and #13 were strong funds and we're glad to see that OHA will be committing 5 million dollars into fund #14. We hope that that's a strong vintage year as well.

**Trustee Lee:** Chair, can I add one more thing?

**Chair Waihe'e:** Yes, go ahead, Trustee Lee.

**Trustee Lee:** For those of you that are interested, the reason, those were so strong - and this is something that I remember from three years ago, the first time that I went to Orlando - those commitments, part of those funds, were *blockchain*.

So, for those of you who don't know what blockchain is, that's the technology used for cryptocurrency. So, it wasn't cryptocurrency that made those strong, it was the technology behind it.

I remember that presentation, actually it wasn't a presentation, it was a question that was asked, during a presentation, three years ago - *what Commonfund was going to be doing about cryptocurrency*.

I remember, they said, we're paying attention to cryptocurrency, because you have to, but what we're really interested in is the technology behind it, the blockchain technology. And from that - three years Commonfund started investing into companies that took advantage of blockchain technology and those funds showed the importance of it. That's why they were so strong, because of that blockchain.

Thank you, Mr. Chair.

**Chair Waihe'e:** Thank you, Trustee Lee. *Are there any other questions on the private equities?*

There are no other questions.

**Chair Waihe'e:** Rachel did you have anything further to go over.

**Commonfund Analyst Clivaz:** No.

**Chair Waihe'e:** Okay, if there are no further questions for our friends from Commonfund, then - *would that be the end of this presentation?*

**Pouhana Hussey:** It is Chair Waihe'e, and what we would say to the Trustees - if this is helpful, we would schedule other Fund Managers to come and present.

**Chair Waihe'e:** I think it's very helpful.

**Chair Waihe'e** recognizes Trustee Lee.

**Trustee Lee:** Thank you, Mr. Chair. Since that's the end of the presentation, I would be remiss if I didn't point out how much over and beyond, Joe and Rachel have gone for OHA.

As Joe said, it's not part of their commitment with Office of Hawaiian Affairs to provide advice and help - and everything; anytime there's been a question, that I, personally, have had a question, or we as an institution needed help with, as we move towards an endowment model.

So, taking into consideration, our large land holdings, which they're going to go over, I believe later in the agenda today, we'll start seeing for the first time, our land assets are calculated into the Native Hawaiian Trust portfolio. It's not just the investments, we're moving towards an endowment portfolio, and Commonfund has played a big part in helping us understand how those components should be working together. And that's to their credit, we actually do pay other managers for that help, and we haven't gotten it.



**Trustee Lee:** So, I would be remiss if I didn't say and point out how helpful Commonfund, Joe and Rachel have been even though that's not what's part of their contract with OHA. So, thanks to both of you guys for everything that you guys have done for us and for your belief in our mission, and I know that's why you guys do what you do to help us.

**Investment Officer Falcha:** Thank you Trustee Lee, and the check is in the mail (audible chuckles). We appreciate that. Thank you.

**Pouhana Hussey:** Thank you Joe and Rachel for staying up and being here with us.

**Chair Waihe'e:** Thank you.

**Investment Officer Falcha:** Thank you all, always a pleasure.

**Chair Waihe'e:** *Trustee Trask, did you have a question?*

**Trustee Trask:** No. I was actually responding to the question that Sylvia had posed - *should we schedule other presentations*. My answer on that, is yes, and also, I would like to take a look at the contracts that we have with Commonfund, so that I could see how long they've been with the office in this capacity. I would very much like to schedule, some of the others that we're working with in this area. Thank you.

**Chair Waihe'e:** Thank you, and again, thank you to Joe and Rachel.

**Investment Officer Falcha:** Thank you all, have a good rest of your day.

**Pouhana Hussey:** Thank you.

**Chair Waihe'e:** We'll do our best.

## **V. NEW BUSINESS**

### **B. Presentation & Updates: Hi'ilei Aloha LLC and Hi'ipaka LLC, Richard Pezzulo, Executive Director, Hi'ipaka LLC dba Waimea Valley, Roberts "Bob" Leinau, Greg C. Pietsch and Leilani Kūpahu-Marino Kaho'āno, Community LLC Managers**

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

**Pouhana Hussey:** Thank you, Chair Waihe'e. I'll go ahead and run the slides and we'll turn the time over to Richard. Richard you can go ahead and have the Community Managers introduce themselves and then just let me know when to advance the slides.

**Hi'ipaka LLC Executive Director Pezzulo:** Okay, thank you Ka Pouhana. Thank you Chair Waihe'e and all the Trustees there for allowing us to be here. With me, I have two of the managers in our office, here in beautiful Waimea Valley. I'll let Bob and Greg introduce themselves.

**Community LLC Manager Leinau:** Aloha, my name is Bob Leinau. I have a lot of familiarity with Waimea Valley. I've been in this valley over 30 years and it's a love affair for me. I'm really honored to have an opportunity to volunteer down here.

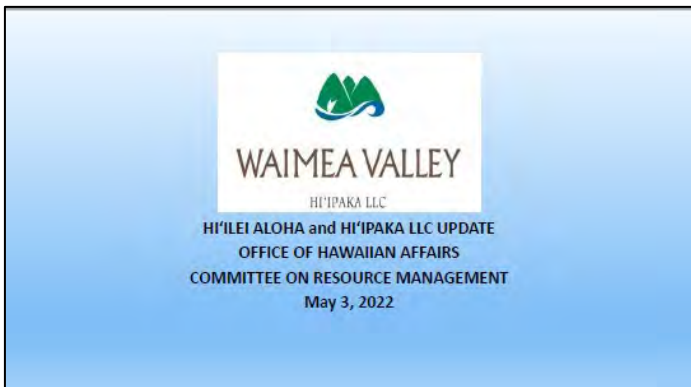
**Community LLC Manager Pietsch:** Aloha, Greg Pietsch - my family was involved in Waimea Valley, for many years; I know Bob very well. My background is actually in finance, and it was interesting to hear the most recent review. I do have a Chartered Financial Analyst designation; sounds like you guys need a really, good investment policy statement. Anyway, I'm in the finance world, and I have a small operation here in Hawai'i, up the road from Waimea Valley at Sunset Ranch and I'm involved with some other businesses here in Hawai'i as well.

**Hi'ipaka LLC Executive Director Pezzulo:** Okay, and then Leilani Kaho'āno is with us via Zoom.

**Community LLC Manager Kaho'āno:** Aloha Richard. Mahalo to Pouhana Sylvia and to all our Board, mahalo for us being here. Leilani Kūpahu-Marino Kaho'āno and it's my second term that we're beginning after the first year and the connections for us as 'ohana back to Waimea Valley, as well as my first exposure in 1970 as a Kamehameha Schools explorations student at that time.

It's been a pleasure to work under Richard and to be joined with the two gentlemen, that have just been introduced as well, and the accomplishments of the valley - to see it thriving. Mahalo for this honor and this moment to introduce.

**Hi'ipaka LLC Executive Director Pezzulo:** Okay, thank you. Before I start, I just want to let you all know, if you don't know already, that Auntie Betty Jenkins passed away Sunday morning. She was instrumental in helping to preserve Waimea Valley and had a strong connection. We also recently lost Oz Stender, both leaders, both teachers, both mentors who I personally knew a long time. They're both missed dearly.



**Hi'ipaka LLC Executive Director Pezzulo:** If you recall, you approved the three Hi'ilei Aloha Managers back in March of last year, and we organized an orientation meeting for them on May 10. We made sure that they received all relevant documents to both Hi'ilei Aloha and Hi'ipaka. They got the history background on the two organizations, were updated on the Hi'ipaka today, and at that meeting they actually had to select the three Hi'ipaka LLC managers. Of course, they are able to select themselves, which is the way it normally has been - it's always been Hi'ilei Aloha and Hi'ipaka being the same managers.

**Hi'ipaka LLC Executive Director Pezzulo:** To give you a little overview of some of the major activities they've been involved with, it's been just over one year now. They've already supervised the wind down of Hi'ilei Aloha. They attended monthly manager meetings. They also helped us with some visioning and planning for future expansion of Waimea Valley through an EDA Grant. They completed my 2021 performance evaluation. Also, they reviewed and approved a number of policies, reports, annual budgets, and plans; the 2021 financial audit, which will be coming out very soon.

#### New Manager Orientation Meeting

May 10, 2021

Attended by OHA Managers and non-OHA (aka Community) Managers

New Manager Orientation Agenda

- Hi'ilei Aloha/Hi'ipaka LLC documents provided.
- Creation of LLCs & History of Hi'ilei Aloha LLC (Mona Bernardino)
- History of Hi'ipaka LLC (Richard Pezzulo)
- Hi'ipaka LLC Today (Richard Pezzulo)
- Selection Process of Hi'ipaka LLC Managers (Sylvia M. Hussey)
- Tour of Waimea Valley (Richard Pezzulo)

#### New Managers - Major Activities

- Supervised winddown of Hi'ilei Aloha LLC
- Attended Monthly Manager Meetings
- Participated in visioning and planning for future expansion of Waimea Valley and EDA grant
- Completed ED 2021 performance evaluation
- Review and approval of:
  - Hi'ipaka LLC Quarterly reports
  - 2021 work plans/budgets
  - Operating Account Balance Policy (up to 4 months of operating expenses)
  - Hi'ipaka LLC Service Awards standard operating procedures
  - Hi'ipaka LLC capital budget realignment
  - Financial Reserve Policy to allow reserve funds to be invested
  - 2022 Work Plans and Budgets
  - Hi'ilei Aloha LLC and Hi'ipaka LLC 2021 Annual Report
  - 2021 Financial Audit

**Hi'ipaka LLC Executive Director Pezzulo:** A little update on Hi'ilei Aloha. Of course, this is President Obama, who visited the YouthBuild Waimānalo project earlier this year.

The focus for 2021, for Hi'ilei Aloha, was the wind down of the organization. The Accountant-Controller was laid off in January, the YouthBuild Waimānalo project was completed in June, and the Chief Operating Officer was laid off in September.

#### Hi'ilei Aloha LLC 2021 Update



#### Hi'ilei Aloha LLC 2021 Update

##### 2021 Focus

Wind down of all Hi'ilei Aloha LLC activities.

- Accountant-Controller laid off in January.
- YouthBuild Waimanalo project completed in June.
- Chief Operating Officer laid off in September.

**Hi'ipaka LLC Executive Director Pezzulo:** On the financial side, Hi'ilei Aloha received the final disbursement of \$48,000 in September. All outstanding services were terminated except the Canon photocopier lease, because it doesn't expire until June 30, so we'll continue to pay for that and there might be a charge for picking up the copier.

The checkbook was turned over to the Hi'ilei Managers and we work with them to make sure all the payments are made. The 2022 anticipated payments include photocopying charges, as I mentioned, the 2021 audit, of course, is the biggest expense at \$18,000. Then there's an \$800 charge we're going to have to pay for the Hi'ilei Aloha website which hosts all the LLCs Form 990s and audits, which we want to continue.

**Hi'ipaka LLC Executive Director Pezzulo:** Hi'ipaka will need to loan Hi'ilei Aloha \$6,000 to cover these expenses and, of course, Hi'ilei Aloha continues to be the parent organization.

### Hi'ilei Aloha LCC 2021 Update

**Financial**

- OHA provided the final disbursement of \$48,290.28 in September 2021.
- Outstanding services were terminated except the Cannon photocopier lease.
- The photocopier lease expires on June 30, 2022 and a monthly payment of \$150.54 (\$902.70 total) will be made until then. There may be a pick up charge for the copier.

The Hi'ilei Aloha LLC checkbook was turned over to the Hi'ilei Managers.

- 2022 Anticipated Payments
  - photocopier charges \$902.70
  - 2021 Audit \$18,000
  - \$800 for Hi'ilei Aloha LLC website which hosts the LLCs Form 990s and audits.

Hi'ipaka LLC will need to loan Hi'ilei Aloha \$6,000 to cover 2022 expenditures.

Hi'ilei continues as the parent organization of Hi'ipaka LLC - Waimea Valley with minor carrying expenses.

**Hi'ipaka LLC Executive Director Pezzulo:** Of course, 2020 was a pretty rough year, not just for us, but everybody. We were forced to shut down because of the stay-at-home orders. We actually furloughed 45 employees until April of 2021, we lost almost \$2 million, and we had to utilize about a million in reserves. 2020 gave us an opportunity to really reflect on our operations and we're looking at coming out of this, a lot more resilient. We're looking at building a stronger organization over the next several years.

### Hi'ipaka LLC 2021 Update

### Beyond COVID

**Impact of COVID-19**

- Forced to shut down for several months due to the Governor's "stay at home" order.
- Furloughed 45 employees until April 2021.
- Net loss of \$1.9 million in 2020.
- Utilized \$1 million in reserves.

**Building Resilience**

The 2020 closures provided Waimea Valley staff with the opportunity to review and reflect on its operations and programs with a view towards building resilience through a stronger organization.

**Hi'ipaka LLC Executive Director Pezzulo:** The Hi'ipaka focus from 2021 to 2023 is really to regain financial sustainability. To restart and expand programs and activities to provide a unique visitor experience with a very, strong, cultural focus. Also, to continue to build a base of kama'āina visitors. We really, feel that making our kama'āina feel welcome coming here and being able to share this treasure with them is very important.

### Hi'ipaka LLC Focus

Post COVID Focus 2021 to 2023

- Regain financial sustainability.
- Restart /expand programs and activities to provide a unique visitor experience with a strong cultural focus.
- Continue to build a base of Kama`āina visitors.



**Hi'ipaka LLC Executive Director Pezzulo:** As you can see here, we certainly regained financial sustainability in 2021. Even though it started out slow, believe it or not; January, February, and March were pretty slow. We made up for it during the summer, as you can see, compared to 2019 which was our best year before the pandemic. We surpassed that by a couple million in sales. Our expenses were down and that's partly because, like I said we didn't bring all of our staff back until April. We had a pretty, large, net gain of five million dollars.



**Hi'ipaka LLC Executive Director Pezzulo:** You can see here, the visitors - we had almost 500,000 visitors to the valley in 2021 generating almost \$7 million. If you look at the chart to the right, you see that our visitor count went way up. 2019, again our best year ever before the pandemic just over 1,000, almost 1,100, and then in 2021, we had almost 1,400.

Our cash situation, as you can see from this table - as of December 31, 2019, that was before the pandemic, we had almost \$4 million between our checking account and our savings account; at the end of 2020 that went down to roughly 2 million dollars.

As I mentioned, we had to use about a million in reserves to get us through the pandemic. As of December 31, 2021, we had regained everything we lost, and we built our reserves up to almost four and a half million and a couple million in our operating account.

One of the things the managers had completed was we revised the Hi'ipaka Financial Reserve Policy, this is to allow these excess funds to be placed into short term, little bit higher yielding investments at the Bank of Hawai'i.

The Savings account obviously didn't give us much in return, so we're going to be able to get a little bit better return on our reserves and the Managers approved moving 2.5 million dollars into the investment account recently and it's being invested by Bank of Hawai'i now.



**Hi'ipaka LLC 2021 Update**

**Cash Management**

Hi'ipaka LLC cash reserves were depleted by \$1,046,630 in 2020. As of December 31, 2021 the financial reserve balance increased as noted below.

	December 31, 2019	December 31, 2020	December 31, 2021
<b>Checking Account Balance</b>	\$864,469	\$138,218	\$1,931,798
<b>Savings Account Balance</b>	\$3,013,811	\$1,967,181	\$4,468,059

To obtain a better return on reserve funds the Managers revised the Hi'ipaka Financial Reserve Policy to allow excess funds to be placed in short term, higher yielding investments with Bank of Hawaii acting as investment manager.

**Hi'ipaka LLC Executive Director Pezzulo:** Some of the programs and activities we re-established and try to expand. We redesigned our artisan program to attract a wide range of artists and, at the end of 2021 we had 10 artisans and cultural practitioners, who were contracted to work in the Valley. Again, this goes back to providing that unique, cultural experience. This is how we feel we are different from many other places visitors go.

**Hi'ipaka LLC Executive Director Pezzulo:** Next slide shows our Kauhale restoration, again this goes back to trying to provide that really, unique, cultural experience. One of our objectives is to shift the focus away from the waterfall - to the cultural significance of the valley. We see Kauhale as being that focal point.

In 2021, we did rebuild four of the hale, and there are three more that are in the process of being rebuilt now. By June 1 we should have all rebuilt, and we'll be putting many staff, cultural practitioners, and artisans in Kauhale to bring it alive - and again, make it that that cultural experience.

**Hi'ipaka LLC 2021 Update**

**Programs and Activities**  
A number of programs and activities were re-started and/or improved in 2021 to provide a unique visitors experience.

**Artisan/Cultural Practitioner Program**  
The artisan program was redesigned to attract a range of artisans. At the end of 2021, ten artisans/cultural practitioners were contracted to work in the Valley.



**Hi'ipaka LLC 2021 Update**

**Kauhale Restoration**  
Restoration of Kauhale was a major focus in 2021 to provide visitors with a unique cultural experience. A major objective is to shift the visitor focus from the waterfall to the cultural significance and history of the Valley with Kauhale being the focal point. Several hale were rebuilt to include:



- Hale Kuku (Kapa Making House)
- Hale Papa'a (Storage House)
- Hale Ola (Healing House)
- Hale Mua (Men's Eating House)

**Hi'ipaka LLC Executive Director Pezzulo:** We also installed five Wi-Fi information stations. We were able to upgrade the Wi-Fi through the valley through an Institute of Museum and Library Services grant and created these five information stations. Visitors can use their smartphone, scan the QR code on the kalo leaf sign, and listed on the slide are the five information stations, we developed and created.

We started to see schools come back in 2021. They were coming back and then we did have a couple of surges, so they stopped coming. Normally we have about 6000 students a year. As you can see, we had 634 students from 25 schools in 2021. We do anticipate that by the end of this year we'll start to see a lot more schools coming back.

**Hi'ipaka LLC 2021 Update**


**Wi-Fi Information Stations**  
The Wi-Fi in the Valley was upgraded in early 2021 with funding from an IMLS grant. Five info-stations have been created and installed to include:



- Introduction to the Valley at the Ticket Booth and Visitor Center
- Exceptional Trees (Monkey Pods at the ticket booth)
- Kauhale Artifacts – located at Kauhale
- Agricultural Terraces – upper meadow
- Conservation @ Waterfall

**Hi'ipaka LLC 2021 Update**


**Waimea Valley Education Program**  
Twenty-five schools with 634 students came to the Valley in 2021. The year looked promising until Delta and then Omicron variants changed field trip plans for most schools. We do not anticipate many Waimea Valley school field trips until the second half of 2022.





**Hi'ipaka LLC Executive Director Pezzulo:** The Toa Lū'au - for most of 2021 when they could operate, they were operating at 50% capacity. They did generate over \$220,000 for us in rental revenue for the Valley. We're looking at moving them up to the amphitheater, where they'll be able to operate six days a week, but I'll talk a little bit more about that later. We're also looking at, this summer, to offer a daytime show.

**Hi'ipaka LLC 2021 Update**  
*Toa Lū'au*  
Toa Lū'au operated at 50% capacity for most of 2021.  
The Lū'aus generated \$222,555 in rental revenue for the Valley.  
Currently there is a plan for the Lū'au to move to the amphitheater and operate six days per week.  
Toa Lū'au will offer a day time hula show during the summer.



**Hi'ipaka LLC Executive Director Pezzulo:** Weddings and events, of course, a lot of weddings and events were cancelled and postponed until 2021 and 2022. Some never took place, I want to say, we probably gave at least \$120,000 in refunds because of cancellations in 2020 and 2021. However, we're seeing the special events coming back now, and we did generate over \$200,000 in 2021 - and 2022 is looking even better. As you can see here, we're getting lots of inquiries, lots of site tours, and we're booking events.

**Hi'ipaka LLC 2021 Update**  
*Weddings and Events*

- City COVID regulations made booking events very challenging in 2021.
- Many 2020 clients cancelled or postponed events until 2021 or 2022.
- Special Events generated \$211,655 in revenue in 2021.
- The future looks promising 2021 and 2022.

Inquiries	1,105
Site Tours	144
Events Booked	73



**Hi'ipaka LLC Executive Director Pezzulo:** Safe, clean facilities, are very important to the visitor experience. We did install this rock fall impact fence along the walkway to the waterfall. It cost us almost \$600,000, but it was put up because we did have a major mud slide there back in 2017-18. We had some rocks come down, so I feel it is now safe and you can see, on the right, we planted that whole area, and we have a nice, new, beautiful, waterfall walkway garden now.

Of course, during the last couple years we made sure we were sanitizing and keeping our visitors and staff, safe and clean.

As I mentioned earlier - it's important to us to increase the number of kama'āina visitors, and we're going to continue to offer many of the incentives we offered during COVID and post-COVID, including our discounted pricing on admission and annual passes.

**Hi'ipaka LLC Executive Director Pezzulo:** We have Garden/Conservation support opportunities, we have kama'aina activities and promotions, which we will continue. These include things like Keiki Wednesday, kama'aina children come in free with their parent or an adult. We have 'Ohana Day, half-price kama'aina, and then we also have the kama'aina morning walker program. This is anybody who purchases an annual pass, can sign up to come in at 730am in the morning. They can walk up to the waterfall for exercise, on Saturday and Sunday, they can actually swim, we have a lifeguard, starting at eight o'clock for swimming. So again, trying to pull our kama'aina come in and make them feel that they are welcomed.

### Hi'ipaka LLC 2021 Update

**Safe and Clean Facilities**  
Safe and clean facilities are an important part of the visitor experience. A rock fall impact fence along the walkway to the waterfall was completed at a cost of \$576,306.



Routine cleaning and sanitizing.

New Waterfall Walkway Garden

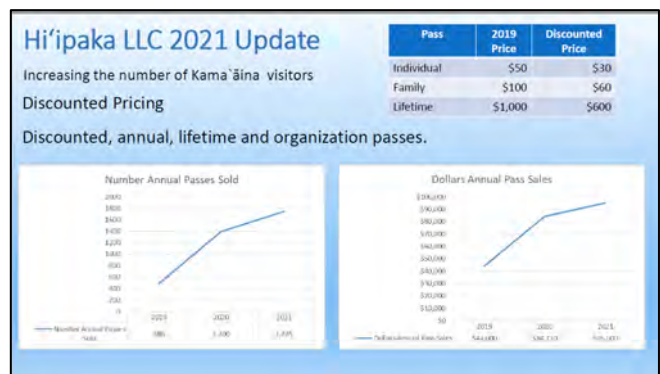
### Hi'ipaka LLC 2021 Update

Increasing the number of Kama'aina visitors is being achieved through the following initiatives and activities:

- Discounted pricing for daily Kama'aina admissions
- Discounted pricing on annual passes.
- Garden/Conservation support opportunities
- Kama'aina activities and promotions
- Kama'aina morning walker program

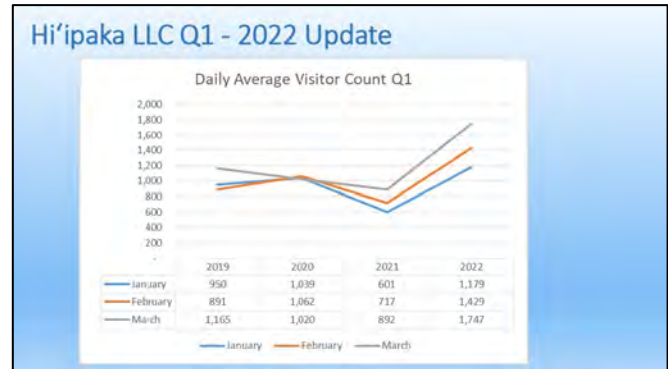
**Hi'ipaka LLC Executive Director Pezzulo:** Kama'aina and the military - you can see, in 2021 made up about 125,000 visitors, about 26% of our total. They generated almost a half-million dollars.

Our pricing, here you can see that we discounted our passes, it amounts to 40% and in 2019 just under 500 annual passes it tripled in 2021 to 1,745. We really have been selling a lot more annual passes and trying to get more people in. On the right, you can see, the dollar amount of sales almost doubles. It's not so much the dollar amount we're concerned about, we're more interested in getting kama'aina into the Valley.



**Hi'ipaka LLC Executive Director Pezzulo:** That was pretty much the update on where we're at, the end of 2021. To give you an idea of how things are going, this year, you can see from quarter one, we're continuing to see good financial numbers. Over 2.2 million dollars in sales. Our expenses are reasonable, they're down, but our profitability is way up. Much higher than any first quarter over the last three years.

**Hi'ipaka LLC Executive Director Pezzulo:** You can see our visitor count numbers are way up for the quarter. Compared to any previous year; much higher.



**Hi'ipaka LLC Executive Director Pezzulo:** Some of the activities we're bringing back, to again encourage visitors, especially kama'āina visitors. We are having our Moon Walks, our next one is May 14, which is a week from Saturday, where visitors could come in and take an unguided tour up to the waterfall and hopefully the moon is coming up over the water.

We just had May Day, we had lei stations throughout the Valley.

Our Summer Concert series is returning, and I know we're going to get a good response to that. We haven't had it for the last two years. When we did have it, we had a really good turnout. There's a lot of people waiting to hear when the tickets are going on sale, that will be any day now.

Our Kalo and Awa Festival will be coming back.

Makahiki, and again the Lū'au. Once we move them up to the amphitheater, it will increase and we're looking at that daytime show as well.

The last thing I want to talk about is this EDA Grant Application. We submitted the application, for four million dollars, and there are five construction projects. These projects are really, designed to support our objective to have a stronger, cultural focus for visitors, but also to support the increasing number of visitors we are seeing come to the Valley. I will go through each of these quickly.

#### Restoring and Expanding Activities

1. Moon Walks
2. May Day
3. Summer Concert Series
4. Kalo and Awa Festival
5. Makahiki
6. Luau to increase the number of evenings
7. Daytime show

#### EDA Grant Application

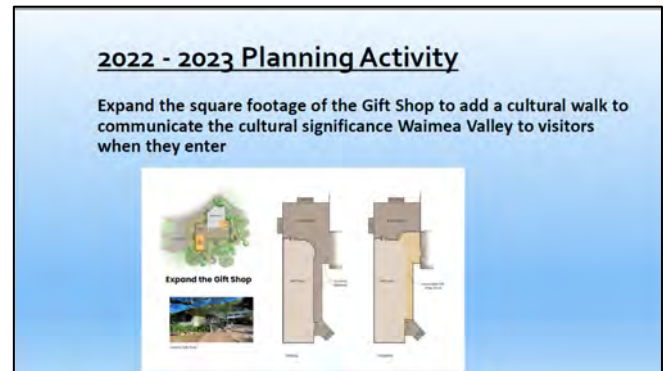
Hi'ipaka, LLC is applying for grant funding from the federal Economic Development Administration for five construction projects totaling \$4 million.

The five projects will support our objective to have a stronger cultural focus for visitors and support the increasing number of visitors to the Valley.



**Hi'ipaka LLC Executive Director Pezzulo:** We want to expand the lū'au site. As I had mentioned earlier, we want to basically cover the outdoor amphitheater and put all the facilities we would need - so that they can have a lū'au up in the amphitheater. That would open up our pavilion for a lot more events down here. The lū'au has done really, well; they reach max capacity every night. We think this would be a good move, plus it utilizes this amphitheater which we restored about five to six years ago. Currently, we don't use it much at all.

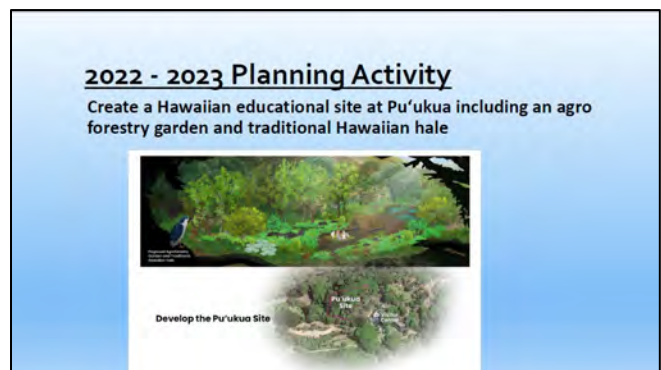
We want to expand the footage of the gift shop and we want to add a cultural walk to really communicate the cultural significance of the Valley to visitors when they enter. In order to get to the admission, they're going to have to walk past this expanded gift shop where this cultural walkway is. Again, trying to set the tone for people when they come into the Valley and go to purchase their tickets.



**Hi'ipaka LLC Executive Director Pezzulo:** We also are going to expand the women's bathroom and build a new men's bathroom. This is due to the increase the number of visitors we have. There's usually a big, line at the ladies' room.

Some of you may recall, we purchased the Pu'ukua site, which was the only piece of property within the valley that we did not own. We purchased that with support funding from the City, from the State, and also some fundraising that we did.

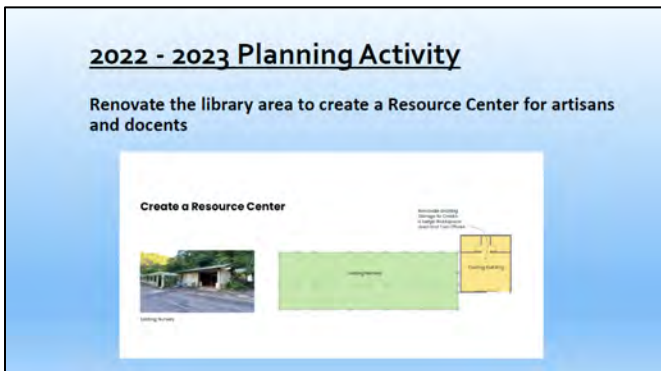
The idea is to put a traditional hale in and turn it into an educational site and replant a lowland native forest for education purposes.



**Hi'ipaka LLC Executive Director Pezzulo:** The last project is to renovate the library area, and this is to create a Resource Center for our artisans, our docents, and for Community meetings.

Mainly artisans that help us to provide that unique cultural experience for our visitors. I believe the committee is looking at our application, right now. We're very encouraged that we have a pretty, good chance of getting this funding.

I think that's it. If you have any questions, we would be happy to answer them.



**Chair Waihe'e:** *Are there any other questions, members?*

**Chair Waihe'e** recognizes Trustee Lee.

**Trustee Lee:** Thank you, Mr. Chair. Not a question - Richard this is impressive. To see how much you guys have ... well, one - you folks had the foresight enough to plan for some sort of resiliency plan, so you had this cash reserve to carry you folks through the pandemic. Yet, to see how you guys have rebounded and you've done it on your own. You didn't ask for help from anybody, this is very impressive Richard, so impressive. Thank you for everything that you do for the Valley.

**Hi'ipaka LLC Executive Director Pezzulo:** Thank you.

**Chair Waihe'e** recognizes Trustee Ahu Isa.

**Trustee Ahu Isa:** Richard, great job. The last time I was out there, had the big boulder, so you guys removed all that and put the wall. I'm going to suggest to Chair, that we have a Board of Trustees meeting out there, like we did before. That was great. I'm involved in the hospitality industry too. So, yeah, the numbers went way up for March 2022, even better than the Commonfund numbers. I'm going to come and visit you pretty soon.

**Hi'ipaka LLC Executive Director Pezzulo:** I hope you do, everybody's welcome. We have very, hard-working staff here.

**Chair Waihe'e** recognizes Trustee Akina.

**Trustee Akina:** Thank you, Chair. Richard, you had already done a great job in your leadership of the park, and I appreciate that, but I also wanted to thank, along with you, the managers who have come on board and served well. I appreciate so greatly your kuleana and it shows in the remarkable work you've done in caring for the entire area in a wonderful way and bringing it into sustainability. Mahalo very much, and congratulations on your work.

**Chair Waihe'e** recognizes Trustee Lindsey.

**Trustee Lindsey:** I just want to thank the whole crew, the new managers, and especially Richard. Richard, you know we always spoke very, highly of the work that you've been doing in Waimea Valley. I drove past the valley last week with my staff, and it's just as beautiful, as ever. We want to mahalo you a lot and you know *you too young to retire, so no go there*. I know you're talking about it every year. As long as I can serve here, you can serve there.

**Hi'ipaka LLC Executive Director Pezzulo:** Okay, thank you.

**Chair Waihe'e** recognizes Trustee Akaka.

**Trustee Akaka:** Mahalo nui, Richard, Greg, Bob, and Auntie Leilani. These are really, really, exciting updates that you shared with us. Seeing all these renderings, these photos, seeing the improvements and expansion, this is truly exciting and I'm looking forward to seeing more when you folks share with us again. I'd love to get a tour there, check out the sites there, see your facilities, and see what you folks are offering to our kama'aina and to our malihini alike.

I wanted to ask, you know the photo that you had shown up with the information regarding the Wi-Fi updates, *are those QR codes on the sign that people can scan to get more information?*

**Hi'ipaka LLC Executive Director Pezzulo:** That's correct, Trustee.

**Trustee Akaka:** Wow, that's so exciting. Very *with the times* you folks are over there. I'd love to explore that too, mahalo nui for all your work. I think this is a place we can truly be proud of, mahalo.

**Chair Waihe'e** recognizes Trustee Lindsey.

**Trustee Lindsey:** I just wanted to say to you four - in my advocating for the protection and proper stewardship of Mauna Kea, I have used the Waimea Valley and what you've brought it to be, to the legislature. We're so proud of the work that you folks have done there, and we think that that's a good example and a representation of OHA's work. So, you've made us look really good, thank you.

**Hi'ipaka LLC Executive Director Pezzulo:** Thank you, Chair. I have really, good managers behind me. I had really, good managers behind me before, but they were replaced by good managers. Like I said, we have really, good, and dedicated staff who go above-and-beyond what they're required to do.

**Chair Waihe'e:** *Are there any other comments or questions, members?*

*There are no further comments or questions.*

**Chair Waihe'e:** I also really, want to thank Richard, Greg, Bob, and Leilani for taking time out of your schedule to join us and for all the fine work you guys are doing out there, thank you so much.



## V. NEW BUSINESS

### **C. Workshop by Administration: Native Hawaiian Trust Fund Portfolio Structure Review, Including Investment Policy Statement.**

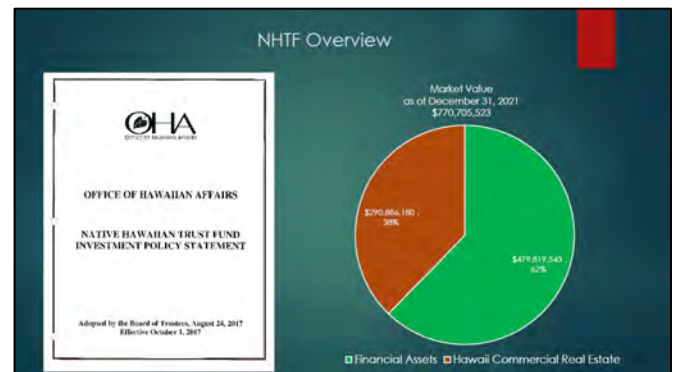
**Chair Waihe'e** turns it over to Ka Pouhana Sylvia Hussey.

**Pouhana Hussey:** Thank you, Chair. Trustees, we're going to continue our policy workshops all toward getting to our big, finance policies. Go ahead Ryan.

**Interim Investment Manager Lee:** In today's workshop, I'll be covering the Native Hawaiian Trust Investment Policy Statement or IPS for short - with a focus on the Investment Management structure. Just a reminder, the IPS was initially adopted in 2003 and has gone through several amendments over the years. The last amendment was made back in August, I believe, regarding the Hawai'i Direct Investments update.

The management of the Native Hawaiian Trust Fund is governed by the Investment Policy Statement. The IPS covers areas such as: purpose and scope; defining the duties, who is responsible for what, how decisions are made - objectives of the program such as: spending and portfolio return objectives - as well as Strategic Asset Allocation framework and guidelines to meet those goals.

The IPS covers both the Hawai'i Direct Investments, as well as financial assets. I'll be primarily focusing on the financial assets in today's workshop.



**Interim Investment Manager Lee:** As stated in the Investment Policy, the goals for the Financial Assets are:

- Long-term - you want to generate returns of Consumer Price Index, which is sort of inflation plus 5% real return objectives; so that that's approximately 7% to 8% return objective for the Trust; long-term,
- It also has a spending policy up to 5%, based on a 20-quarter rolling average, that is to provide into intergenerational equity, to kind of smooth out the spending over time.
- The overall goals are to preserve and grow the endowment into perpetuity.

Once you establish these objectives and goals, it actually forms the way you put the portfolio together; your strategic asset allocation to meet these goals. Once the asset allocation is established, the IPS dictates how the investment should be implemented and managed.

**Interim Investment Manager Lee:** When the IPS was initially established, there was a preference for a full discretionary approach to invest across multiple asset classes, for the portfolio evolution. This can also be described as *Manager of Managers*, also known as Fund of Funds or even an outsourced style approach. These managers would be given full discretion and have the ability to make tactical asset allocations, as well as Manager Selection, based on the mandate that was given to them. Today these Managers are Commonfund, JP Morgan, Goldman Sachs, and Pantheon.

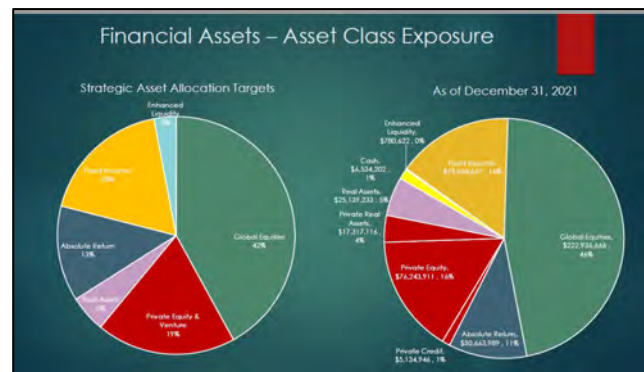
The policy also allows for direct allocations to managers, here we have State Street and PIMCO. These investments are overseen by OHA Staff, as well as OHA's General Investment Consultant.

As Joe mentioned, the Commonfund relationship has transitioned to one that's more of a hybrid, both the Manager of Managers approach, as well as direct allocation.

The next slide highlights the actual Strategic Asset Allocation, as defined by the Investment Policy Statement. The pie chart on the left, has allocation targets for the asset classes, for example, Global Equities is 42%, the Private Equity and Venture, the liquid asset class is at 19% target, Real Assets 5%, Absolute Return strategy we have a 13% target, Fixed Income 18%, and Enhanced Liquidity is at 3%. Those are the Strategic Asset Allocation Targets that have been established in the Investment Policy Statement.

What you have on the right is the current exposure of the asset classes, so you can see we're overweight on Global Equities by 4%. As I mentioned some of that is intentional by certain Managers, like JP Morgan at the time, they were overweight equities within their guidelines. You can at least have a sense of the asset class exposures that we currently have, based on the manager allocations.

I'll spend more time on how the managers are allocated on the next slide if there are no questions.



**Interim Investment Manager Lee:** The next slide highlights how we're allocating capital across the Managers, that we have in the roster for the Native Hawaiian Trust Fund. As you can see here, JP Morgan represents the largest allocation at 31%, followed by Commonfund with 30% of the allocation, followed by State Street with 26%. Then you see smaller allocations with PIMCO, Goldman Sachs, and Pantheon.

One point to make is that, with the State Street Global Advisors - that is a passive implementation, meaning that they do not take active risks. The goal there is to implement and gain exposure to the policy benchmark at the lowest cost possible. Whereas the remaining strategies are active strategies that the Managers are taking active bets on.

**Interim Investment Manager Lee:** That table on the right - what that does is brings all the Manager investments, doing a look through to see what they're exposed to through the allocations that we have throughout the asset classes.

For example, with Global Equities, as you can see, there are three managers within that grouping. You have State Street, Commonfund, and JP Morgan. These are three Manager allocations, as mentioned Commonfund and JP Morgan are Manager of Managers, so when you look through their portfolios what you'll find is they are approximately 230 additional managers within the allocation. So, it gives you a sense of the exposures, allocations, and the diversification that we have across asset classes.

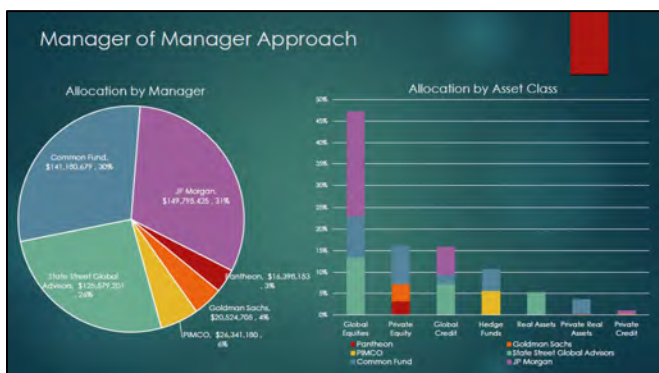
When you look at the Private Equity Allocation, for example, you see three allocations with Commonfund representing 50% of that, followed by Goldman Sachs and Pantheon.

We've completed several workshops over the last twelve months. As many of you may remember we covered:

- The Endowment Investment Policy,
- Spending Policy,
- Debt Management Policy,
- Asset Allocation changes that we're proposing,
- went through the Governance structure workshop a couple months back, and
- Also, the Private Portfolio Investments, having Commonfund do a workshop on illiquid investing.

The overall goal with all of these workshops is that we are working on proposed Investment Policy changes. The goals are very straightforward, it's to align the portfolio towards the long-term goals of OHA's mission. What that means is that we want to improve long-term expected returns such that we can increase spend.

So, we would align the Asset Allocation to reflect the risk that we want to take to get the returns that we want to meet the spending that we want. That means to improve and enhance the governance structure, that we currently have, as well as improving the investment implementation. Hopefully within the next three to twelve months, we can bring that forward to the trustees to discuss. *Any questions?*



**Interim Investment Manager Lee:** The next couple of slides you'll find in the quarterly report that Segal Marco does for the Trust. Just to kind of step back a bit in terms of the Segal Marco relationship. Segal Marco is the general investment consultant, and their role is twofold; one is to provide the oversight, assist OHA staff, as well as the Board of Trustees in monitoring the investments. And two, we engage them in the performance reporting aspect for the Trust. For this year, we currently have them on engagement for the reporting piece, while we currently are evaluating the investment-consulting piece for the Trust. I just wanted to update you folks on the status of that.

## Fee Analysis

**Interim Investment Manager Lee:** What you find here in the fee analysis is that with traditional investments, the fees can range from really, low cost from the index funds, like two basis points to 80 basis points.

Whereas alternative investments tend to be a little, higher as such that there is an expectation that they generate high returns for that active management. So, your typical structures would be one and a half percent on the management fee and approximately 20% incentive on a certain hurdle. I just want to make sure you folks know that the section here typically is provided on a quarterly basis in that report.

*Any questions, this was meant to be interactive?*

[illegible][illegible]

**Chair Waihe'e recognizes Trustee Lee.**

**Trustee Lee:** Thank you, Chair. Just a comment Ryan, this was mentioned a while ago, in a quarterly presentation about lowering our fees. I don't care about lowering our fee, I care about increasing our return. So, if someone says that they're going to charge us a million dollars a year, but we're going to get \$20 million return - I don't care. I wanted to state that, I mean, I don't want to pay more than we should be paying, obviously, but I also don't want the cheapest guy out there because you get what you pay for. I want to ensure that the Native Hawaiian Trust is maximizing our potential and we're



making the best that we can make, not that we're paying the least that we can pay. Thank you, Mr. Chair.

**Chair Waihe'e** recognizes Vice-Chair Alapa.

**Vice-Chair Alapa:** My question was in regard to the fees that we are paying - *is that a reasonable fee?* Especially on the first page, you went by really, quickly and all these fees are listed here.

*Is this the average, is it above average, are we paying too much?*

I mean, you add this up over the years, these people had our portfolio, you're looking at perhaps millions of dollars total. So, what I want to know is, *is this average or we're paying a little more?* I don't know, you tell me.

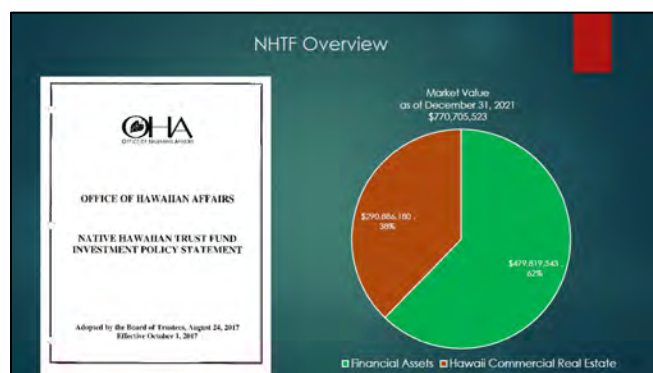
**Interim Investment Manager Lee:** I would say it is priced appropriately in terms of market, based on the strategies, and you pay for what you get. As I mentioned for passive strategy funds you don't expect to pay a lot for them, it should be close to two to five basis points, practically, I wouldn't call it free, but very low.

With active strategies where you're expecting your manager to deliver returns, they charge a lot more. Typical structures could be one and a half to even 2%, incentive fees could be 25 to 30%, but people want to pay those type of fees for the returns that they generate. It's all about the net returns, at the end of the day, how it contributes to the overall portfolio, and that's something that we look at.

**Chair Waihe'e** recognizes Trustee Lindsey.

**Trustee Lindsey:** Ryan, when you showed the pie, I added up the percentage, and it came to 100%. *Could you tell me where the Hawaii Direct Investment falls?*

**Interim Investment Manager Lee:** Sure. I believe, when we talked last year, in terms of separating the allocation for the Hawai'i Direct Investment, it shouldn't be part of the Financial Asset Allocation, it should have its own focus. So, there's no target for Hawai'i Direct Investments. So, the pie on slide 2 represents the entire Native Hawaiian Trust, the red piece would be the Hawai'i Direct Investments and the other pie charts that we showed only reflect 100% of green allocation.



**Trustee Lindsey:** *So, did we increase our Hawai'i Direct Investment number, wasn't it \$26 million at one time?*

**Interim Investment Manager Lee:** That allocation only reflected, what was in Financial Assets, it never had exposure to Hawai'i Direct Investments.

**Trustee Lindsey:** Oh, okay. Thank you.

**Interim Investment Manager Lee:** You're welcome.

**Interim Investment Manager Lee:** *Any other questions?*

**Pouhana Hussey:** Chair Waihe'e, as Ryan is available, *is the Committee ready to receive the policies that are behind these?* We've been putting workshops and different concepts together. *Is the Committee ready for the actual policies to come forward?*

**Chair Waihe'e:** Yes.

**Chair Waihe'e** recognizes Trustee Ahu Isa.

**Trustee Ahu Isa:** I had a question because I was reading Trustee Lee's column, it talks about the Native Hawaiian Trust Fund. He talks about the process of tying OHA's land holdings to the Native Hawaiian Trust. This will allow for a rebalancing of the portfolio and eliminate the need for expensive hedge funds and generate greater returns for the portfolio while actually lowering the risk. *So, can you speak to that, or Trustee Lee? Was there, another - like a hybrid model?*

**Trustee Lee:** That's everything that Ryan's been talking about. Everything that Ryan just said today was a roundabout way of what I wrote in my column. As an example, Trustee Ahu Isa - before today, when we looked at the Native Hawaiian Trust portfolio, it was our Financial Assets. When we looked at the Native Hawaiian portfolio pie chart today, it has our Land Holdings and our Financial Assets.

**Trustee Ahu Isa:** *Before that it wasn't?*

**Trustee Lee:** No, it wasn't. We had our Land Division, and we had our investments. We had Miles and we had Ray; and never did the two talk. That's not the case anymore, that's why we were having these workshops. That's why Ryan has been talking about how he has been working to rebalance the portfolio, because now that we're taking all of this into consideration, a rebalance is necessary.

**Trustee Ahu Isa:** Because, you said, a hybrid approach to incorporate the CPI.

**Trustee Lee:** Well, the hybrid approach that I was talking about was about the Spending Policy. *I'm pretty sure it's Harvard, right Ryan?* It's called the Harvard approach. It takes an 80/20 look at CPI, it's weighted of the CPI.

What it does is instead of, as we do now, take a straight 5%, which Trustee Akina has been advocating against to lower to 4%, but any straight percent that we take will allow for greater peaks and valleys depending on how the market does over time.

Even though we take a 20-quarter moving average, if you look at a line chart of where OHA's spending has been, we will have peaks following a bull market, and then we will have deep valleys following a bear market. The hybrid approach of factoring-weighting in the CPI will allow to smooth that out. So, year-over-year, it's a lower percentage, it's not a straight 5%.

However, over the long term, in fact, I don't know if I saw any other Trustees there, Commonfund had a whole, entire, 45-minute presentation on this in Orlando. Over time, the spend will actually be greater off of the portfolio, it will allow the portfolio to actually spend more money, with taking less risk.

**Trustee Lee:** One of the other things they advocated for was blending the hybrid approach and a banded one so within that hybrid 80/20, you don't go above six, and you don't go below four. So even if it allows for you to go higher than that, you don't, you cap it at that, so that again smooths out that spend.

Who that really helps, Trustee Ahu Isa, is Ka Pouhana. By doing that hybrid approach, it allows for a much more predictable spending rate over time, which allows them to get more accurate budgets. When you're going to have these deep...right now, with the 5% we have right now, with a recessionary pullback that the market is currently in, four years from now there's going to be a valley off of that 20-quarter spend. That, whoever Ka Pouhana is at that time, is going to have to account with their budgeting. If we went to a more hybrid approach, that value wouldn't be there, which makes it much easier for them to budget out over time.

**Trustee Ahu Isa:** The way things are going now, consumers are spending, but now they're looking at the savings, hopefully the saving goes up and the spending goes down. Unpredictable times. Thank you, for your explanation.

**Trustee Lee:** It will still be further out Trustee, because they average it out over 20-quarters. So even if the market continues on its recessionary pullback which it probably will, we have gone 12 years without a significant pullback. That won't affect us until that time out because they take that 20-quarter moving average.

**Trustee Ahu Isa:** Mahalo for the explanation, Trustee Lee.

**Interim Investment Manager Lee:** So, Trustee Ahu Isa, in the proposed Spending Policy and Investment Policy changes that we have, it does call out for a hybrid spending policy, especially on the Hawai'i Real Estate piece because it's very difficult for the Hawai'i Direct Investments to generate a 5% return. We have to account for the current income that it generates today. It can change in the future, but currently, you will not be able to meet the 5% without selling real estate, which we don't want to do.

**Trustee Ahu Isa:** Before I came to OHA, they had a Land Committee. Now, we put everything in the RM. Before we separated out Land financials, it's now become a major part of our portfolio - land.

**Interim Investment Manager Lee:** Right. So, having a separate Spending Policy would allow the Financial Assets to continue to take illiquidity risks and make private investments. Without having a separate policy for that, it creates a problem by increasing illiquidity problems for the Native Hawaiian Trust Fund. So, it's important that we acknowledge that and keep it separate for the time being.

**Trustee Ahu Isa:** Thank you. I just want people to understand, because they called me about the article. Thank you for the explanation, hopefully they're listening. Mahalo.

**Pouhana Hussey:** So, Chair Waihe'e, what Administration will do is prepare the draft workshop where the actual policies will come back; examples of implementation of the policy, spending, investment. Then we'll have another workshop with the actual policies before us and have that discussion, until the Trustees are comfortable. Then we won't bring back the Action Item until that point.

**Chair Waihe'e:** Okay, that sounds good.

**Chair Waihe'e** asks if there are any other questions.

There are no other questions.

**Chair Waihe'e:** Okay, thank you again, Ryan and Sylvia.

## VI. ANNOUNCEMENTS

None

## VII. ADJOURNMENT

**Trustee Lindsey** moves to adjourn the RM meeting.

**Trustee Akaka** seconds the motion.

**Chair Waihe'e** asks if there is any discussion.

There is zero discussion.

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

							3:17 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA			X			
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY	1		X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
<b>TOTAL VOTE COUNT</b>				8	0	0	1

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

**Chair Waihe'e** adjourns the RM meeting at 3:17 p.m.



Respectfully submitted,

---

Melissa Wennihan  
Trustee Aide  
Committee on Resource Management

As approved by the Committee on Resource Management (RM) on May 31, 2022.

---

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



**STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS**

**Committee on Resource Management**

Trustee John Waihe'e IV, *At-Large - Chair*

Trustee Luana Alapa, *Moloka'i / Lāna'i - Vice Chair*

*Members*

Trustee Leina'ala Ahu Isa, *At-Large*

Trustee Dan Ahuna, *Kaua'i / Ni'ihau*

Trustee Kaleihikina Akaka, *O'ahu*

Trustee Keli'i Akina, *At-Large*

Trustee Brendon Kalei'aina Lee, *At-Large*

Trustee Carmen Hulu Lindsey, *Maui*

Trustee Mililani Trask, *Hawai'i Island*

**MEETING OF THE  
COMMITTEE ON RESOURCE MANAGEMENT (RM)**

**DATE:** Tuesday, May 31, 2022

**TIME:** 1:30 p.m.

**PLACE:** Virtual Meeting viewable at [www.oha.org/livestream](http://www.oha.org/livestream) OR  
Listen by phone: (213) 338-8477,  
Webinar ID: 840 0869 8043

**Due to COVID-19, the OHA Board of Trustees and its standing committees will hold virtual meetings until further notice.**

**This virtual meeting can be viewed and observed via livestream on OHA's website at [www.oha.org/livestream](http://www.oha.org/livestream) or listened to by phone at: (213) 338-8477, Webinar ID: 840 0869 8043. A physical meeting location open to the general public will be available at 560 N. Nimitz Hwy., Suite 200, Honolulu HI 96817. All members of the public that wish to access the physical meeting location must pass a wellness check and provide proof of full vaccination or a negative COVID-19 test taken within 72 hours of entry.**

**AGENDA**

**I. Call to Order**

**II. Public Testimony on Items Listed on the Agenda\***

(Please see page 2 on how to submit written testimony or provide oral testimony online.

Oral testimony by telephone/landline **will not** be accepted)

**III. Approval of Minutes**

A. May 3, 2022

**IV. Unfinished Business - None**

**V. New Business**

A. Administration Presentation re: State of Hawai'i, Employees Retirement System,

Executive Director, Thomas Williams, Endowment Function

B. ACTION ITEM RM #22-08: Community Based, Micro Kokua Grants

C. ACTION ITEM RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3

D. ACTION ITEM RM #22-10: Limited Delegation of Authority of Chapter 10-17 Grant Awards for the Purposes of Effecting Responsive Emergency Financial Assistance and Community Based, Micro Kokua Grants

**VI. Announcements**

**VII. Adjournment**

If you require an auxiliary aid or accommodation due to a disability, please contact Everett Ohta at telephone number (808) 594-1988 or by email at: [everetto@oha.org](mailto:everetto@oha.org) no later than three (3) business days prior to the date of the meeting. Meeting materials will be available to the public 72 hours prior to the meeting and posted to OHA's website at: [www.oha.org/rm](http://www.oha.org/rm).

# HOLOMUA

## RETIREES & ACTIVE MEMBERS



Employees' Retirement System  
of the State of Hawaii

Sunset off Waikiki by David Okamoto

## ERS Strengthens Financial Outlook

A strong investment performance during fiscal year 2021, combined with the disciplined commitment to follow the employer contribution schedule set by statute, strengthened the financial outlook for the Employees' Retirement System, according to the ERS' actuarial consulting firm.

The 96th Annual Actuarial Valuation report was presented by GRS (Gabriel, Roeder, Smith & Co.) to the Board of Trustees at its Jan. 10 meeting.

The ERS lowered its unfunded liability from \$14.61 billion in FY 2020 to \$14.23 billion in FY 2021, ending on June 30, and decreased the funding period from 26 years to 24 years. The funding period is the estimated number of years it will take to fully pay off the current unfunded liability assuming current contributions remain in place and all assumptions are met.

Investments outperformed the 7% assumption on a market basis with a 26.9% market return, the best investment performance in the ERS portfolio's 96-year history. A smoothing technique will defer some of the outperformance into future years (approximately \$2 billion). There was a gain on the actuarial value of assets of \$672 million.

"Many factors, both demographic and economic, influence actuarial outcomes," said ERS Executive Director Thom Williams. "We have structured our program to achieve solid long-term gains from both an actuarial (demographic) and investment (economic) perspective. This year's investment return of 26.9% has sub-

stantially improved our long-term outlook and is overwhelmingly responsible for the improvements we're able to report."

The scheduled employer contribution rates, currently at 24% for general employees and 41% for special categories (police officers, firefighters and correction officers), are expected to be adequate to satisfy Hawaii Revised Statutes §88-122(e) (1), which became law in 2016. A Statutory Stress Test, also conducted by GRS, shows this is true even with substantial adverse experiences.

The report said ERS' liabilities grew faster than expected due to salary increases larger than current expectations for the general employee group. Small gains were made on the liability for the special category group.

Total ERS employee and employer contributions in dollars also are expected to be modestly lower due to fewer state and county workers.

However, the positive outlook assumes the scheduled contribution rates continue, and investment income objectives are achieved. It is imperative that the currently scheduled funding strategies are sustained, GRS said.

The 96th annual Valuation Report can be found at [ehawaii.gov/resources/financials/](https://ehawaii.gov/resources/financials/) (click on Actuarial Valuations and Related Information).

City Financial Tower, home to the Honolulu office of the Employees' Retirement System



# Board of Trustees Elects New Leadership

The ERS Board of Trustees began the new year by electing new leadership at the Jan. 10 board meeting.

Vince Barfield, a trustee since 2011, is the new board chair. Genevieve Ley, MD, MPH, FACP, who has been a board member since 2018, was elected vice-chair.

“It’s an honor to serve this important organization which has such significant impact on the future retirement security of our members and the financial health of our state,” said Barfield, a retired Bank of Hawaii executive, who has four decades of experience leading several of Hawaii’s largest fiduciary, lending and banking businesses. He also served 20 years as a U.S. naval officer.

Barfield, a Kailua resident, earned his bachelor’s and master’s degrees in business from the University of Hawaii. He com-

pleted additional postgraduate education at the Stanford Executive Program, Pacific Coast Banking School at the University of Washington, and the Navy Supply Corps School in Athens, Ga.

Barfield’s professional and community service includes serving as national board chair of the Association of Military Banks of America, human resource committee chair of the USS Missouri Memorial Association, and board member of East-West Center Foundation, Kaneohe Ranch Management Limited and Barstow Foundation.

Ley is the branch chief and clinic physician at the Hawaii Department of Health’s Lanakila Health Center Tuberculosis (TB) Control Branch, supervising 27 employees on Oahu and coordinating clinical responsibilities with Neighbor Island public health nurses.

Ley utilizes her medical knowledge when the board conducts HRS Chapter 91

Proceedings (in consideration of applications for service-connected disability or ordinary disability retirement). She also worked three years in financial services and maintained her interest in investments and financial services.

“It has been a tremendous honor serving on the board,” said Ley, who grew up in the plantation communities of Poamoho camp and Kunia Village in Central Oahu. “The responsibilities are great because we are protecting the financial health of our government employees who rely on their ERS pension as retirees. The medical ethical motto, ‘Do No Harm,’ applies as the board makes policy and strategic decisions in its management of the ERS.”

Ley said she is “a proud product of Hawaii’s public school system,” attending Helemano Elementary, Wheeler Intermediate and Mililani High School before leaving to attend Stanford University.

The Board of Trustees, the governing body of the ERS, is comprised of eight members, including four elected by the membership: two general employees, a teacher, and a retiree, three appointed by the governor, and the state Director of Finance.



Vince Barfield



Genevieve Ley

## Chan Re-elected to Board of Trustees

Catherine Chan, a professor at the University of Hawaii at Manoa, won re-election to the teacher seat on the Board of Trustees of the Employees’ Retirement System of the State of Hawaii.

Chan received 18,185 votes, or 74.9%, of the 24,281 votes cast to defeat UH-Manoa professor Lynne Wilkens, who received 6,023 votes in the election conducted by ERS’ vendor KMH LLP. About 131,000 ballots were mailed to the ERS

membership, which includes active employees, inactive vested members and retirees who are eligible to vote. The election results were certified by an independent panel and accepted by the trustees at its meeting on Dec. 13.

Chan, who has served on the board since Jan. 2, 2016, began her new six-year term on Jan. 2, 2022.

The teacher seat can be filled by a member of the ERS who is classified as a “teacher,” which includes teachers or an educational officer certified as a teacher by the Department of Education, or a dean, professor, instructor and lecturer of the University of Hawaii and the community college system.



Catherine Chan



ERS election vendor KMH LLP conducts the review and counting of ballots for the Board of Trustees teacher seat.

# Filing for Retirement and ERS Office Visits

Since the beginning of the COVID-19 pandemic in March 2020, the ERS has continued to service our membership.

During 2020 and 2021, the ERS staff processed more than 6,300 retirement applications with about 1,500 of the applications being canceled. The ERS has seen an uptick in applications, from 2,730 in 2019 to 3,161 in 2020 and 3,193 in 2021. The staff also provides other services for active members, including disability retirement benefits, for former members seeking refunds and for beneficiaries receiving death benefits.

Most counseling services are currently done by phone to keep our membership and staff safe. Visitors can continue to do business at our offices, but must comply with any COVID-19 protocols. Visit our website ([ers.ehawaii.gov](https://ers.ehawaii.gov)) or contact us for the latest safety procedures before visiting our offices. We want to ensure you get the information that you need to make your retirement decisions.

If you are planning to retire, information can be found under “Planning for Retirement” ([ers.ehawaii.gov/members/planning-for-retirement](https://ers.ehawaii.gov/members/planning-for-retirement)) on the ERS website. The website section includes a complete retirement packet with forms and instructions.

The ERS encourages members to review the packet carefully, including the sample of how to complete an application (Form 18). Filling out the application and other forms

Members or former members who are eligible and considering retirement in 2022 can prepare by knowing the deadlines for filing an application. A retirement date can be the first of the month or on Dec. 31. An application can be filed as early as 150 days prior and not fewer than 30 days before the retirement date.

For information, go to [ers.ehawaii.gov/members/planning-for-retirement](https://ers.ehawaii.gov/members/planning-for-retirement) or [ers.ehawaii.gov/resources/contact-us](https://ers.ehawaii.gov/resources/contact-us).

Here's a list of first and last days to file an application. The ERS must receive an application by the last days listed (not postmarked, if mailed). Applications must be signed in front of a notary or an ERS representative.

	FILING WINDOW	
I would like to retire on:	The first day you can file:	The last day you can file:
May 1, 2022	Thu., December 2, 2021	Fri., April 1, 2022
June 1, 2022	Mon., January 3, 2022	Mon., May 2, 2022
July 1, 2022	Tue., February 1, 2022	Wed., June 1, 2022
August 1, 2022	Fri., March 4, 2022	Fri., July 1, 2022
September 1, 2022	Mon., April 4, 2022	Tue., August 2, 2022
October 1, 2022	Wed., May 4, 2022	Thu., September 1, 2022
November 1, 2022	Mon., June 6, 2022	Fri., September 30, 2022
December 1, 2022	Tue., July 5, 2022	Tue., November 1, 2022
December 31, 2022	Wed., August 3, 2022	Thu., December 1, 2022

“First Day to File” and “Last Day to File” in red are adjusted due to weekends and/or holidays.

correctly will help for a smoother retirement application process. If you cannot download the packet from our website, you may request that it be sent to you by calling the ERS at (808) 586-1735.

The ERS encourages you to file your application early during the filing period. Upon receiving your application, the pension projections (Estimate Letter) will be completed and mailed to you and a phone counseling session will be scheduled.

Plan information, including retirement eligibility requirements, also can be found at the ERS website under Retirement Planning.

Here are some additional tips:

- Know your retirement plan (Hybrid,

Contributory and Noncontributory) and its eligibility requirements.

- For Hybrid and Contributory plan members, keep your beneficiary designation (Form 1A) current to ensure active employee death benefits are paid to the appropriate beneficiary(ies).

- Use our Benefit Calculator ([ers.ehawaii.gov/resources/benefits-calculator](https://ers.ehawaii.gov/resources/benefits-calculator)) to provide you with a “ballpark” pension projection. It is an excellent tool for your retirement planning.

If you need any assistance with any of the tips above, contact the ERS office in your county. The phone numbers are listed on the back of this newsletter.

## Legislature Considering ERS Bills

The Employees' Retirement System submitted two bills for consideration by the 2022 Legislature as part of the state Executive Branch's legislative package. Identical bills related to the applicability of ERS service-connected disability retirement and accidental death benefits were introduced in the state House and state Senate.

The 31st Hawaii Legislature opened the second year of its biennial session on Jan. 19, and after 60 session days will close on May 5.

House Bill 2105 and its companion Senate Bill 3073 clarify the requirements of service-connected disability retirement and accidental death benefits of the ERS by defining the components and conditions on which an accident is defined. This clarification of definitions and requirements will reinforce the legislative intent of these benefits and will reduce future increases to the unfunded liability of the ERS incurred by the granting of unwarranted benefits. The Board of

Trustees strongly supports these bills.

During the COVID-19 pandemic, the State Capitol building was closed to the public, but reopened on March 7. All legislative proceedings are broadcast as livestreams on YouTube or televised on 'Olelo Community Media.

Holomua will provide an update on these bills in the Summer 2022 issue. These bills and other legislation may be reviewed on the Hawaii State Legislature website at [capitol.hawaii.gov](https://capitol.hawaii.gov).





# ERS Investment Portfolio: GLOBAL CREDIT

Holomua invited ERS Investment Officer David Okamoto, CFA, to discuss the ERS' Global Credit portfolio. Before joining the ERS in 2019, Okamoto was a Senior Portfolio Manager at Bank of Hawaii where he was responsible for asset allocation, portfolio construction and manager selection for foundations, pension plans, endowments and other institutional clients. Prior to Bank of Hawaii, he was the Acting Chief Investment Officer and Investment Manager for the Office of Hawaiian Affairs where he oversaw the management and investment of the Native Hawaiian Trust Fund.



David Okamoto

Almost everyone is familiar with the concept of credit from the perspective of a borrower. For individuals, this could be a credit card, a car loan or a mortgage to buy a house. Businesses borrow money from banks or, if they're large enough, the bond market where their debt is sold to investors. On the other side of every borrower is a lender that is evaluating their ability to repay the loan, any collateral that might secure the loan, and will set the interest rate and other terms of when and how the loan will be repaid.

This is the perspective of the ERS Global Credit portfolio and the investment managers we hire to lend money on the System's behalf. Lending is done in several ways to both companies and individuals. Some managers invest in publicly traded bonds and bank loans while others will structure privately negotiated lending transactions. In fact, some credit investment strategies today were born out of the need to serve borrowers that historically were customers of traditional commercial banks. Decades of increased regulation and industry consolidation caused banks to exit several business lines creating opportunities for investors

to step in as lenders. Similar to the equity market, there has also been an increasing shift to private investments in credit.

The Global Credit portfolio became its own asset class in 2015 when what was formerly known as Fixed Income was separated into Credit and Principal Protection. The separation coincided with ERS' shift to a risk-based asset allocation framework across the entire portfolio. Similar to the other assets in Broad Growth (Traditional Equity, Private Equity, Real Assets), Global Credit is exposed to economic growth and the earnings of companies and consumers.

Conversely, Principal Protection consists of government bonds where the primary driver of returns are changes in interest rates and inflation. Over the long-term, Global Credit is expected to have a lower risk/return profile than global public and private equity—lenders are paid before shareholders but can't share in the potential upside to the same extent. The primary driver of returns in Global Credit strategies are interest payments while capital appreciation is secondary (if at all).

The ability to invest in a variety of strategies was critically important in 2020.

When financial markets initially sold-off in February and March, the ERS' credit managers were able to buy the debt securities of high-quality companies at much lower prices. As is often the case in a panic, people sell everything (somewhat counterintuitively more of the good than the bad at first) and ask questions later. After this initial phase of price dislocations, which only lasted for a few weeks due to the unprecedented actions of governments and central banks, companies needed new financing to bridge themselves through the pandemic. Due to the heightened uncertainty, lenders were able to demand higher rates of interest and tighter loan agreements. In many cases, companies were forced to put up their crown jewel assets as collateral.

More recently, we have been working to expand and further diversify the Global Credit portfolio beyond corporate credit to consumer credit strategies and international strategies as well. Regardless of the ultimate trajectory of the recovery, credit comes back to the fundamental principles of prudent lending to worthy borrowers to generate the returns the ERS needs to continue serving our members.



# Tax Information Follow-up

If you received benefits from the ERS during 2021, your 2021 Form 1099-R was mailed to your home address by January 31, 2022. For foreign persons, your 2021 Form 1042-S was mailed to your home address by February 28, 2022. If you haven't received your form, please call our office to request a reprint. Allow at least one week for mail delivery to a U.S. address and two weeks for delivery to a foreign address. If your address has changed, provide us with your new address when requesting a duplicate form.

For those who received benefits from ERS during 2021 due to either a service-connected (work related) disability or death, an Annual Nonreportable Benefit Notice was mailed to your home address by January 31, 2022. This notice applies to the portion of your pension benefits that are considered payments in the nature of workers' compensation and, therefore, excludable from gross income under Internal Revenue Code (IRC) Section 104(a)(1). If a portion of your benefits are taxable, you should have received a 2021 Form 1099-R by January 31, 2022.

For more information you may want to review:

- the Retiree FAQ section of the ERS website [ers.ehawaii.gov](http://ers.ehawaii.gov) (Retirees/Retirees FAQs); or
- information on the IRS website [irs.gov](http://irs.gov) such as IRS Publication 575, Pension and Annuity Income, the instructions for IRS Form 1040 U.S. Individual Income Tax Return.

## HiDRO Model Forms Revised

The Employees' Retirement System Board of Trustees has approved revised Hawaii Domestic Relations Orders (HiDRO) forms that include two additional options to determine the portion of a pension to be paid to an alternate payee in a divorce action.

Initially, the forms, ERS-300 (Pre-Retirement) and ERS-301 (Post Retirement), included the Linson formula (a formula provided by the Hawaii Supreme Court in the Linson case), to determine the alternate payee's share based on the member's or retiree's service credits accrued from the date of marriage to the date of divorce.

This formula option remains in the HiDRO model form. However, divorce courts often award alternate payees shares of pensions by way of modified Linson formulas, either based on service credits accrued from the date of marriage to separation, or based on a defined number of service credits (irrespective of dates). The two added formulas accommodate modified Linson formulas.

The revised forms and other HiDRO information are at [ers.ehawaii.gov/hidro](http://ers.ehawaii.gov/hidro).

Form **W-4P**  
(Rev. December 2020)  
Department of the Treasury  
Internal Revenue Service

### Withholding Certificate for Pension or Annuity Payments

OMB No. 1545-0074

**2021**

**Future developments.** For the latest information about any future developments related to Form W-4P, such as legislation enacted after it was published, go to [www.irs.gov/FormW4P](http://www.irs.gov/FormW4P).

**Purpose of form.** Form W-4P is for U.S. citizens, resident aliens, or their estates who are recipients of pensions, annuities (including commercial annuities), and certain other deferred compensation. Use Form W-4P to tell payers the correct amount of federal income tax to withhold from your payment(s). You may also use Form W-4P to choose (a) not to have any federal income tax withheld from the payment (except for eligible rollover distributions or for payments to U.S. citizens to be delivered outside the United States or its possessions), or (b) to have an additional amount of tax withheld.

Your options depend on whether the payment is periodic, nonperiodic, or an eligible rollover distribution, as explained on pages 2 and 3. Your previously filed Form W-4P will remain in effect if you don't file a Form W-4P for 2021.

#### General Instructions

Read these instructions carefully to the Internal Revenue Code.

unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return.

**Filers with multiple pensions or more than one income.** If you have more than one source of income subject to withholding (such as more than one pension or a pension and a job, or you're married filing jointly and your spouse is working), read all of the instructions, including the instructions for the Multiple Pensions/More-Than-One-Income Worksheet, before beginning. **Other income.** If you have a large amount of income from other sources not subject to withholding (such as interest, dividends, or capital gains), consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you might owe additional tax. See Pub. 505, Tax Withholding and Estimated Tax, for more information. Get Form 1040-ES and Pub. 505 at [www.irs.gov/Form505](http://www.irs.gov/Form505). Or, you can use the Deductions, Adjustments, and Additional Income Worksheet on page 5 or the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to make sure you have enough tax withheld from your payments. If you have income from wages, see Pub. 505 or use the estimator at

## Important W-4P Instructions

To change the amount of federal taxes withheld in 2022, please complete a 2021 Form W-4P, Withholding Certificate for Pension or Annuity Payments. Do not use the Internal Revenue Service's re-designed 2022 Form W-4P yet. The 2021 form is available under the Retirees>Pension Forms section of our website, or you may call ERS to have the form mailed to you. The 2021 Form W-4P may also be obtained from the IRS or downloaded from the IRS website under All Form W-4P Revisions.

For Form W-4P to be valid, enter your name, address, full Social Security number, withholding election and sign and date the form. Please also include your phone

number and retirement date on the bottom of the form. Allow 4-6 weeks for the change to be effective. Refer to the tax withholding tables for the approximate federal income taxes to be withheld.

## Member Online Information Update

The ERS has updated its website with member information through January 2022. The updated online information is for active members in the Contributory, Noncontributory and Hybrid plans. Retirement information and account balances may vary between members due to payroll lags and adjustments. Please note, information for retirees and beneficiaries is not included.

Help us ensure that we have the most accurate information possible by logging on to the website at [ers.ehawaii.gov](http://ers.ehawaii.gov) and click on Member Information (Active Members Only). To report any discrepancies with your account information, click on the link to the Correction Form and print and mail the completed form to ERS with a copy of your My Retirement Account screen print.

Once we have completed our research, corrections will be applied and you will be notified of any changes.



## IMPORTANT

The EUTF is a separate organization from the ERS. If you have any questions about information in these articles, please contact the EUTF directly. Contact information: (808) 586-7390, 1 (800) 295-0089 toll free; email: [eutf@hawaii.gov](mailto:eutf@hawaii.gov)

### FOR ACTIVE EMPLOYEES

## About Open Enrollment

Open enrollment (OE) is the time for you to review whether the health coverage you have for yourself and your family continues to best meet your needs. The OE election period is April 18 to May 13, 2022. During the OE election period, you can:

- Add, change or drop a plan
- Add or remove dependents
- Change coverage tiers, such as changing from Self to Family, or Family to Two-Party

If you decide to keep your current plans, you don't need to take any action. You are not required to complete any forms to continue your current coverage.

If you are making changes, complete and submit the EC-1 enrollment form (or EC-1H for those enrolled in the HSTA VB benefit plans) available online at [eutf.hawaii.gov](http://eutf.hawaii.gov). EC-1/EC-1H enrollment forms and required supporting documents must be submitted to your employer's open enrollment designee by May 13, 2022 for changes that will be effective July 1, 2022.

Open Enrollment Dates	
Open Enrollment Election Period	April 18–May 13, 2022
Enrollment Change Requests and Supporting Documents Submission Deadline	May 13, 2022
New Coverage and Rate Changes	
Premium and Plan Changes Effective	July 1, 2022
<b>For County Employees</b> New Premium Deducted From Paychecks	July 15, 2022 - June 30, 2023
<b>For State Employees</b> New Premium Deducted From Paychecks	July 20, 2022 - July 5, 2023
Benefit Periods	
Plan Year Benefit Period	July 1, 2022 - June 30, 2023
Calendar Year Benefit Period	January 1 - December 31, 2022 and January 1 - December 31, 2023

### DEADLINE TO SUBMIT FORMS IS MAY 13, 2022

Do not submit forms to the EUTF. Submit EC-1/EC-1H forms to your:

- Departmental Human Resources Office
- County Personnel Office
- DOE-EBU, P.O. Box 2360, Honolulu, HI 96804 (DOE employees) or
- Enrollment Designee

## Virtual Open Enrollment Fairs

### April 18–May 13, 2022

The EUTF will be hosting virtual OE fairs in place of in-person informational sessions. You can attend virtually from your laptop, tablet or PC. At the virtual fair, you will be able to:

- Attend a live webinar presentation by an EUTF representative
- Watch on-demand video presentations from HMSA, Kaiser Permanente, CVS Caremark, HMA, HDS, VSP and Securian Financial
- Learn about health plan and premium changes (effective July 1, 2022)
- Learn money-saving tips

On the day of the fair, go to [eutf.hawaii.gov/learning-center](http://eutf.hawaii.gov/learning-center), and click on "Active Employee Open Enrollment Fair." You'll be able to view on-demand video presentations from the EUTF and each of the insurance carriers and attend an EUTF live webinar. Please see the schedule below for a list of live webinars.

DATE	LIVE WEBINAR TIMES
Monday–Friday, April 18–22	9–9:30 a.m. 11–11:30 a.m. 3:45–4:15 p.m.
Monday–Friday, April 25–29	
Monday–Friday, May 2–6	
Monday–Friday, May 9–13	

Participants will need a computer and internet access to attend. For the best experience, use an up-to-date version of Google Chrome (preferred), Safari or Firefox from a desktop/laptop.

## HMSA HMO Medical Plan Change

The Extended Care Facility benefit limit will increase from 100 days to 120 days per calendar year effective July 1, 2022. If you have any questions, call HMSA at (808) 948-6499 or 1 (800) 776-4672.

## Med-QUEST (Hawaii's Medicaid program)

If you or your dependents are currently enrolled in both Med-QUEST and EUTF health benefit plans, you are likely paying premiums for additional healthcare coverage with little, if any, added benefit. You may want to consider terminating your EUTF health benefit plans during the upcoming open enrollment. If your Med-QUEST coverage ends, you have 45 days from the date of the termination notice from Med-QUEST to enroll in EUTF health benefit plans. Coverage under the EUTF plan would be effective the date your Med-QUEST coverage ended.



**FOR ACTIVE EMPLOYEES & RETIREES****CVS Prescription Drug Plan Changes**

Added prior authorization and quantity limit requirements for Ivermectin (treatment of parasitic infections) under the EUTF and HSTA VB active and retiree plans effective October 14, 2021.

Added the Drug Exclusion Plan Design program, which excludes targeted drugs with little or no clinical value under the EUTF active and non-Medicare retiree plans effective January 1, 2022.

Added utilization management such as prior authorizations, step-therapy and/or quantity limits under the EUTF active and non-Medicare retiree plans effective January 1, 2022 for the following drugs or classes: Acthar (treats infantile spasms); Afrezza (treats diabetes); Mupirocin (treats bacterial infections); Omega-3 fatty acids (treats hyperlipidemia); Palforzia (treats peanut allergies); products for migraine, neuralgia, psoriasis and rosacea; and topical corticosteroids.

If you have any questions, call CVS Caremark at toll free 1 (855) 801-8263.

**COVID-19 Coverage**

For the latest updates on the coverage of COVID-19 related services and at-home COVID-19 tests, visit [eutf.hawaii.gov/eutf-covid-19-coverage/](http://eutf.hawaii.gov/eutf-covid-19-coverage/).

**HUMANA MEMBERS****Annual Wellness Visit Reminder**

An Annual Wellness Visit with your Primary Care Physician (PCP) is an important step in maintaining your best health. Your EUTF Humana Group Medicare Advantage PPO Plan provides coverage for one Annual Wellness Visit with your PCP every 12 months, at no cost to you. This visit gives you the opportunity to develop or update a personalized prevention plan with your PCP based upon your current health, lifestyle and risk factors. The goal is to create a plan just for you—to help you avoid or reduce the effects of conditions like diabetes, heart disease and obesity. When you help your doctor understand your health history and concerns, the two of you can chart a course to keep you healthy going forward. That gives you power to anticipate and prevent surprise medical issues. Contact your PCP to schedule your Annual Wellness Visit today. Access a helpful checklist at [myhealthjourney.humana.com/annualcheckup](http://myhealthjourney.humana.com/annualcheckup). For any questions about the Annual Wellness Visit benefit or the Humana Group Medicare Advantage PPO Plan, please contact Humana Group Medicare Customer Care at 1 (888) 908-6518 (TTY: 711), Monday-Friday, 7 a.m. to 7 p.m., HST.

**HMSA MEMBERS****Getting Preventive Care is Easy**

Your health plan includes an annual preventive health evaluation (for EUTF actives) or physical exam (for HSTA VB actives and retirees and EUTF retirees) at no cost when you see a primary care provider (PCP) in HMSA's network. You'll have the chance to get new health problems diagnosed, update screenings and immunizations and save money on long-term health care costs. Don't hesitate, schedule your

annual appointment today. Even a small amount of time spent on prevention can yield significant health rewards. Visit your PCP to determine what screenings are right for you. If you want to see which screenings your doctor may recommend, review the personal screening checklist for your age group on HMSA's EUTF portal. Looking for a PCP? Use Find a Doctor on [hmsa.com/eutf](http://hmsa.com/eutf) or call (808) 948-6499 or 1 (800) 776-4672.

**KAISER PERMANENTE MEMBERS****Staying Healthy is More Important than Ever**

Take charge of your health by staying current on preventive care visits, screenings, and immunizations. Getting recommended screening tests regularly may find breast, cervical and colorectal cancers early, when treatment is likely to work best. The sooner your doctor diagnoses a disease, the more likely it can be cured or managed. If you've been delaying care or have not connected with your doctor in the past year, take a look at the many convenient ways to connect with your doctor. At [kp.org](http://kp.org) you can choose online, by phone, by video or in-person visits with your doctor. Once connected, your doctor will work with you to create a personal action plan to stay current on screenings and tests that are right for you. If you need help choosing the care that's right for you, call us: Oahu (808) 432-2000; Maui/Molokai/Lanai (808) 243-6000; Hawaii Island (808) 334-4400; Kauai (808) 246-5600; TTY 711.

**HAWAII DENTAL SERVICE MEMBERS****EUTF "Time to See Your Dentist" Sweepstakes**

Do you have a healthy smile? Find out by visiting your dentist and enter for a chance to win one of eight smartwatches. Your plan covers 100% of the fees for two exams and two cleanings per calendar year—you just pay the tax. A simple dentist visit enters you for a chance to win an Apple watch, Galaxy watch or Fitbit. How it works:

1. Create a personal account at [HawaiiDentalService.com](http://HawaiiDentalService.com). If you already have an account, sign in between March 1, 2022 and May 14, 2022 to confirm that your email address is current.

2. See your dentist for a dental exam and/or cleaning between December 14, 2021 and May 14, 2022.

Entrants must complete both steps to be eligible to win. Review the official rules and the sweepstakes flyer at [eutf.hawaii.gov/health-and-wellness/campaigns/](http://eutf.hawaii.gov/health-and-wellness/campaigns/).

**VSP MEMBERS****Make the Most of your VSP Benefits**

Get great care from a VSP network doctor, including a Well-Vision Exam® comprehensive exam designed to detect eye and health conditions for only a \$10 copay. Create an account, find a VSP network doctor, and schedule your eye exam today. For benefit information contact [vsp.com](http://vsp.com) or call 1 (866) 240-8420.

**EUTF Pre-Retirement Health Benefits Workshops**

Attend a Pre-Retirement Health Benefits Webinar and learn about the EUTF retiree health insurance benefits. It's never too early to start planning for your future. Please visit [eutf.hawaii.gov](http://eutf.hawaii.gov) for the schedule of webinars.





Employees' Retirement System  
of the State of Hawaii

201 Merchant St, Suite 1400  
Honolulu, HI 96813-2980

#### ERS Board of Trustees

Vincent Barfield, Chair  
Genevieve Ley, Vice-Chair  
Catherine Chan  
Craig Hirai  
Emmit Kane  
Lance Mizumoto  
Bennett Yap

#### Thomas Williams

Executive Director

#### Kanoe Margol

Deputy Executive Director

#### Elizabeth T. Burton

Chief Investment Officer

#### Contact ERS-Pension

Monday-Friday 7:45am-4:30pm  
(Except State Holidays)

For pension related questions,  
please contact ERS at:

**O'ahu:** (808) 586-1735

**Kaua'i:** (808) 274-3010

**Hawai'i:** (808) 974-4077

**Maui:** (808) 984-8181

#### Moloka'i & Lāna'i

toll-free to Maui:

1 (800) 468-4644, ext. 48181

#### Continental U.S.

toll-free to O'ahu:

1 (888) 659-0708

[ers.ehawaii.gov](http://ers.ehawaii.gov)

#### Contact EUTF

Medical coverage/Medicare  
reimbursements

Monday-Friday: 7:45am-4:30pm  
(Except State Holidays)

(808) 586-7390;

Toll-free: 1 (800) 295-0089

email at [eutf@hawaii.gov](mailto:eutf@hawaii.gov),

or mail: 201 Merchant Street,

Suite 1700

Honolulu, HI 96813

PRSRT STD  
U.S. POSTAGE  
PAID  
HONOLULU, HI  
PERMIT NO. 643

SPRING 2022

# HOLOMUA

RETIREES & ACTIVE MEMBERS

Waahila Ridge hike looking at Palolo Valley

## Ask ERS

Answers to some frequently asked questions

**Q: Would the ERS be able to split my pension payment into two accounts deposited to the same institution?**

**A:** No. The ERS is not set up or designed to split your pension to separate accounts for your direct deposits.

**Q: What is the status of your Call Center system as I have experienced some**

**challenges contacting the ERS?**

**A:** The ERS implemented a new Call Center system in July 2021 and continues to learn its new features to provide service to our membership. If you experience phone issues while calling us, please email [dbf.ers.sss@hawaii.gov](mailto:dbf.ers.sss@hawaii.gov) with your concerns to help the ERS improve our service to you.

## UA 'IKE ANEI 'OUKOU? DID YOU KNOW?

The ERS provides pension benefits to nearly all state and county public employees, including those working for the state (executive, legislative and judicial branches, the University of Hawaii system and the Department of Education and charter schools), the City and County of Honolulu, and Hawaii, Kauai and Maui counties.

# Employees' Retirement System of the State of Hawaii

Presentation to the Office of Hawaiian Affairs  
by Thomas Williams, Executive Director

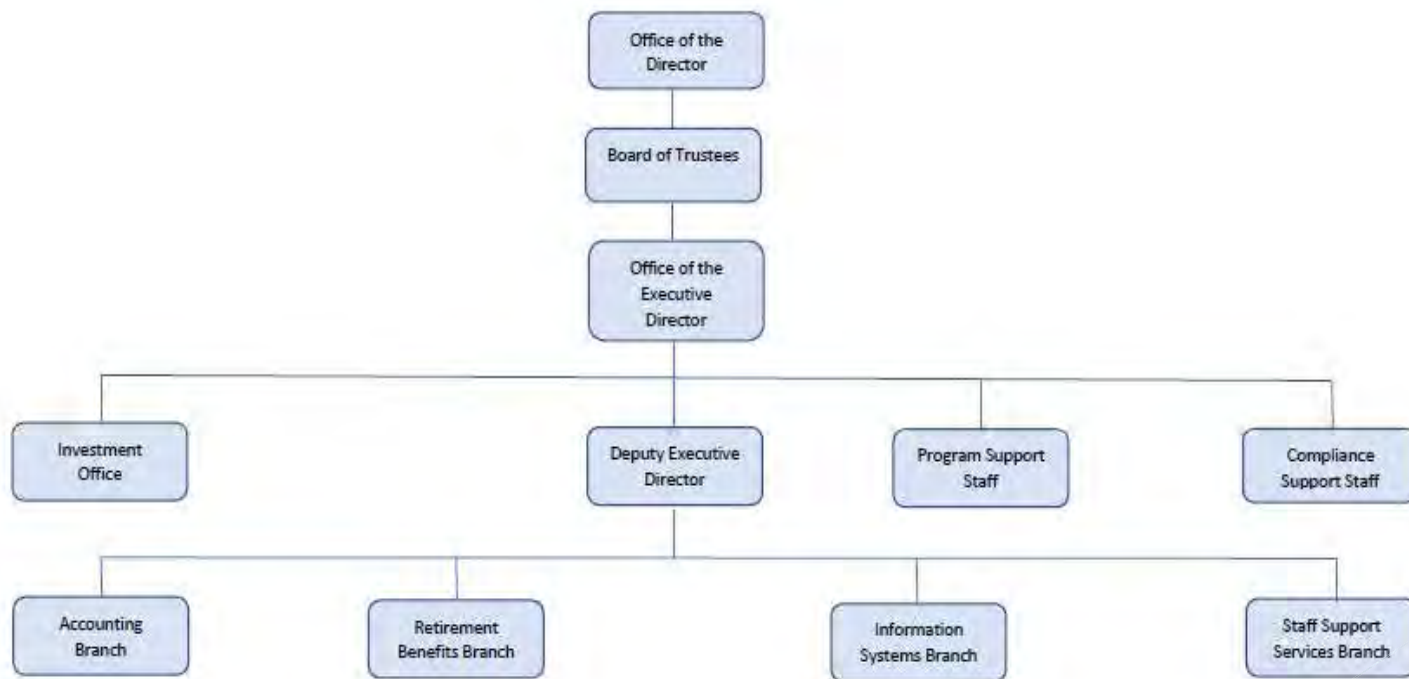
May 31, 2022



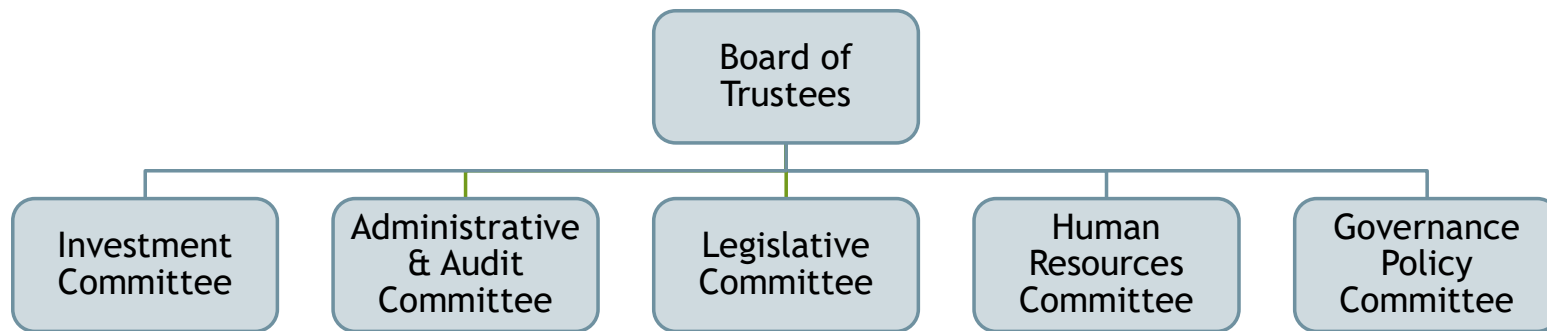
Employees' Retirement System  
of the State of Hawaii



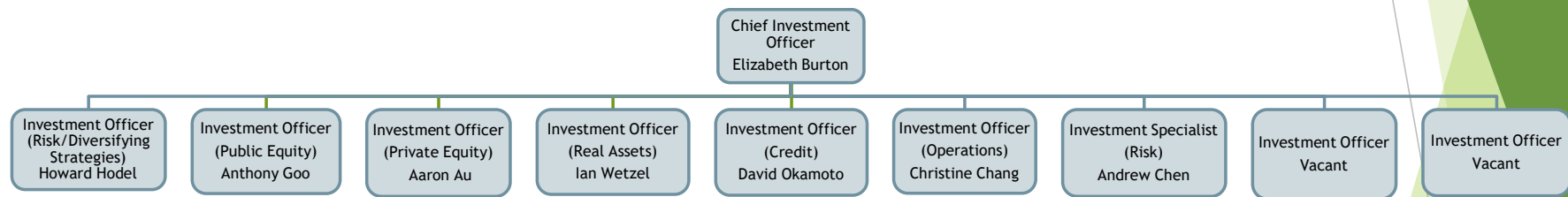
# ERS Organizational Chart



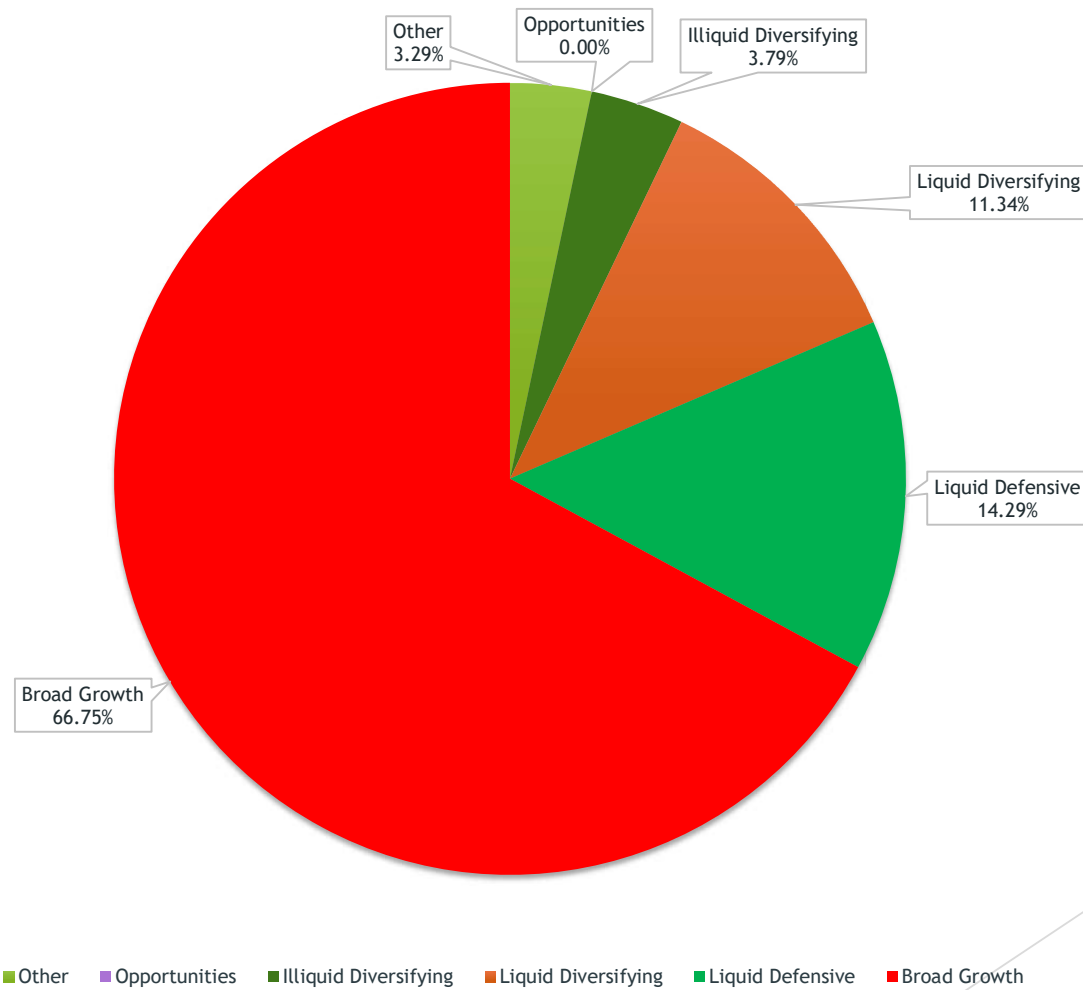
# Board of Trustee Committees



# Investment Office Organizational Chart



## ERS Total Fund Asset Allocation March 31, 2022



## ERS - Oahu Office

- City Financial Tower
- 201 Merchant Street, Suite 1400
- Validated Parking in the building
- Ph. (808) 586-1735
- Hours: 7:45 a.m.-4:30 p.m. (Except Holidays)





# ERS Neighbor Islands - Hawaii, Kauai, Maui

## Hawaii

101 Aupuni St., #208  
Hilo, Hawaii 96720  
Ph. (808) 974-4074  
(808) 974-4000 Ext.  
61735 (toll free to Oahu)

## Kauai

3060 Eiwa St., #302  
Lihue, Hawaii 96766  
Ph. (808) 274-3010  
(808) 274-3141 Ext. 61735  
(toll free to Oahu)

## Maui

54 S. High St., #218  
Wailuku, Hawaii 96793  
Ph. (808) 984-8181  
(808) 984-2400 Ext. 61735  
(toll free to Oahu)

**Molokai/Lanai members:** 1-800-468-4644 Ext. 61735 (toll free to Oahu) or our Maui Office



Employees' Retirement System  
of the State of Hawaii

# Contacting the ERS

Email:

[dbf.ers.sss@hawaii.gov](mailto:dbf.ers.sss@hawaii.gov)

Website:

<http://ers.ehawaii.gov>





# MAHALO!



Employees' Retirement System  
of the State of Hawaii



**STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS**

**Committee on Resource Management**

Trustee John Waihe'e IV, *At-Large - Chair*

Trustee Luana Alapa, *Moloka'i / Lāna'i - Vice Chair*

*Members*

Trustee Leina'ala Ahu Isa, *At-Large*

Trustee Dan Ahuna, *Kaua'i / Ni'ihau*

Trustee Kaleihikina Akaka, *O'ahu*

Trustee Keli'i Akina, *At-Large*

Trustee Brendon Kalei'aina Lee, *At-Large*

Trustee Carmen Hulu Lindsey, *Maui*

Trustee Mililani Trask, *Hawai'i Island*

**MEETING OF THE  
COMMITTEE ON RESOURCE MANAGEMENT (RM)**

**DATE:** Tuesday, May 31, 2022

**TIME:** 1:30 p.m.

**PLACE:** Virtual Meeting viewable at [www.oha.org/livestream](http://www.oha.org/livestream) OR

Listen by phone: (213) 338-8477,

Webinar ID: 840 0869 8043

**Due to COVID-19, the OHA Board of Trustees and its standing committees will hold virtual meetings until further notice.**

**This virtual meeting can be viewed and observed via livestream on OHA's website at [www.oha.org/livestream](http://www.oha.org/livestream) or listened to by phone at: (213) 338-8477, Webinar ID: 840 0869 8043. A physical meeting location open to the general public will be available at 560 N. Nimitz Hwy., Suite 200, Honolulu HI 96817. All members of the public that wish to access the physical meeting location must pass a wellness check and provide proof of full vaccination or a negative COVID-19 test taken within 72 hours of entry.**

**AGENDA**

**I. Call to Order**

**II. Public Testimony on Items Listed on the Agenda\***

(Please see page 2 on how to submit written testimony or provide oral testimony online.

Oral testimony by telephone/landline **will not** be accepted)

**III. Approval of Minutes**

A. May 3, 2022

**IV. Unfinished Business - None**

**V. New Business**

A. Administration Presentation re: State of Hawai'i, Employees Retirement System,  
Executive Director, Thomas Williams, Endowment Function

**B. ACTION ITEM RM #22-08: Community Based, Micro Kokua Grants**

C. ACTION ITEM RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022  
(FY 22) and 2022-2023 (FY 23) - Realignment #3

D. ACTION ITEM RM #22-10: Limited Delegation of Authority of Chapter 10-17 Grant Awards  
for the Purposes of Effecting Responsive Emergency Financial  
Assistance and Community Based, Micro Kokua Grants

**VI. Announcements**

**VII. Adjournment**

If you require an auxiliary aid or accommodation due to a disability, please contact Everett Ohta at telephone number (808) 594-1988 or by email at: [everetto@oha.org](mailto:everetto@oha.org) no later than three (3) business days prior to the date of the meeting. Meeting materials will be available to the public 72 hours prior to the meeting and posted to OHA's website at: [www.oha.org/rm](http://www.oha.org/rm).



**ACTION ITEM**  
**Committee on Resource Management**  
**May 31, 2022**

**RM #22-08**

**Action Item:**                      **Approval of Community Based, Micro Kōkua Grants**

**Co-Prepared &  
Reviewed by:**

A handwritten signature in black ink, appearing to read 'Ramona G. Hinck'.

May 27, 2022

---

**Ramona G. Hinck**  
**Ka Pou Kihi Kanaloa Wai, Chief Financial Officer**  
**and Interim Grants Manager**

**Date**

**Reviewed by:**

A handwritten signature in black ink, appearing to read 'Casey K. Brown'.

May 27, 2022

---

**Casey K. Brown**  
**Ka Pou Nui, Chief Operating Officer**

**Date**

**Co-Prepared &  
Reviewed by:**

A handwritten signature in black ink, appearing to read 'Sylvia M. Hussey'.

May 27, 2022

---

**Sylvia M. Hussey, Ed.D.**  
**Ka Pouhana, Chief Executive Officer**

**Date**

**Reviewed by:**

A handwritten signature in black ink, appearing to read 'John D. Waihe'e'.

May 27, 2022

---

**John D. Waihe'e, IV**  
**Luna Ho'omaluku o ke Kōmike Resources Management**  
**Chair, Committee on Resource Management**

**Date**

## Action Item RM #22-08: Approval of Community Based, Micro Kōkua Grants

### I. Proposed Action

Approve a community based, micro Kōkua grant in the amount of \$1,000, for the Moloka'i Youth Cadet Leadership Program, sponsored by the Moloka'i Community Service Council, from FY 2022, Program 3800, Object Code 56560 – Sponsorships, at Attachment A.

### II. Issue

Whether or not, the Committee on Resource Management will approve and recommend to the Board of Trustees ("BOT" or "Board"), a community based, micro Kōkua grant in the amount of \$1,000, for the Moloka'i Youth Cadet Leadership Program, sponsored by the Moloka'i Community Service Council.

### III. Discussion

**A. Budget Authorization.** On June 30, 2021, via Action Item RM #21-08A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), the Board approved \$30,000 in each fiscal year for the purposes of administering rural community based sponsorships <\$1,000 in six island communities (Kauai, Lanai, Molokai, Maui, O'ahu and Hawai'i Island). The intent was to support small but meaningful mission aligned events, activities and projects in the island communities.

Table 1: Sponsorships – 56560 is Table 10 from Action Item #21-08A details the programmatic sponsorships approved. The Board noted that while the BOT – Sponsorships and Kaiaulu/CEO Sponsorships were included in the budget, both line items are subject to the 2018 moratorium pending further work, recommendations and actions of the Board's Ad Hoc Committee on Grants and Sponsorships.

**Table 1: Sponsorships – 56560**  
*[Table 10 in Action Item RM #21-08A, June 30, 2021]*

Sponsorships	Awarded	Awarded	Biennium Budget Request		FY22/FY23
	FY 20*	FY 21*	FY 22	FY 23	2-Year Total
BOT - Sponsorships			135,000	135,000	270,000
Kaiaulu/CEO - Sponsorships			70,921	70,921	141,842
<b>Sub-total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,921</b>	<b>\$205,921</b>	<b>\$411,842</b>
CE - Coalition Building	20,000	0			0
CE - Association of Hawaiian Civic Clubs	10,000	0	10,000	10,000	20,000
CE - CNHA	10,000	10,000	10,000	10,000	20,000
CE - Onipa'a Celebration	5,000	5,000	5,000	5,000	10,000
CE-SCHHA Homestead Summit	0		10,000	10,000	20,000



**Action Item RM #22-08: Approval of Community Based, Micro Kōkua Grants**

Sponsorships	Awarded	Awarded	Biennium Budget Request		FY22/FY23
	FY 20*	FY 21*	FY 22	FY 23	2-Year Total
CE-Native Hawaiian Chamber of Commerce - O'O Awards			5,000	5,000	10,000
CE-Moanalua Gardens, Prince Lot			15,000	15,000	30,000
Merrie Monarch			15,000	15,000	30,000
Queen Liliuokalani Keiki Hula			15,000	15,000	30,000
Lunalilo Home Event, Project, Program			15,000	15,000	30,000
Iolani Palace Event, Project, Program			15,000	15,000	30,000
Aha Punana Leo Event, Project, Program			15,000	15,000	30,000
Polynesian Voyaging Society Event, Project, Program			15,000	15,000	30,000
<b>Rural Community Based Sponsorship, &lt; \$1,000; 6 island communities</b>			<b>30,000</b>	<b>30,000</b>	<b>60,000</b>
<b>Sub-total</b>	<b>\$45,000</b>	<b>\$15,000</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$350,000</b>
Advocacy - NH Congressional Fellowship	50,000	0	0	0	0
Advocacy - Papahānaumokuākea	15,000	5,000	15,000	15,000	30,000
Advocacy - Alaska Federation of Natives	5,000	5,000	5,000	5,000	10,000
Advocacy - National Congress of American Indians	5,000	5,000	5,000	5,000	10,000
Advocacy - National Indian Education Association	5,000	5,000	5,000	5,000	10,000
Advocacy - National Museum of the American Indians	5,000	0	0	0	0
Pacific Day - NZ Embassy	3,500	0	0	0	0
<b>Sub-total</b>	<b>\$88,500</b>	<b>\$20,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$60,000</b>

**Action Item RM #22-08: Approval of Community Based, Micro Kōkua Grants**

Sponsorships	Awarded	Awarded	Biennium Budget Request		FY22/FY23
	FY 20*	FY 21*	FY 22	FY 23	2-Year Total
Na Mamo Makamae		0			0
Homestead Summit		10,000			0
NHCC O'o Awards		5,000			0
Moanalua Foundation, Prince Lot		15,000			0
<b>Sub-total</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Realignment #3</b>					0
Merrie Monarch		15,000			0
Queen Liliuokalani Keiki Hula		15,000			0
Lunalilo Home Event, Project, Program		15,000			0
Iolani Palace Event, Project, Program		15,000			0
Aha Punana Leo Event, Project, Program		15,000			0
<b>Sub-total</b>	<b>\$0</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Sponsorships:</b>	<b>\$133,500</b>	<b>\$140,000</b>	<b>\$410,921</b>	<b>\$410,921</b>	<b>\$821,842</b>

**B. Community Based, Micro Kōkua Grants**

In 2019, the Community Engagement (CE) paia worked with Corporate Counsel on processes and forms for community based, micro grants in accordance, and to be compliant with, the provisions of Chapter 10-17 – Grants. The reasoning for the CE paia's initial planning and processing, at that time, was that the CE paia including the Community Outreach unit (and Community Outreach Coordinators), being in the community, were in a better position to assess the needs of the community, and address via a small (\$ amount), yet meaningful grant.

Shelved due to the pandemic and reorganization activities, in 2022, the Beneficiary Services unit (aka Hui Huliamaahi), revived the planning effort and re-reviewed and updated, as needed, processes and forms, and launched a pilot application process via the statewide Beneficiary Service Agents. Included in the re-review and update process was to align allowable expenditures with the 'Ahahui event grant program that awards up to \$10,000 for a community event. Included as eligible expenditures for the maximum \$1,000 award include: food, lei, modest makana or ho'okupu (e.g., under \$50, packaged pa'akai), rewards-printed goods (e.g., certificate for 'ōlelo), supplies for activities (e.g., makahiki games, konane).

The intent was to learn about the efficacy of the developed processes, forms and scoring and make recommendations for improvement, including compliance with policy that all grants, including sponsorships, are to be approved by the Board.

## **Action Item RM #22-08: Approval of Community Based, Micro Kōkua Grants**

---

The application form and pilot applicants are found at Attachments A and B and the developed scoring sheet at Attachment C. Each pilot application was scored by a team of three reviewers consisting of: 1) a Beneficiary Services Agent in the applicant community; 2) a second Beneficiary Services Agent; and 3) the Beneficiary Services Manager. Recommendations for awarding were then forwarded to the Chief Executive Officer, via the Communications Director (upline Director), and this action item was prepared.

If this pilot award recommendation is approved, Communications will work with Grants and Beneficiary Services programs to advertise broadly to beneficiaries and communities regarding the community based, micro kokua grants (e.g., access, application, \$, budget, mission alignment). The upline recommendation(s) will follow this future path: Hui Huliamaahi via the Communications Director to the Grants Manager via the Chief Financial Officer, then to Ka Pouhana/Chief Executive Officer.

### **IV. Applicant – Moloka‘i Community Service Council , Moloka‘i Youth Cadet Leadership Program (Attachment A)**

Via the pilot process, an application was received from the Moloka‘i Community Service Council for the Moloka‘i Youth Cadet Leadership Program planned for June 6-24, 2022. The Youth Cadet program is designed to give participants first-hand experience and insight into the operations of law enforcement and other first responder professions, including police officers, fire fighters and paramedics. Students must have maintained at least a C average, and also must not have any major criminal convictions. The leadership component will include learning how to bond with team members, listening, journaling, how to make good decisions, and how to collaborate with others in order to problem-solve. A formal graduation ceremony will be held on June 24. Awards will be given for the best notebook, physical fitness, and scholarship. The \$1,000 sponsorship will be used for books, uniforms and shoes for the program participants.

The Moloka‘i Community Service Council, Inc.<sup>1</sup> (“MCSC”) was incorporated in 1974 under the laws of the State of Hawaii as a nonprofit corporation. MCSC was organized to administer, sponsor, and provide educational, charitable and community development programs on the island of Moloka‘i. In addition, MCSC qualifies for the charitable contribution deduction under Section 170(B) (L)(A)(VI) and been classified as an organization that is not a private foundation under Section 509(A)(2). Accordingly, qualifying contributions to MCSC are tax deductible.

Utilizing the scoring sheet at Attachment C, and the resultant aggregate score, awarding is recommended.

INTENTIONALLY LEFT BLANK

---

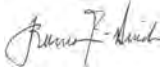
<sup>1</sup> <https://www.guidestar.org/profile/23-7426312>, retrieved May 25, 2022

## **Action Item RM #22-08: Approval of Community Based, Micro Kōkua Grants**

---

### **V. Certification of Funding Availability**

The \$1,000 in funds proposed in this Action Item is currently available from OHA's FY 22 core Operating Budget, Program 3800-Grants, Sponsorships – 56560.



---

Ramona G. Hinck  
Ka Pou Kihī Kanaloa Wai, Chief Financial Officer

**May 27, 2022**

---

Date

### **VI. Recommended Action**

Approve a community based, micro, Kōkua grant in the amount of \$1,000, for the Moloka'i Youth Cadet Leadership Program, sponsored by the Moloka'i Community Service Council, from FY 2022, Program 3800, Object Code 56560 – Sponsorships, at Attachment A.

### **VII. Alternatives**

- A. Take no action to approve the community based, micro Kokua grant.
- B. Approve a different dollar amount for the proposed community based, micro Kokua grant.

### **VIII. Time Frame**

This action shall be effective immediately upon approval by the Board of Trustees.

### **IX. Attachments**

- A. Application – Moloka'i Youth Cadet Leadership Program, Moloka'i Community Service Council
- B. Application – Senior Housing Celebration, Kulanakauhale Maluhia LLC
- C. Program Scoring Sheet





## OHA Kōkua Events Grant Application

This OHA Kōkua Events Grant Application ("Application") is used to gather information and evaluate a funding request from a qualified, non-profit organization ("Applicant Organization") for activities and/or services directed toward the betterment of conditions of Native Hawaiians. The Application must be completed and signed by someone authorized to represent and bind the Applicant Organization in an agreement with the Office of Hawaiian Affairs ("OHA").

1. Date of Application: April 21, 2022
2. Date(s) of Event: June 6 -24, 1022
3. Name of the Event: Molokai Youth Cadet Leadership Program
4. Name of Applicant Organization: Moloka'i Community Service Council
5. Name and contact information of authorized representative who is submitting the Application on behalf of the Applicant Organization: Katie Juario
6. Contact Phone number and Email: Phone: 553-3244; E-mail: [mcsc@molokai.org](mailto:mcsc@molokai.org)
7. Describe the services to be provided and, or the activities to be conducted by the Applicant Organization ("Grant Activities").  
The Youth Cadet program is designed to give participants first-hand experience and insight into the operations of law enforcement and other first responder professions, including police officers, fire fighters and paramedics. Students must have maintained at least a C average, and also must not have any major criminal convictions. The leadership component will include learning how to bond with team members, listening, journaling, how to make good decisions, and how to collaborate with others in order to problem-solve. A formal Graduation ceremony will be held on June 24. Awards will be given for the best notebook, physical fitness, and scholarship.
8. Describe the purpose of submitting the Application to OHA, including alignment of the Grant Activities with OHA's purpose, mission, and strategic plan.  
This project is consistent with OHA's Strategy 3: To advance policies, programs and practices that strengthen Hawaiian well-being, including physical, spiritual, mental and emotional health. Outcomes for this strategy include: Increased availability and access to quality, culturally based, and culturally adapted prevention and treatment interventions in 'ohana, schools, and communities. Leadership training for youths will improve their physical, spiritual, mental and emotional health.

9. Describe the target group to be benefited, including the number of Native Hawaiians projected to be served and how activities and, or services will be targeted to Native Hawaiians.  
Ten (10) students will be chosen to enroll in this program. The application process has already begun, and so far all applications submitted have been from Native Hawaiian students. The organizers anticipate that the majority of participants will be Hawaiians.
10. How will the event be promoted?  
Organizers have already begun promoting the event. Flyers have been school and the organizers have conducted Zoom meetings with teachers and in-person discussions with students.
11. As a sponsor, what recognition benefits will be provided to OHA?  
OHA's support will be recognized throughout the process of preparing and implementing the program. On its conclusion, OHA will be named as a sponsor in news media reports.
12. What is the total funding amount requested?(max \$1,000)  
\$1,000 is requested. Funds will be used for program supplies: Books, uniforms and shoes will be purchased for the students.

Along with this Application, the Applicant shall provide the following required documentation as Exhibits to the Application:

- A. OHA Budget Form (Exhibit "A") to provide detailed estimates of the proposed expenditure of OHA funds.
- B. OHA Board Governance Certification form; ("Exhibit B" Attached) and
- C. Proof of its non-profit, tax-exempt status from the Internal Revenue Service.

Prior to receiving a grant award, the following requirements must also be met by the Applicant Organization:

1. The Applicant Organization must execute an OHA Kōkua Event Grant Agreement;
2. The Applicant Organization must have applied for or received all applicable licenses and permits required to conduct the activities or provide the Grant Activities.

Following the event, the Applicant Organization shall submit a final report on the event activities.

**By signing below, the person signing certifies that he/she/they possesses the necessary authority to bind the Applicant Organization and that the information provided herein is true and accurate. It is further understood that, if approved for funding, the Applicant Organization and OHA will need to execute a grant agreement contract, which will incorporate information provided in this Application; the submittal of this Application in**

no way obligates OHA to fund the Applicant Organization until a grant agreement contract is executed.

Signature



Karen M. Holt, Executive Director

Print Name &amp; Title

## Exhibit A

Budget Category Item	OHA Request	Description & Justification
<i>Supplies</i>		
	\$1,000	Books, uniforms and shoes will be purchased for the students.
<b>Totals:</b>	<b>\$1,000</b>	<div>Total Event Cost:</div> <div>\$1,000</div>



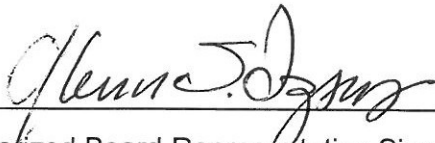
## Exhibit B

**BOARD GOVERNANCE CERTIFICATION**

On behalf of the Molokai Youth Cadet Leadership Program, I hereby certify for the Moloka'i Community Service Council ("Recipient") that:

- 1) The members of the Recipient's governing board have no material conflict of interest and serve without compensation;
- 2) The Recipient's governing board has bylaws or policies that describe the manner in which business is conducted and policies relating to nepotism and management of potential conflict of interest situations; and
- 3) The Recipient employs or contracts with no two or more members of a family or kin of the first or second degree of consanguinity (i.e., a spouse, parent, child, grandparent, grandchild, or sibling of another employee or contractor of the Recipient), unless specifically permitted by OHA.

By signing below, I confirm that I am authorized to certify the Recipient's compliance with the requirements of HRS §10-17(c)(2), as listed above, and that I am responsible for the certification made herein. I understand that the Office of Hawaiian Affairs ("OHA") may make a written request(s) for additional information from the Recipient, in fulfillment of OHA's responsibilities under HRS Chapter 10.



Authorized Board Representative Signature

Name: Glenn S. Izawa

Title: President

Phone Number: 808-553-3244

E-mail: mcsc@molokai.org





## OHA Kōkua Events

## Grant Application

This OHA Kōkua Events Grant Application (“Application”) is used to gather information and evaluate a funding request from a qualified, non-profit organization (“Applicant Organization”) for activities and/or services directed toward the betterment of conditions of Native Hawaiians. The Application must be completed and signed by someone authorized to represent and bind the Applicant Organization in an agreement with the Office of Hawaiian Affairs (“OHA”).

1. Date of Application: **April 18, 2022**
2. Date(s) of Event **FRIDAY, MAY 20, 2022  
(ONE-EVENING EVENT)**
3. Name of the Event: **NONE**
4. Name of Applicant Organization: **KULANAKAUHALE MALUHIA LLC**
5. Name and contact information of authorized representative who is submitting the Application on behalf of the Applicant Organization:  
**NOHEALANI HO’OPI’I, LOCATIONS HAWAII**
6. Contact Phone number and Email: **808-260-8182  
NOHEALANI.HOOPII@LOCATIONS.COM**
7. Describe the services to be provided and, or the activities to be conducted by the Applicant Organization (“Grant Activities”).  
**TO LIFT KUPUNA SPIRITS AND PROVIDE A WELCOME BREAK:  
Boxed dinners, shave ice truck, goodie bags and door prizes  
LEI MAKING CONTEST AND MASSAGE:  
The therapeutic value of MASSAGE AND MAKING LEI comes from the need to RELAX. KUPUNA immerse themselves and ‘forget’ their troubles and take a break from reality.  
HONORING KUPUNA LIVING HERE FOR TWENTY YEARS.**

8. Describe the purpose of submitting the Application to OHA, including alignment of the Grant Activities with OHA's purpose, mission, and strategic plan.  
**THE PURPOSE FOR THE ONE-EVENING EVENT ARE AS FOLLOWS:**
  - a) **PROVIDE OUR IMMUNO-COMPROMISED KUPUNA, LIVING AT KULANAKAUHALE MALUHIA, WITH A SAFE COVID-PROTOCOL GATHERING FOLLOWING 2 YEARS OF ISOLATION DUE TO THE PANDEMIC**
  - b) **CELEBRATE THE 20 YEAR ANNIVERSARY OF KULANAKAUHALE MALUHIA (ALSO KNOWN AS THE WAIMANALO KUPUNA HOUSING)**
9. Describe the target group to be benefited, including the number of Native Hawaiians projected to be served and how activities and, or services will be targeted to Native Hawaiians.  
**THE ONE-EVENING EVENT IS FOR ELDERLY HAWAIIAN TENANTS LIVING AT THE LOW INCOME HOUSING TAX CREDIT (LIHTC) PROJECT IN WAIMANALO**  
**ALL KUPUNA ARE HAWAIIAN, LIVING ON HAWAIIAN HOME LANDS... APPROXIMATELY 60 TO 70 (OUT OF 85 UNITS ARE EXPECTED TO ATTEND)**
10. How will the event be promoted? **FLIERS POSTED AT THE RESIDENCE**
11. As a sponsor, what recognition benefits will be provided to OHA?  
**AS OHA DESIRES**
12. What is the total funding amount requested? (*max \$1,000*) **\$1,000.00**  
**(COULD USE MORE THAN THE MAXIMUM)**

Along with this Application, the Applicant shall provide the following required documentation as Exhibits to the Application:

- A. OHA Budget Form (Exhibit “A”) to provide detailed estimates of the proposed expenditure of OHA funds.
- B. OHA Board Governance Certification form; (“Exhibit B” Attached) and
- C. Proof of its non-profit, tax-exempt status from the Internal Revenue Service.

Prior to receiving a grant award, the following requirements must also be met by the Applicant Organization:

- 1. The Applicant Organization must execute an OHA Kōkua Event Grant Agreement;
- 2. The Applicant Organization must have applied for or received all applicable licenses and permits required to conduct the activities or provide the Grant Activities.

Following the event, the Applicant Organization shall submit a final report on the event activities.

**By signing below, the person signing certifies that he/she/they possesses the necessary authority to bind the Applicant Organization and that the information provided herein is true and accurate. It is further understood that, if approved for funding, the Applicant Organization and OHA will need to execute a grant agreement contract, which will incorporate information provided in this Application; the submittal of this Application in no way obligates OHA to fund the Applicant Organization until a grant agreement contract is executed.**

Signature	Print Name & Title
-----------	--------------------

**NOHEALANI HO’OPI’I, LOCATIONS HAWAII**  
KULANAKAUHALE RESIDENT MANAGER

**808-260-8182**

**[NOHEALANI.HOOPII@LOCATIONS.COM](mailto:NOHEALANI.HOOPII@LOCATIONS.COM)**

## Exhibit A

<i>Budget Category Item</i>	<i>OHA Request</i>	<i>Description &amp; Justification</i>
<b><i>Advertising</i></b>		
	ZERO	
<b><i>Contract Services</i></b>		
	ZERO	BOXED DINNERS, SHAVE ICE TRUCK, GOODIE BAGS, DOOR PRIZES
		\$1,000.00
<b><i>Honoraria</i></b>		
	ZERO	
<b><i>Insurance</i></b>		
	ZERO	
<b><i>Rental of Equipment</i></b>		
	\$500.00	TENT: \$350.00, CHAIRS: \$150.00
<b><i>Rental of Space</i></b>		
	ZERO	
<b><i>Publication &amp; Printing</i></b>		
	ZERO	
<b><i>Supplies</i></b>		
	\$200.00	
<b><i>Travel</i></b>		
	ZERO	
<b><i>Other Expenses</i></b>		
	\$300.00	LIVE ENTERTAINMENT
	ZERO	CONSUMPTION GOODS/MATERIALS : \$500.00
<b>Totals:</b>	<b>\$1,000.00</b>	<b>Total Event Cost: \$2,500.00</b>



**Exhibit B**

**BOARD GOVERNANCE CERTIFICATION**

On behalf of ( the "Recipient"), I hereby certify that:  
*Recipient Organization Name*

- 1) the members of the Recipient's governing board have no material conflict of interest and serve without compensation;
- 2) the Recipient's governing board has bylaws or policies that describe the manner in which business is conducted and policies relating to nepotism and management of potential conflict of interest situations; and
- 3) the Recipient employs or contracts with no two or more members of a family or kin of the first or second degree of consanguinity (i.e., a spouse, parent, child, grandparent, grandchild, or sibling of another employee or contractor of the Recipient), unless specifically permitted by OHA.

By signing below, I confirm that I am authorized to certify the Recipient's compliance with the requirements of HRS §10-17(c)(2), as listed above, and that I am responsible for the certification made herein. I understand that the Office of Hawaiian Affairs ("OHA") may make a written request(s) for additional information from the Recipient, in fulfillment of OHA's responsibilities under HRS Chapter 10.

---

Authorized Board Representative Signature

Name:

Title:

OFFICE OF HAWAIIAN AFFAIRS  
COMMUNICATIONS - HUI HULIAMAHU  
GRANT TITLE: Community Based Micro Kōkua Events Grants

DATE

REVIEWER

APPLICANT ORGANIZATION

EVENT NAME

EVENT DATE

ALIGNMENT WITH OHA'S STRATEGIC FOUNDATIONS

ALIGNMENT WITH OHA'S STRATEGIES

- ☐ 'Āina  
☐ Ōhāna  
☐ Mo'omeheu  
☐ Strategy 1: Support development and use of educational resources  
☐ Strategy 2: Support Hawaiian medium and focused charter schools  
☐ Strategy 3: Strengthen Hawaiian well-being  
☐ Strategy 4: Strengthen the health of the 'āina and mo'omeheu  
☐ Strategy 5: Strengthen resource management knowledge and skills  
☐ Strategy 6: Support implementation of the Hawaiian Homes Commission Act and other  
☐ Strategy 7: Ability to pursue multiple pathways toward economic stability  
☐ Strategy 8: Cultivate economic development in and for Hawaiian communities

APPLICANT ORGANIZATION TOTAL POINTS:

0.0

	Will Compute Automatically	
		<b>Detailed Score</b>
I.	Alignment to an OHA Strategic Result & Grant Purpose	0.0
II.	Impact and Benefit to the Hawaiian Community	0.0
III.	Community Building Opportunities	0.0
IV.	Relevance, Reasonableness, and Appropriateness of Budget Items	0.0
	<b>TOTAL</b>	<b>0.0</b>

COMPLETE RECOMMENDATION BELOW: place an X to indicate your recommendation

<input type="checkbox"/>	AWARD	<input type="checkbox"/>	DO NOT AWARD	<input type="checkbox"/>	
				Please specify amount:	<input type="text"/> max \$1,000
Comments:					

**Scoring**

OHA has assigned points to the bulleted criterion listed for each section (see Section 4 Proposal Evaluation)

Evaluators will utilize the scale set forth below, by writing the scale number, either 10, 8, 6, 4, or 2, that is

deemed appropriate for each criterion in the "Scale" column.

Scale Number	
10	Excellent; far above average; exemplary
8	Exhibits real strength; above average
6	Just meets requirements; average
4	Development needed; below average
2	Far below average; not acceptable

Section	Criteria	Assigned Points	Scale #	Maximum Possible
I.	ALIGNMENT TO OHA STRATEGIC RESULT & VISION	10 points		
	1 <u>Supports OHA's Strategic Result/s</u>	10	<input type="text"/>	10
	The event meaningfully supports OHA's Strategic Plan and its intended impacts to the Hawaiian community.			
	Subtotal			10
	Score Section 1			
Comments:				

Section	Criteria	Assigned Points	Scale #	Maximum Possible
II.	IMPACT AND BENEFIT TO THE HAWAIIAN COMMUNITY	30 points		
	1 <u>Engages and benefits Hawaiians</u>	10	<input type="text"/>	10
	The event is primarily designed to engage and benefit Hawaiians. Engaging Hawaiians can be demonstrated in their significant attendance at the event.			

OFFICE OF HAWAIIAN AFFAIRS  
COMMUNICATIONS - HUI HULIAMAHĪ  
GRANT TITLE: Community Based Micro Kōkua Events Grants

2 <u>Demonstrates an Effective Outreach Plan</u>	10	<div></div>	10
Thoughtful and effective outreach is planned to get the Hawaiian community to attend.			

3 <u>Provides strong Evidence of Partnership and Collaboration</u>	10	<div></div>	10
Demonstrates evidence of community partnership and collaboration in planning, presenting of activities, or in building interest and attendance.			

Subtotal	0	30
Score Section 2		

Comments:

Section	Assigned Points	Scale #	Maximum Possible
<u>Criteria</u>			
III. COMMUNITY BUILDING OPPORTUNITIES	30		
1 <u>Community Empowerment</u>	10	<div>0</div>	10
The event provides opportunities to empower communities through education, coalition-building, and outreach.			
2 <u>Alignment with Issues of Importance</u>	10	<div>0</div>	10
The event highlights issues of importance in the Hawaiian community including environment, governance, health, Hawaiian culture, entrepreneurship and economic development, and education			
3 <u>Community Activation and Mobilization</u>	10	<div>0</div>	10
The event offers opportunities for community to activate and mobilize to address issues affecting communities.			

Subtotal	0	30
Score Section 3		

Comments:

Section	Assigned Points	Scale #	Maximum Possible
<u>Criteria</u>			
IV. RELEVANCE, REASONABLENESS, AND APPROPRIATENESS OF BUDGET ITEMS	20 points		
1 <u>Given the Size of Event, Budget is Reasonable and Accurate</u>	10	<div></div>	10
Given the size of the event, the expected attendance, and kinds of activities being offered, the budget is clear, accurate, and reasonable.			
2 <u>Budget Items have Direct and Legitimate Connection to Activities</u>	10	<div></div>	10
Budget items have a direct and legitimate connection to the activities and services being provided at the event. OHA funds will be used appropriately and in a responsible manner.			

Subtotal	0	20
Score Section 4		

Comments:



**STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS**

**Committee on Resource Management**

Trustee John Waihe'e IV, *At-Large - Chair*

Trustee Luana Alapa, *Moloka'i / Lāna'i - Vice Chair*

*Members*

Trustee Leina'ala Ahu Isa, *At-Large*

Trustee Dan Ahuna, *Kaua'i / Ni'ihau*

Trustee Kaleihikina Akaka, *O'ahu*

Trustee Keli'i Akina, *At-Large*

Trustee Brendon Kalei'aina Lee, *At-Large*

Trustee Carmen Hulu Lindsey, *Maui*

Trustee Mililani Trask, *Hawai'i Island*

**MEETING OF THE  
COMMITTEE ON RESOURCE MANAGEMENT (RM)**

**DATE:** Tuesday, May 31, 2022

**TIME:** 1:30 p.m.

**PLACE:** Virtual Meeting viewable at [www.oha.org/livestream](http://www.oha.org/livestream) OR

Listen by phone: (213) 338-8477,

Webinar ID: 840 0869 8043

**Due to COVID-19, the OHA Board of Trustees and its standing committees will hold virtual meetings until further notice.**

**This virtual meeting can be viewed and observed via livestream on OHA's website at [www.oha.org/livestream](http://www.oha.org/livestream) or listened to by phone at: (213) 338-8477, Webinar ID: 840 0869 8043. A physical meeting location open to the general public will be available at 560 N. Nimitz Hwy., Suite 200, Honolulu HI 96817. All members of the public that wish to access the physical meeting location must pass a wellness check and provide proof of full vaccination or a negative COVID-19 test taken within 72 hours of entry.**

**AGENDA**

**I. Call to Order**

**II. Public Testimony on Items Listed on the Agenda\***

(Please see page 2 on how to submit written testimony or provide oral testimony online.

Oral testimony by telephone/landline **will not** be accepted)

**III. Approval of Minutes**

A. May 3, 2022

**IV. Unfinished Business - None**

**V. New Business**

A. Administration Presentation re: State of Hawai'i, Employees Retirement System,  
Executive Director, Thomas Williams, Endowment Function

B. ACTION ITEM RM #22-08: Community Based, Micro Kokua Grants

C. ACTION ITEM RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022  
(FY 22) and 2022-2023 (FY 23) - Realignment #3

D. ACTION ITEM RM #22-10: Limited Delegation of Authority of Chapter 10-17 Grant Awards  
for the Purposes of Effecting Responsive Emergency Financial  
Assistance and Community Based, Micro Kokua Grants

**VI. Announcements**

**VII. Adjournment**

If you require an auxiliary aid or accommodation due to a disability, please contact Everett Ohta at telephone number (808) 594-1988 or by email at: [everetto@oha.org](mailto:everetto@oha.org) no later than three (3) business days prior to the date of the meeting. Meeting materials will be available to the public 72 hours prior to the meeting and posted to OHA's website at: [www.oha.org/rm](http://www.oha.org/rm).




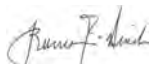
## ACTION ITEM

### COMMITTEE ON RESOURCE MANAGEMENT May 31, 2022


RM #22-09

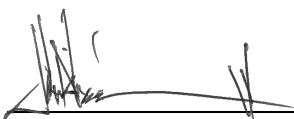
**Action Item Issue:** OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3

Co-Prepared by:  May 27, 2022  
\_\_\_\_\_  
Grace Chen Date  
'Aho Hui Mo'ohelu, Budget Analyst

Co-Prepared  
& Reviewed by:  May 27, 2022  
\_\_\_\_\_  
Ramona G. Hinck Date  
Pou Kāko'o Ho'opono Kūikawā, Interim Controller &  
Ka Pou Kihi Kanaloa Wai, Chief Financial Officer

Reviewed by:  May 27, 2022  
\_\_\_\_\_  
Casey K. Brown Date  
Ka Pou Nui, Chief Operating Officer

Reviewed by:  May 28, 2022  
\_\_\_\_\_  
Sylvia M. Hussey, Ed.D. Date  
Ka Pouhana, Chief Executive Officer

Reviewed by:  May 28, 2022  
\_\_\_\_\_  
Ke Kua, Trustee John D. Waihee, IV Date  
Luna Ho'omalua o ke Kōmike Resource Management  
Chair of the Committee on Resource Management



**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

---

**I. PROPOSED ACTIONS**

**Motion #1:** Approve the fiscal biennium budget realignment #3 for the fiscal biennium periods 2021-2022 (FY22) and 2022-2023 (FY23) as summarized at Attachment #1.

**Motion #2:** Carryforward to 2022-2023 (FY23) budget, an estimated amount of \$100,000 of uncommitted, unencumbered, unaccrued amounts related to reorganization costs.

**Motion #3:** Carryforward from 2021-2022 (FY22) budget to 2022-2023 (FY23) budget any uncommitted, unencumbered, unaccrued, declined or unspent amounts in Appropriation 930, Program 3800 – Grants, Object Code 56510 Grants in Aid Program & Proviso Grants, 56530 Grants in Aid – Community Grants, 56540 Grants in Aid – Level II Grants, 56560 Grants in Aid – Sponsorships, and/or 56570 Grants in Aid – Disaster Aid.

**II. ISSUE**

Whether or not the Committee on Resource Management (“CRM”) should approve and recommend to the Board of Trustees (“Board” or “BOT”), the approval of: 1) the FB22-23 budget realignment #3, summarized at Attachment #1; 2) Carryforward an estimated amount of \$100,000 related to uncommitted, unencumbered, unaccrued reorganization related costs; and 3) Carryforward from 2021-2022 (FY22) budget to 2022-2023 (FY23) budget any uncommitted, unencumbered, unaccrued, declined or unspent amounts in Appropriation 930, Program 3800 – Grants.

**III. POLICY BASIS – Budget Construction & Management Policies**

**A. Budget Construction.** Via Action Item RM #18-12: Amendments to OHA’s Board of Trustees Executive Policy Manual (EPM) related to budget preparation, format and reporting requirements, September 26, 2018, the Board implemented changes to and renamed section 3040 to Planning, Programming, Budget (PPB)<sup>1</sup> (“Section 3040”). In general, section 3040 describes the biennium budget construction process, including sufficient detail planning, programming and financing to support OHA’s Strategic Plan priorities, results, programs and operations. Understanding the business model, time horizon and activities, work plans, etc. are important to be able to budget effectively. In addition, the budget should be able to be shared in a multiple ways— non-core, programmatic, strategy, overhead, personnel, non-personnel; and to multiple audiences (e.g., Board, administration, management, legislators, beneficiaries). Section 3040 of the EPM functions as the organization’s budget construction policy.

**B. Budget Management.** Once the biennium budget is constructed as outlined in Section 3040, implementation and execution of the budget take various forms such as management and monitoring of site operations and activities, payroll, purchase requisitions, purchase orders, disbursements and contracts. Each operational activity has related policies, processes and procedures. Observations, experiences and operations are supplemented with periodic (e.g., weekly, monthly) reports distributed to executives, directors and managers to monitor and manage strategic and tactical activities, purchase requisitions (representing commitments), purchase orders and contracts (representing encumbrances), budget variances (the difference

---

<sup>1</sup> Section 3040 related to Bylaws Review was deleted and moved to Series 1000 which is related to BOT responsibilities (Source: Action Item ARM 10-06 and page 19)

## Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3

---

between actual disbursements + commitments + encumbrances and budgets for the program, object code, contract).

**C. Budget Evaluation.** Reports provided and budget evaluation activities are intended to go hand in hand. Contract management is also part of budget monitoring and management. Evaluation activities consider questions such as:

- What is the dollar and percentage variance of each program?
- What is the nature of that variance—positive, negative, temporary, permanent?
- Should there be an adjustment to the process to spend (e.g., accelerate or slow the procurement process) or the actual spend itself (e.g., service contract or other disbursement vehicle)?
- Are the program plans on track? Do we need to adjust our plans in order to deliver timely and completely?
- Was the intended outcome, deliverable provided? Is there a contract, purchase order or other adjustment to be completed?
- How are the expenditures and disbursements aligned tactically or strategically?

New Section 3045 functions as the organization's budget reporting, management and evaluation policy, collectively "Budget Management Policy".

### **D. Executive Policy Manual Edits**

1. ***Budget Management Policy Updates re: Carryover Provisions, April 2022.*** The Board of Trustees ("BOT" or "Board"), via Action Item RM #22-06 - Budget Management Policy Updates re: Carryover Provisions, April 12, 2022<sup>2</sup>, approved the addition of item 3.45.g. to section 3045 Budget Management of the Executive Policy Manual as follows:

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

2. ***Budget Management Policies, April 2021.*** The Board, via Action Item RM #21-05 - Amendment to Executive Policy Manual Section, Budget Management Policy, April 20, 2021<sup>3</sup>, approved the expansion of Executive Policy Manual (EPM) to: (1) Add new section 3045 Budget Management; (2) Add new section 3046 Fiscal Stabilization Policy; (3) Relocate and renumber two sections currently located in *section 3050 Fiscal* to section 3040 *Planning, Programming, Budget*; and (4) Relocate and renumber five sections currently located in section 3040 *Planning, Programming, Budget* to new section 3045 *Budget Management*.

---

<sup>2</sup> 1st Reading, BOT Meeting, April 14, 2022; 2nd Reading, BOT Meeting, April 28, 2022

<sup>3</sup> 1st Reading, BOT Meeting, April 22, 2021; 2nd Reading, BOT Meeting, April 29, 2021

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

---

E. **Working Definitions.** The following are working definitions that contextualize discussions related to budget realignment of the core and non-core budgets as provided by policy:

- “Expenditure” is when cash is disbursed or an accounting accrual is made to recognize the obligation;
- “Committed” is when a purchase requisition is processed; and
- “Encumbrance” is when a purchase order (and related contract if applicable) is completed and processed.

The total of “expenditure”, “committed” and “encumbrance” is collectively known as (projected) “consumption”. The aggregated, projected “consumption” is compared to the approved budget from the previous period and the amount available for realignment is determined.

F. **Budget Realignment.** The OHA biennium budget is prepared every two years for the ensuing two years, as aligned with the State of Hawaii’s biennium budget construction process. The current biennium budget covers the periods from July 1, 2021, through June 30, 2022 (FY 2022) and July 1, 2022, through June 30, 2023 (FY 2023) and was approved by the BOT on June 30, 2021<sup>4</sup>. As the budget is prepared only once every two years, adjustments are often required to update the budget to current conditions. The process of updating a budget that has already been approved is referred to internally as a “Budget Realignment”.

G. **Budget Realignment #1 – October 2021.** Administration analyzed the necessity of budget realignments for both “Core” and “Non-Core”<sup>5</sup> budgets. Via Action Item RM #21-17: FB22-23 Non-Core Budget Realignment #1, October 26, 2021, the first realignment action was focused on non-core budgets, including the adjustments for changes in occupancy conditions, consulting and other professional services for further planning, signage, and other activities in the area and major repairs, following the recording of operating budgets for the Iwilei properties.<sup>6</sup>

H. **Budget Realignment #2 – February 2022.** This action item specifically addresses the fiscal period, from July 1, 2021, through June 30, 2022 (FY 2022), and July 1, 2022, through June 30, 2023 (FY 2023), and seeks approval for this realignment of the core and non-core budgets, including adjustments for reclassifications between contracts and equipment object codes, adjustments for recognizing reorganization related costs in prior year budget (from current year expenditures) and additional budget for commercial property related planning and other operational adjustments.

---

<sup>4</sup> Action Item RM #21-08A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), June 30, 2021.

<sup>5</sup> For discussion purposes, the reference to “Non-Core” is used to describe budgets and activities for Kaka’ako Makai, Na Lama Kukui, 500 N. Nimitz, 501 Sumner, Native Hawaiian Revolving Loan Fund, Halawa-Luluku Interpretive Development, Wao Kele o Puna and Palaeua. All other budgets and activities are collectively considered “Core”.

<sup>6</sup> 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 #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

---

**IV. FISCAL BIENNIUM 22-23 Realignment #3 – Discussion**

<b>DISCUSSION</b>	<b>PAGE</b>
A. OHA’s Budget, Available Funds and OHA’s Spending Limit.....	6
B. Total Operating Budget Adjustments – FY2022, FY2023.....	13
C. Core Operating Budget Adjustments – FY2022.....	14
1. Core Personnel Budget Adjustments.....	15
2. Core Non-Personnel Budget Adjustments.....	17
D. Commercial Property Budget Adjustments – FY2022.....	30
1. Kaka’ako Makai.....	30
2. Nā Lama Kukui.....	33
3. Iwilei Properties.....	34
E. Legacy Property Budget Adjustments – FY2022.....	36
1. Palaua Culture Preserve.....	36
2. Wao Kele O Puna Management Fund .....	37
F. Other OHA Programs Budget Adjustments - FY2022.....	38
1. Federal-funded.....	38
G. Chief Financial Officer Certification .....	41

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**A. OHA's Budget, Available Funds and OHA's Spending Limit**

An *appropriation* is an authorization granted by the OHA Board of Trustees or Hawai'i State Legislature permitting the agency, within established fiscal and budgetary controls, to incur obligations and to make expenditures for specific purposes. An *appropriation* is usually limited in amount and period of time during which it may be expended. The sources of funding available for spending include the following *appropriations* detailed in **Table 1** below:

**Table 1: Sources of Funding**

Type	Description	Appropriation Number
Core Operating Budget	General Fund appropriations drawn from the State of Hawai'i	100
	Public Land Trust Revenues (PLT) received annually from various State Agencies conducting business on PLT lands	901
	Matching Fund appropriations by the State of Hawai'i but drawn on the Native Hawaiian Trust Fund (NHTF)	910
	A portion of the NHTF which includes revenues received primarily from past-due settlements dividend and interest earnings received thereon plus ten (10) percent of estimated lease and other revenues generated from OHA-owned Kaka'ako Makai parcels allocated to maintain our legacy lands.	930
Fiscal Stabilization Fund	Funds needed to address unexpected shortfalls in available funding that have significant effects on budget(s), as well as emergencies.	935
Commercial Property	Kaka'ako Makai (KM) Revenues generated from OHA-owned parcels	938
	Nā Lama Kukui (NLK) Revenues generated from its investment (formerly known as Gentry Pacific Design)	939
	Iwilei Property: 500 North Nimitz Revenues generated from its investment	950
	Iwilei Property: 501 Sumner Revenues generated from its investment	951
Non-Core Legacy Property <sup>77</sup>	Palauea Cultural Preserve – includes a percentage of all home sales within the development	310
	Wao Kele O Puna Management Fund – includes previously-authorized Board appropriations for current and future programmatic needs	315

<sup>77</sup> Core Legacy properties include: Kukaniloko, Pahua Heiau, Hoomana, Waialua Courthouse,



**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

---

Type	Description	Appropriation Number
Other OHA Programs Budget – <i>Federal</i>	Federal-fund appropriations for the Hālawā Lūluku Interpretive Development (HLID) Project	200
	Federal-fund appropriations for the Native Hawaiian Revolving Loan Fund (NHRLF) Program	202
	Federal-fund appropriations for Papahānaumokuākea Marine National Monument (PMNM)	203
Other Programs Budget – <i>Other</i>	Others – includes funds primarily collected from Ka Wai Ola advertisement sales and miscellaneous income	320
	Mainly the Native Hawaiian Trust Fund.	902

OHA’s biennium budget’s Spending Limit is comprised of all five *Sources of Funding* as summarized in **Table 2** below, and is discussed herein, to include the following:

1. Core Operating Budget
2. Fiscal Reserve Authorizations
3. Commercial Property
4. Legacy Property
5. Other OHA Budget – Federal and Others

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**Table 2: Spending Limit for FY 2022 Total Operating Budget**

FY 2022 Spending Limit	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	Ref Page
	AI RM #21-08A	AI RM #21-17	AI RM #22-01	AI RM #22-09		
	(a)	(b)	(c)	(d)	(e)= (d-c)	
<b>1. Core Operating Budget</b>						
5% of Investment Portfolio	\$17,963,254	\$17,963,254	\$17,963,254	\$17,963,254	\$0	
Public Land Trust Revenues	15,100,000	15,100,000	15,100,000	15,100,000	0	
State of Hawai'i General Funds	2,254,400	2,254,400	2,254,400	2,254,400	0	
Allocation of Kaka'ako Makai Revenues	1,363,861	1,363,861	1,363,861	1,363,861	0	
<b>Sub-total - Core Operating:</b>	<b>\$36,681,515</b>	<b>\$36,681,515</b>	<b>\$36,681,515</b>	<b>\$36,681,515</b>	<b>\$0</b>	
<b>2. Fiscal Stabilization Fund</b>						
FY 2021 Designation <sup>8</sup>	\$321,000	\$321,000	\$321,000	\$371,453	\$50,453	
<b>Sub-total – Fiscal Stabilization Fund:</b>	<b>\$321,000</b>	<b>\$321,000</b>	<b>\$321,000</b>	<b>\$371,453</b>	<b>\$50,453</b>	
<b>3. Commercial Property</b>						
Kaka'ako Makai	\$9,737,807	\$9,737,807	\$9,737,807	\$9,737,807	\$0	
Nā Lama Kukui	6,245,502	6,250,334	6,250,334	6,250,334	0	
<b>Sub-total – Commercial Property:</b>	<b>\$15,983,309</b>	<b>\$15,988,141</b>	<b>\$15,988,141</b>	<b>\$15,988,141</b>	<b>\$0</b>	
<b>4. Iwilei Property</b>						
500 North Nimitz	\$0	\$2,639,294	\$2,639,294	\$2,639,294	\$0	
501 Sumner	0	183,753	183,753	183,753	0	
<b>Sub-total – Iwilei Property:</b>	<b>\$0</b>	<b>\$2,823,047</b>	<b>\$2,823,047</b>	<b>\$2,823,047</b>	<b>\$0</b>	
<b>5. Legacy Properties</b>						
Palauea Culture Preserve	\$330,229	\$330,229	\$330,229	\$330,229	\$0	
Wao Kele O Puna Management Fund	61,244	61,244	61,244	61,244	0	
<b>Sub-total – Special-Legacy Properties:</b>	<b>\$391,473</b>	<b>\$391,473</b>	<b>\$391,473</b>	<b>\$391,473</b>	<b>\$0</b>	
<b>5. Other OHA Programs</b>						
<i>Federal-Funded</i>						
Halawa Luluku Interpretive Development (HLID)	\$459,490	\$459,490	\$465,680	\$812,180	\$352,690	

<sup>8</sup> With correction from previous version to reflect approved figures in BOT #20-04 and updated balance as of 5/3/2022.

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

FY 2022 Spending Limit	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	Ref Page
	AI RM #21-08A	AI RM #21-17	AI RM #22-01	AI RM #22-09		
	(a)	(b)	(c)	(d)	(e)= (d-c)	
Native Hawaiian Revolving Loan Fund (NHRLF)	1,353,806	1,353,806	1,353,806	1,353,806	0	
Papahānaumokuākea (PMNM) <sup>9</sup>	0	0	0	175,000	175,000	
<b>Sub-total – Federal-Funded:</b>	<b>\$1,813,296</b>	<b>\$1,813,296</b>	<b>\$1,819,486</b>	<b>\$2,340,986</b>	<b>\$527,690</b>	
<i>Others</i>	56,000	56,000	56,000	34,000	(22,000)	
<b>Sub-total – Other OHA</b>	<b>\$1,869,296</b>	<b>\$1,869,296</b>	<b>\$1,875,486</b>	<b>\$2,374,986</b>	<b>\$505,690</b>	
<b>Total Operating Budget:</b>	<b>\$55,246,593</b>	<b>\$58,074,472</b>	<b>\$58,080,662</b>	<b>\$58,630,615</b>	<b>\$556,143</b>	

-----INTENTIONALLY LEFT BLANK-----

<sup>9</sup> OHA was awarded \$175,000 by the US Department of Commerce - NOAA (National Oceanic and Atmospheric Administration), a federal agency, for programs and activities that relate directly to the management of the Papahānaumokuākea Marine National Monument (PMNM).

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

---

1. **Core Budget:** Reflects the primary budget consisting of three budget types: operating, project and capital budgets. Operating budget consists of payroll, operations, and program expenditures. A project budget is made up of planned expenditures for particular deliverables having a beginning, middle and end for a duration of 1 to 2-year period (e.g., professional services, other contractors, software, or hardware). Capital budget consists of significant expenditures to acquire, construct or maintain land, buildings, structures and equipment for the duration of 3 or more years. Core budget includes the following four (4) funding sources:
  - ***Withdrawals from the Native Hawaiian Trust Fund*** (NHTF) are limited by the Native Hawaiian Trust Fund Spending Policy. This policy limits the withdrawal to five (5) percent of the NHTF's twenty-quarter (20-quarter) rolling average market value, as defined, to ensure that resources held within the trust are available for future spending.
  - ***Public Land Trust*** (PLT) ***Revenues*** are received from the State of Hawai'i and have been set at \$15,100,000 (Act 178, SLH 2006) per year, until further legislative action.
  - ***Kaka'ako Makai (KM) Revenues*** are allocated to OHA's Core Budget for Legacy Property management funding. The Board approved allocation of sixty (60)<sup>10</sup> percent net income to OHA's FY 22 FY 22 Legacy Land Program.
  - ***State of Hawai'i General Fund*** appropriations are determined by the legislature during each Biennium. The current State Legislature authorized a total of \$2,254,400 for the fiscal period 2021-2022 (FY 2022) and \$2,254,500 for the fiscal period 2022-2023 (FY 2023).

HB204 SD2 CD1, now known as Act 29 (2021), OHA's Budget Bill for the FY22 and FY23 period, from the 2021 Legislative session, contains \$2,054,400 in education, social services, legal and housing provisos plus an additional \$200,000, for fiscal year 2021-2022 to conduct or contract for a follow-up contract and disbursement review of the CLA – OHA & LLCs Contract and Disbursement Review – Report, dated December 4, 2019 ("CLA Report"); and includes the substitution of the CLA Report with the Act 37 financial and management audit.
2. **Fiscal Stabilization Fund:** Historically, OHA has required funds to address unexpected shortfalls in available funding that had a significant effect on budget, as well as emergencies. OHA historically used "OHA's Native Hawaiian Trust Fund Spending Policy's Fiscal Reserve Management Guidelines" (the Guidelines) to address funding needs, but the guidelines were viewed as overly broad and unclear. The Fiscal Stabilization policy supersedes the guidelines and established a Fiscal Stabilization Fund (FSF) and the rules for its governance and maintenance, to enable OHA to have funds available for budget stabilization and emergencies, but under stricter fiscal limitations. Definitions, concepts, criteria and other elements found in the Guidelines have been mapped to the Fiscal Stabilization Policy (FSP).
3. **Commercial Property:** Reflects the revenues generated on OHA-owned commercial property lands, Kaka'ako Makai, Nā Lama Kukui, Iwilei properties, and is summarized as follows:

---

<sup>10</sup>Action Item #21-04: Approval of a Third Amendment to BOT #12-05 – Kaka'ako Makai Policy Relating to the Allocation of Revenue from Kaka'ako Makai Properties to the Land Legacy Program, April 20, 2021

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

---

- ***Kaka‘ako Makai (KM) Revenues*** are from lease revenues. Sixty (60) percent of all net revenues are allocated to OHA's Core Operating Budget for Legacy Land Program. **Realized surplus is to be retained for contribution to future expenditures on its parcels.**
- ***Nā Lama Kukui (NLK) Revenues*** are from lease revenues. **Realized surplus is retained for remaining debt service payments** incurred from the purchase of the property and its Honolulu office build-out.
- ***500 North Nimitz Revenues*** are from lease revenues. **Realized surplus is retained for remaining debt service payments** incurred from the purchase of the property.
- ***501 Sumner Revenues*** are from lease revenues. **Realized surplus is retained for remaining debt service payments** incurred from the purchase of the property.

**4. Legacy Property:** Reflects the funds designated for use on specific legacy property.

- ***Palauea Cultural Preserve Revenues*** are derived from the sale of homes in an affluent area on Maui. The .05% of each sale has been deposited into an account for which the funds are to be used for the upkeep and long-term stewardship of this historical site.
- ***Wao Kele O Puna Management Fund*** balances consist of previously authorized Board appropriations for current and future programmatic needs. The spending limit balance as reflected in **Table 2** above includes known and estimated available funding as of June 2021, updated as needed at each realignment point. Additional information is available beginning on page 31 of this Action Item.

**5. Other OHA Programs Budget**

- ***Other OHA Programs - Federal:*** Reflects the basic operating budget consisting of payroll, operations, and program expenditures for federally funded OHA Projects & Programs including:
  - Hālawa Lūluku Interpretive Development (HLID) Project;
  - Native Hawaiian Revolving Loan Fund (NHRLF) Program;
  - Papahānaumokuākea Marine National Monument (PMNM).

The amount of federal funding available each year for these Programs is based on budgets submitted by OHA and approved by the respective grantors.

- ***Other Programs Budget – Others:*** Reflects programs funded through other sources of income including:
  - ✓ Ka Wai Ola advertisement sales;
  - ✓ Conference sponsorships; and
  - ✓ Other miscellaneous income.

These amounts are considered other program income and not part of the NHTF. Expenditure of these funds is authorized through BOT approval of the Other Programs Budget.



**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

---

The approximate available funds for FY 2022 for the Other Programs are summarized in **Table 3**. OHA Administration updated the FY 2022 revenue to reflect updated forecast based on prior year actual receipts. Ka Wai Ola's actual FY2021 revenue was \$34,425.

**Table 3: Available Funds for OHA's FY 2022 Other Programs Budget–Others**

Funding Source	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d -c)	
Beginning Balance*:	\$0	\$0	\$0	\$0	\$0	
Other Projects	56,000	56,000	56,000	34,000	-22,000	
Sub-total Available Funds:	56,000	56,000	56,000	34,000	-22,000	
Proposed Appropriations	0	0	0	0	0	
Total Net Available Funds:	\$56,000	\$56,000	\$56,000	\$34,000	(\$22,000)	

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**B. Total Operating Budget Adjustments – FY 2022**

**B1. FY2022.** The following sections outline and provide explanation on the major adjustments (increases/decreases) to the budget as a result of this realignment. Proposed adjustments to OHA's FY 2022 Total Budget are outlined in **Table 4** below and outlined in **Attachment #1**:

**Table 4: FY22 Approved Total Operating Budget and Realignments**

FY 2022 Total Operating Budget	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjustments	Ref Page(s)
	AI RM #21-08A	AI RM #21-17	AI RM #22-01	AI RM #22-09		
	(a)	(b)	(c)	(d)	(e) = (d - c)	
<b>1. Core Operating Budget</b>						
Personnel (Fringe 52%)	\$12,872,126	\$12,872,126	\$12,772,126	\$12,811,457	\$39,331	
Non-Personnel	23,663,126	23,663,126	23,766,251	23,723,795	(42,456)	
+Support to WKOP	146,261	146,261	146,261	146,261	0	
Sub-total – Non-Personnel	23,809,387	23,809,387	23,909,387	23,870,056	(39,331)	
<b>Sub-total – Core Operating Budget:</b>	<b>\$36,681,513</b>	<b>\$36,681,513</b>	<b>\$36,681,513</b>	<b>\$36,681,513</b>	<b>\$0</b>	
<b>2. Commercial Property</b>						
a. Kaka'ako Makai	\$1,796,258	\$2,682,900	\$3,282,900	\$7,560,048	\$4,277,148	
b. Na Lama Kukui	5,628,672	5,695,521	5,695,521	5,496,395	(199,126)	
c. Iwilei Property					0	
...500 North Nimitz	0	1,312,839	1,312,839	1,578,788	265,949	
...501 Sumner	0	506,375	506,375	610,474	104,099	
<b>Sub-total – Commercial Property</b>	<b>\$7,424,930</b>	<b>\$10,197,635</b>	<b>\$10,797,635</b>	<b>\$15,245,705</b>	<b>\$4,448,070</b>	
<b>4. Legacy Properties</b>						
Palauea Culture Preserve	\$74,740	\$74,740	\$74,240	\$43,974	(\$30,266)	
Wao Kele O Puna Management Fund	61,244	61,244	58,119	58,119	0	
<b>Sub-total – Legacy Properties:</b>	<b>\$135,984</b>	<b>\$135,984</b>	<b>\$132,359</b>	<b>\$102,093</b>	<b>(\$30,266)</b>	
<b>5. Other OHA Programs</b>						
Federal-Funded						
Halawa Luluku Interpretive Development	\$459,590	\$459,590	\$465,680	\$812,180	\$346,500	
Native Hawaiian Revolving Loan Fund	1,353,806	1,353,806	1,353,806	1,353,806	0	
Papahānaumokuākea	N/A	N/A	N/A	175,000	175,000	
<b>Sub-total – Federal-Funded:</b>	<b>\$1,813,396</b>	<b>\$1,813,396</b>	<b>\$1,819,486</b>	<b>\$2,340,986</b>	<b>\$521,500</b>	
<b>Total Operating Budget:</b>	<b>\$46,055,823</b>	<b>\$48,828,528</b>	<b>\$49,430,993</b>	<b>\$54,370,297</b>	<b>\$4,939,304</b>	

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**B. Core Operating Budget Adjustments – FY2022**

The Core Budget (CB) consists of payroll, operations, and program expenditures. The sections following outline and provide explanation of the major adjustments (increases/decreases) to the CB in **Table 5** because of this realignment and reflect projections for FY 2022.

**Table 5: FY2022 Approved Budget and Realignment Core Budget Comparison**

CORE OPERATING BUDGET	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjustments	Table
	(a)	(b)	(c)	(d)	(e) = (d - c)	
Contracts	\$3,457,396	\$3,457,396	\$3,121,238	\$3,053,985	(\$67,253)	7 a,b
Debt Service	553,178	553,178	553,178	408,359	(144,819)	8
Equipment	583,348	583,348	1,187,033	1,283,077	96,044	9
Grants	15,173,500	15,173,500	15,173,500	15,173,500	-	10
Overhead	3,004,448	3,004,448	2,885,687	2,853,316	(32,371)	11
Personnel & Fringe	12,872,126	12,872,126	12,772,126	12,811,457	39,331	6
Program	590,283	590,283	835,287	849,395	14,108	12
Travel	447,234	447,234	153,464	248,424	94,960	13a,b
<b>Total</b>	<b>\$36,681,513</b>	<b>\$36,681,513</b>	<b>\$36,681,513</b>	<b>\$36,681,513</b>	<b>(\$0)</b>	

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**A. Core Personnel Budget Adjustments**

Personnel costs includes all expenditures directly related to personnel and comprises of Salaries & Fringe, Student Helper Program, Vacation Payments (including transfer of vacation leave to other State agencies), Employee Continued Education Program and Workers' Compensation Payments. The Core Personnel Budget has been adjusted to reflect estimated needs for FY 2022. Core Personnel Budget Adjustments are summarized in **Table 6**.

**Table 6: Core Personnel Budget – FY 22**

CORE PERSONNEL & FRINGE	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
52070 VACATION TRANSFERS AND PAYOUTS	\$150,000	\$150,000	\$350,000	\$300,000	(\$50,000)	[A]
52100 SALARIES	8,320,675	8,320,675	8,115,432	8,194,224	78,792	[B]
52110 SALARIES - STUDENT HELPER PROGRAM	35,000	35,000	160,000	160,000	-	
52130 EMPLOYEE INCENTIVE PROGRAM	1,500	1,500	1,500	-	(1,500)	[C]
52150 SEVERANCE & RETIREMENT PROGRAM	0	0	0	-	-	
52300 OVERTIME	20,000	20,000	50,000	50,000	-	
57000 FRINGE BENEFITS	4,326,751	4,326,751	4,079,194	4,079,194	-	
57011 FRINGE BENEFITS - STUDENT HELPER PROGRAM	18,200	18,200	16,000	28,039	12,039	[D]
<b>Total:</b>	<b>\$12,872,126</b>	<b>\$12,872,126</b>	<b>\$12,772,126</b>	<b>\$12,811,457</b>	<b>\$39,331</b>	

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

---

Salaries & Fringe **increased a net amount of \$39,331** due to the following:

**[A] DECREASE in Vacation Transfers and Payouts:** OHA Administration updated the vacation payout budget based on revised estimates, adjusting for any reorganization related costs which should be included in the FY 2021 accrual.

**[B] INCREASE in Salary:** OHA Administration updated the FY 2022 salary budget based on revised estimates, adjusting for any reorganization related costs which should be included in FY 2021 accrual.

**[C] DECREASE in Employee Incentive Program:** OHA Administration updated the FY 2022 salary budget based on revised estimates.

**[D] INCREASE in Student Helper Program Fringe:** OHA Administration updated the FY 2022 salary/fringe budget based on revised estimates.

-----INTENTIONALLY LEFT BLANK-----



**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**B. Core Non-Personnel Budget Adjustments**

The FY 2022 Core Non-Personnel Budget consists of all operational and programmatic costs and has been adjusted to reflect estimated needs through June 30, 2022. OHA's FY 2022 needs are summarized in **Table 7** below.

**Table 7: Core Non-Personnel Budget – FY 22**

**FY 2022 Approved Budget and Realignment #3 Core Non-Personnel Budget Comparisons**

CORE NON-PERSONNEL	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN-Table
	(a)	(b)	(c)	(d)	(e) = (d - c)	
Contracts	\$3,457,396	\$3,457,396	\$3,121,238	\$3,053,985	(\$67,253)	[A] – 7 a,b
Debt Service	553,178	553,178	553,178	408,359	(144,819)	[B] -8
Equipment	583,348	583,348	1,187,033	1,283,077	96,044	[C] – 9
Grants	15,173,500	15,173,500	15,173,500	15,173,500	-	[D] – 10
Overhead	3,004,448	3,004,448	2,885,687	2,853,316	(32,371)	[E] – 11
Program	590,283	590,283	835,287	849,395	14,108	[F] – 12
Travel	447,234	447,234	153,464	248,424	94,960	[G] – 13 a,b
<b>Total</b>	<b>\$23,809,387</b>	<b>\$23,809,387</b>	<b>\$23,909,387</b>	<b>\$23,870,056</b>	<b>(\$39,331)</b>	

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**[A] Contracts Budget Adjustments:**

The Contracts Budget includes Services on a Fee and Legal Services as summarized in **Table 7a** below. Highlights of a net **decrease in Contracts Account Category of \$67,253** in **Table 7b**.

**Table 7a: FY2022 Approved Budget and Realignment Contracts Budget Comparison**

CONTRACTS	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
57110 SERVICES ON A FEE BASIS	\$2,706,396	\$2,706,396	\$2,567,525	\$2,452,985	(\$114,540)	
57115 LEGAL SERVICES	751,000	751,000	553,713	601,000	47,287	
<b>TOTAL - CONTRACTS</b>	<b>\$3,457,396</b>	<b>\$3,457,396</b>	<b>\$3,121,238</b>	<b>\$3,053,985</b>	<b>(\$67,253)</b>	

**Table 7b: FY 2022 Contracts Budget Realignment #3 Highlights**

CONTRACTS BY ADMINISTRATOR	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
<b>Services on a Fee</b>						
A. State Proviso: Legal Representation	\$1,048,800	\$1,048,800	\$1,048,800	\$1,048,800	\$0	
B. Paia Level						
1) Board of Trustees	350,000	350,000	350,000	350,000	-	
2) Administration						
CEO			207,275	194,135	(13,140)	Repurpose
COO - Front Office	820,046	820,046	291,400	228,000	(63,400)	Repurpose
COO - Back Office				23,000	23,000	Repurpose
CFO	487,550	487,550	645,550	514,550	(131,000)	Repurpose
Corp Counsel			24,500	94,500	70,000	Repurpose
<b>Subtotal 1:</b>	<b>\$2,706,396</b>	<b>\$2,706,396</b>	<b>\$2,567,525</b>	<b>\$2,452,985</b>	<b>(\$114,540)</b>	

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

CONTRACTS BY ADMINISTRATOR	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
<b>Legal Services</b>						
Board of Trustees			200,000	200,000	-	
Corp Counsel	751,000	751,000	353,713	401,000	47,287	Repurpose
<b>Subtotal 1:</b>	<b>\$751,000</b>	<b>\$751,000</b>	<b>\$553,713</b>	<b>\$601,000</b>	<b>\$47,287</b>	
<b>Total Core Contracts Budget:</b>	<b>\$3,457,396</b>	<b>\$3,457,396</b>	<b>\$3,121,238</b>	<b>\$3,053,985</b>	<b>(\$67,253)</b>	

**[B] Debt Service Adjustments**

Includes all expenditures associated with the payment of debt service for BOT-approved obligations in Table 8 and reflects BOT approved debt refinancing figures of a **net decrease in Debt Service of \$144,819**, in Action Item #22-05 Kaka’ako Makai Site A 1101 Ala Moana Blvd., Activation of Business Plan and Na Lama Kukui Debt Service, Non-Core Operating Budget for the Fiscal Biennium Periods 2021-2022 (FY22) and 2022-2023 (FY 23).

**Table 8: FY2022 Approved Budget and Realignment Debt Service Budget Comparison**

DEBT SERVICE	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
59020 INTEREST EXPENSE	\$46,429	\$46,429	\$46,429	\$28,216	(\$18,213)	
59030 PRINCIPAL EXPENSE	506,749	506,749	506,749	380,143	(126,606)	
<b>TOTAL - DEBT SERVICE</b>	<b>\$553,178</b>	<b>\$553,178</b>	<b>\$553,178</b>	<b>\$408,359</b>	<b>(\$144,819)</b>	

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

---

**[C] Equipment Budget Adjustments:**

The Equipment Budget includes Repair & Maintenance, Furniture, Fixtures, and Software and Equipment. Table 9 reflects revised FY22 estimates for software license support and maintenance.

**Table 9: FY2022 Approved Budget and Realignment Equipment Budget Comparison**

EQUIPMENT	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
55810 REPAIR & MAINTENANCE	\$489,837	\$489,837	\$1,087,300	\$1,162,544	\$75,244	
58400 SOFTWARE & EQUIPMENT	93,511	93,511	99,733	99,733	-	
<b>TOTAL - EQUIPMENT</b>	<b>\$583,348</b>	<b>\$583,348</b>	<b>\$1,187,033</b>	<b>\$1,262,277</b>	<b>\$75,244</b>	

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**[D] Grants Budget Adjustments:**

Includes all grant opportunities in support of our Native Hawaiian communities to create systemic change and is presented in **Tables 10 a, b, c, d, e**. Aside from a reclass to Housing Proviso from 56530 to 56510, there are no FY2022 adjustments.

**Table 10a: FY2022 Approved Budget and Realignment Equipment Budget Comparison**

GRANTS	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
56510 GRANTS IN AID PROGRAM & PROVISIO GRANTS	\$830,000	\$830,000	\$830,000	\$1,830,000	\$1,000,000	
56530 GRANTS IN AID - COMMUNITY GRANTS	7,300,000	7,300,000	7,300,000	6,300,000	(1,000,000)	
56540 GRANTS IN AID LEVEL II GRANTS	6,500,000	6,500,000	6,500,000	6,500,000	-	
56560 GRANTS IN AID - SPONSORSHIPS	410,921	410,921	410,921	410,921	-	
56570 GRANTS IN AID - DISASTER AID	132,579	132,579	132,579	132,579	-	
<b>Subtotal - Grants:</b>	<b>\$15,173,500</b>	<b>\$15,173,500</b>	<b>\$15,173,500</b>	<b>\$15,173,500</b>	<b>\$0</b>	

**Table 10b: Grants in Aid & Proviso Grants (56510)**

GRANTS IN AID & PROVISIO GRANTS	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
Social Service Proviso	\$830,000	\$830,000	\$830,000	\$830,000	\$0	
Housing Proviso	0	0	0	1,000,000	1,000,000	Reclass
<b>Total GIA &amp; Proviso Grants:</b>	<b>\$830,000</b>	<b>\$830,000</b>	<b>\$830,000</b>	<b>\$1,830,000</b>	<b>\$1,000,000</b>	

-----INTENTIONALLY LEFT BLANK-----



**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**Table 10c: Community Grants Program - 56530-GRANTS IN AID - COMMUNITY GRANTS**

COMMUNITY GRANTS	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
20-01: Culture	\$500,000	\$500,000	\$500,000	\$500,000	0	
20-02: Health	500,000	500,000	500,000	500,000	0	
20-03: Education	750,000	750,000	750,000	750,000	0	
20-04: Housing	1,500,000	1,500,000	1,500,000	500,000	(1,000,000)	Reclass
20-05: Income	750,000	750,000	750,000	750,000	0	
20-06: Land	500,000	500,000	500,000	500,000	0	
20-07: Ahahui	200,000	200,000	200,000	200,000	0	
<b>Leverage Opportunities</b>						
Higher Education Scholarships	500,000	500,000	500,000	500,000	0	
Homestead Community	300,000	300,000	300,000	300,000	0	
NH Teacher Education & Professional Development	250,000	250,000	250,000	250,000	0	
Ohana (including Impacts of Incarceration, Human Trafficking, LGBTQ)	750,000	750,000	750,000	750,000	0	
Iwi Kupuna Repatriation & Reinterment	300,000	300,000	300,000	300,000	0	
COVID-19 Impacts	500,000	500,000	500,000	500,000	0	
<b>Total Community Grants:</b>	<b>\$7,300,000</b>	<b>\$7,300,000</b>	<b>\$7,300,000</b>	<b>\$6,300,000</b>	<b>(\$1,000,000)</b>	

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

---

**Table 10d: Level II Grants - 56540-GRANTS IN AID LEVEL II GRANTS**

LEVEL II GRANTS	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c )	(d )	(e) = ( d - c)	
Department of Hawaiian Home Lands (DHHL)	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	0	
Hawaiian-Focused Public Charter Schools	3,000,000	3,000,000	3,000,000	3,000,000	0	
Kulia	500,000	500,000	500,000	500,000	0	
Ohana and Community Grants					0	
Iwi Kupuna Repatriation & Reinterment					0	
<b>Total Level II Grants:</b>	<b>\$6,500,000</b>	<b>\$6,500,000</b>	<b>\$6,500,000</b>	<b>\$6,500,000</b>	<b>\$0</b>	

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**Table 10e: Sponsorships – 56560**

SPONSORSHIPS	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
BOT - Sponsorships	135,000	135,000	135,000	135,000	0	
Kaiaulu/CEO - Sponsorships	70,921	70,921	70,921	70,921	0	
<b>Sub-total</b>	<b>\$205,921</b>	<b>\$205,921</b>	<b>\$205,921</b>	<b>\$205,921</b>	<b>\$0</b>	
CE - Association of Hawaiian Civic Clubs	10,000	10,000	10,000	10,000	0	
CE - CNHA	10,000	10,000	10,000	10,000	0	
CE - Onipa'a Celebration	5,000	5,000	5,000	5,000	0	
CE-SCHHA Homestead Summit	10,000	10,000	10,000	10,000	0	
CE-Native Hawaiian Chamber of Commerce - O'O Awards	5,000	5,000	5,000	5,000	0	
CE-Moanalua Gardens, Prince Lot	15,000	15,000	15,000	15,000	0	
Merrie Monarch	15,000	15,000	15,000	15,000	0	
Queen Liliuokalani Keiki Hula	15,000	15,000	15,000	15,000	0	
Lunalilo Home Event, Project, Program	15,000	15,000	15,000	15,000	0	
Iolani Palace Event, Project, Program	15,000	15,000	15,000	15,000	0	
Aha Punana Leo Event, Project, Program	15,000	15,000	15,000	15,000	0	
Polynesian Voyaging Society Event, Project, Program	15,000	15,000	15,000	15,000	0	
Rural Community Based Sponsorship, < \$1,000; 6 island communities	30,000	30,000	30,000	30,000	0	
<b>Sub-total</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$0</b>	
Advocacy - Papahanaumokuakea	15,000	15,000	15,000	15,000	0	
Advocacy - Alaska Federation of Natives	5,000	5,000	5,000	5,000	0	

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

---

SPONSORSHIPS	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
Advocacy - National Congress of American Indians	5,000	5,000	5,000	5,000	0	
Advocacy - National Indian Education Association	5,000	5,000	5,000	5,000	0	
<b>Sub-total</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$0</b>	
<b>Total Sponsorships:</b>	<b>\$410,921</b>	<b>\$410,921</b>	<b>\$410,921</b>	<b>\$410,921</b>	<b>\$0</b>	

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**[E] Overhead Budget Adjustments:**

Overhead includes all expenditures associated with office rents and utilities, communication costs, insurance, supplies, and postage and is detailed in **Table 11** below. The Overhead Budget has a **net decrease of \$32,371** in FY 2022 as detailed in **Table 11** below. Figures reflect updated forecast of year end spend.

**Table 11: FY2022 Approved Budget and Realignment Equipment Budget Comparison**

OVERHEAD	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
53100 OFFICE SUPPLIES	\$16,060	\$16,060	\$7,147	\$7,100	(\$47)	
53200 OTHER SUPPLIES	18,975	18,975	19,225	19,879	654	
53750 POSTAGE	13,520	13,520	3,080	384	(2,696)	
53810 TELEPHONE & RELATED SVCS	176,506	176,506	173,106	144,320	(28,786)	
53850 CELLULAR PHONE	30,000	30,000	35,000	35,000	-	
54150 PARKING VALIDATIONS	22,200	22,200	38,860	39,800	940	
55010 ELECTRICITY	330,790	330,790	188,110	198,100	9,990	
55200 WATER	1,766	1,766	4,166	5,117	951	
55510 RENTAL OF LAND & BUILDING	1,181,071	1,181,071	1,156,072	1,174,874	18,802	
55515 RENTAL OF LAND & BUILDING - CAM & MISC	722,377	722,377	697,877	682,000	(15,877)	
55640 RENTAL OF EQUIPMENT	88,642	88,642	88,742	88,742	-	
55910 INSURANCE	372,542	372,542	417,702	418,000	298	
56810 SETTLEMENT - LAWSUITS	30,000	30,000	30,000	-	(30,000)	
58200 LEASEHOLD IMPROVEMENTS	0	0	25,600	34,000	8,400	
59015 BANK FEES	0	0	1,000	6,000	5,000	
<b>TOTAL - OVERHEAD</b>	<b>\$3,004,448</b>	<b>\$3,004,448</b>	<b>\$2,885,687</b>	<b>\$2,853,316</b>	<b>(\$32,371)</b>	

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**[F] Program Budget Adjustments:**

The Program Budget includes Conferences, Meetings, Events – Not Org by OHA, Other Expenses, and so on as summarized in **Table 12**. The Program Budget has **net increase of \$14,108**, of which \$242,568 to reflect updated forecast of year end spend.

**Table 12: FY2022 Approved Budget and Realignment Program Budget Comparison**

PROGRAM	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjustments	Ref Page(s)
	(a)	(b)	(c)	(d)	(e) = (d - c)	
53300 PROMOTIONAL ITEMS	\$8,000	\$8,000	\$7,000	\$9,000	\$2,000	
53400 BOOKS & REFERENCE MATLS	4,110	4,110	3,746	3,041	(705)	
53510 DUES	32,840	32,840	42,960	42,756	(205)	
53520 SUBSCRIPTION	50,080	50,080	52,430	48,467	(3,963)	
53610 FREIGHT & DELIVERY	5,990	5,990	34,790	33,760	(1,030)	
53710 BULK MAIL	181,232	181,232	220,000	231,606	11,606	
53910 PRINTING	8,860	8,860	181,900	189,900	8,000	
54010 ADVERTISING	48,988	48,988	117,488	119,000	1,512	
54190 AUTO ALLOWANCE	3,912	3,912	3,912	3,912	-	
55750 OTHER RENTALS	20,444	20,444	24,197	27,376	3,179	
57120 HONORARIUM	25,210	25,210	21,070	21,770	700	
57220 VOLUNTEER STIPEND	1,760	1,760	0	-	-	
57240 OTHER EXPENSES	15,000	15,000	13,812	16,329	2,517	
57250 SEMINAR & CONFERENCE FEES	64,707	64,707	37,132	34,240	(2,892)	
57255 CONFERENCES, MEETINGS, EVENTS-ORG BY OHA	91,500	91,500	49,000	47,038	(1,962)	



**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

---

PROGRAM	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjustments	Ref Page(s)
	(a)	(b)	(c)	(d)	(e) = (d - c)	
57256 CONFERENCES, MEETINGS, EVENTS-NOT ORG BY OHA	11,450	11,450	9,650	5,000	(4,650)	
57280 TRUSTEE ALLOWANCE REPORTS	16,200	16,200	16,200	16,200	-	
<b>TOTAL - PROGRAM</b>	<b>\$590,283</b>	<b>\$590,283</b>	<b>\$835,287</b>	<b>\$849,395</b>	<b>\$14,108</b>	

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**[G] Travel Budget Adjustments:**

The Travel Budget includes all expenditures associated with In-State and Out-Of-State travel to include transportation, accommodation, car rental, parking, mileage, and subsistence. The Travel Budget has **increased by \$94,960** as COVID restrictions are lifted worldwide leading to increase travel in FY 2022 as highlighted in **Table 13a** and **Table 13b** below.

**Table 13a: FY2022 Approved Budget and Realignment Travel Budget Comparison**

TRAVEL	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
54110 MILEAGE	\$1,887	\$1,887	\$424	\$424	\$0	
54130 PARKING	7,082	7,082	3,040	3,000	(40)	
54260 TRANSPORTATION - IN STATE	62,936	62,936	30,000	80,000	50,000	
54310 SUBSISTENCE - IN STATE	89,632	89,632	45,000	70,000	25,000	
54460 TRANSPORTATION - OUT OF STATE	94,440	94,440	30,000	30,000	-	
54510 SUBSISTENCE - OUT OF STATE	119,774	119,774	20,000	40,000	20,000	
54610 CAR RENTAL - IN STATE	36,632	36,632	15,000	15,000	-	
54620 CAR RENTAL - OUT OF STATE	18,040	18,040	5,000	5,000	-	
54810 OTHER TRAVEL IN STATE	6,572	6,572	3,000	3,000	-	
54820 OTHER TRAVEL OUT OF STATE	10,240	10,240	2,000	2,000	-	
<b>TOTAL - TRAVEL</b>	<b>\$447,235</b>	<b>\$447,235</b>	<b>\$153,464</b>	<b>\$248,424</b>	<b>\$94,960</b>	

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

---

**Table 13b: FY2022 Approved Budget and Realignment Travel Budget Comparison (by Expenditure Type)**

TRAVEL	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
In-State Employee Travel	\$198,169	\$198,169	\$93,464	\$168,424	\$74,960	
Out-of-State Employee Travel	232,254	232,254	55,000	75,000	20,000	
Other and Non-Employee Travel	16,812	16,812	5,000	5,000	-	
<b>Total Core Travel Budget:</b>	<b>\$447,235</b>	<b>\$447,235</b>	<b>\$153,464</b>	<b>\$248,424</b>	<b>\$94,960</b>	

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**D. Commercial Property Budget Adjustments – FY2022**

The Commercial Property Budget consists of Kaka‘ako Makai and Nā Lama Kukui’s revised operational costs to reflect estimated needs through June 30, 2022.

**D1. Kaka‘ako Makai**

Kakaako Makai Budget has **increased by \$4,250,548** in FY 2022 as highlighted in **Table 14a** and **Table 14b** and reflects BOT approved figures in RM#22-05 and RM#22-07, unless noted otherwise:

**Table 14a: FY2022 Approved Budget and Realignment Kakaako Makai Budget Comparison**

Kaka'ako Makai	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
<b>Beginning Balance*</b>	6,550,082	6,550,082	6,550,082	6,550,082	0	
Gross Projected Revenue	4,551,586	4,551,586	4,551,586	4,551,586	0	
Less: Kakaako Makai Net Revenue (Legacy Use)	(1,363,861)	(1,363,861)	(1,363,861)	(1,363,861)	0	
<b>Sub-total Available Funds:</b>	<b>\$9,737,807</b>	<b>\$9,737,807</b>	<b>\$9,737,807</b>	<b>\$9,737,807</b>	<b>\$0</b>	
<b>Less: Expenses</b>						
Contracts	944,443	1,499,443	2,106,885	5,540,344	3,433,459	
Equipment	243,060	628,060	628,060	1,175,879	547,819	
Grants				0	0	
Overhead	445,285	391,927	391,927	633,065	241,138	
Personnel	102,819	102,819	102,819	102,819	0	
Program	60,651	60,651	53,209	81,341	28,132	
Travel	0	0	0	0	0	
<b>Sub-total Expenditures:</b>	<b>\$1,796,258</b>	<b>\$2,682,900</b>	<b>\$3,282,900</b>	<b>\$7,533,448</b>	<b>\$4,250,548</b>	
<b>Less: Debt Service</b>				26,600	26,600	
<b>Estimated Net Available Funds:</b>	<b>7,941,549</b>	<b>7,054,907</b>	<b>6,454,907</b>	<b>2,177,759</b>	<b>(4,277,148)</b>	

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**Table 14b: FY2022 Approved Budget and Realignment Kakaako Makai Budget Comparison, by Lot Number**

Kaka'ako Makai	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
<b>8210 KM</b>						
Contracts	\$944,443	\$1,499,443	\$2,106,885	\$2,594,885	\$488,000	Statement of Work 5
Debt Service				0	0	
Equipment	243,060	628,060	628,060	1,175,879	547,819	Lot E - HVAC Replacement <sup>11</sup>
Grants				0	0	
Overhead	445,285	391,927	391,927	633,065	241,138	Lot E - no recoverable expense to offset utilities due to vacancy and owner costs <sup>12</sup>
Personnel	102,819	102,819	102,819	102,819	0	
Program	60,651	60,651	53,209	53,400	191	
Travel	0	0	0	0	0	
<b>Sub-total KM Other than Lot A:</b>	<b>\$1,796,258</b>	<b>\$2,682,900</b>	<b>\$3,282,900</b>	<b>\$4,560,048</b>	<b>\$1,277,148</b>	
<b>8211 KM LOT A</b>						
Contracts				\$2,945,459	\$2,945,459	LOT A <sup>13</sup>
Debt Service				26,600	26,600	Loan financing fees <sup>14</sup>
Program				27,941	27,941	Loan settlement charges <sup>15</sup>
<b>Sub-total KM Lot A:</b>				<b>\$3,000,000</b>	<b>\$3,000,000</b>	

<sup>11</sup> Action Item RM #22-07 Core Personnel, Non-Core Budget Adjustments for 2020-2021 (FY21), 2021-2022 (FY22) and 2022-2023 (FY23)

<sup>12</sup> Action Item RM #22-07 Core Personnel, Non-Core Budget Adjustments for 2020-2021 (FY21), 2021-2022 (FY22) and 2022-2023 (FY23)

<sup>13</sup> Action Item RM #22-05 Kaka'ako Makai Site A 1101 Ala Moana Blvd., Activation of Business Plan and Na Lama Kukui Debt Service, Non-Core Operating Budget for the Fiscal Biennium Periods 2021-2022 (FY22) and 2022-2023 (FY 23)

<sup>14</sup> Action Item RM #22-05 Kaka'ako Makai Site A 1101 Ala Moana Blvd., Activation of Business Plan and Na Lama Kukui Debt Service, Non-Core Operating Budget for the Fiscal Biennium Periods 2021-2022 (FY22) and 2022-2023 (FY 23)

<sup>15</sup> Action Item RM #22-05 Kaka'ako Makai Site A 1101 Ala Moana Blvd., Activation of Business Plan and Na Lama Kukui Debt Service, Non-Core Operating Budget for the Fiscal Biennium Periods 2021-2022 (FY22) and 2022-2023 (FY 23)

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**D2. Nā Lama Kukui**

Kakaako Makai Budget has **a net decrease of by \$199,126** as a result of FY22 debt refinancing as approved in RM#22-05 as highlighted in **Table 15**:

**Table 15: FY2022 Approved Budget and Realignment Na Lama Kukui Budget Comparison**

Na Lama Kukui	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
<b>Beginning Balance</b>	1,060,531	1,060,531	1,060,531	1,060,531	0	
Gross Projected Revenue	5,189,803	5,189,803	5,189,803	5,189,803	0	
<b>Sub-total Available Funds:</b>	<b>\$6,250,334</b>	<b>\$6,250,334</b>	<b>\$6,250,334</b>	<b>\$6,250,334</b>	<b>\$0</b>	
<i>Less: Expenses</i>						
Contracts	604,013	555,564	555,564	665,664	110,100	
Equipment	1,065,425	1,391,934	1,391,934	1,391,934	0	
Grants	0	0	0	0	0	
Overhead	942,710	780,354	780,354	807,479	27,125	
Personnel	96,800	96,800	96,800	96,800	0	
Program	368,745	319,890	319,890	520,697	200,807	
Travel	0	0	0	0	0	
<b>Sub-total Expenditures:</b>	<b>\$3,077,693</b>	<b>\$3,144,542</b>	<b>\$3,144,542</b>	<b>\$3,482,574</b>	<b>\$338,032</b>	
<i>Less: Debt Service</i>	2,550,979	2,550,979	2,550,979	2,013,821	(537,158)	
<b>Estimated Net Available Funds:</b>	<b>\$621,662</b>	<b>\$554,813</b>	<b>\$554,813</b>	<b>\$753,939</b>	<b>\$199,126</b>	

-----INTENTIONALLY LEFT BLANK-----



**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**E. Iwilei Properties Budget Adjustments – FY2022**

The Iwilei Properties Budget consists of 500 N. Nimitz and 501 Sumner operational costs to reflect estimated needs through June 30, 2022. No adjustments in this realignment.

**Table 16a: FY2022 Approved Budget and Realignment Iwilei Property Comparison**

Iwilei Properties	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
Contracts		\$356,500	\$356,500	\$367,000	\$10,500	
Debt Service		743,247	743,247	743,247	0	
Equipment		321,589	321,589	321,589	0	
Grants		0	0	0	0	
Overhead		199,604	199,604	229,053	29,449	Insurance premium
Personnel & Fringe		0	0	0	0	
Program		198,273	198,273	528,373	330,100	Property tax not included in original forecast
Travel		0	0	0	0	
<b>Total</b>		<b>\$1,819,213</b>	<b>\$1,819,213</b>	<b>\$2,189,262</b>	<b>\$370,049</b>	

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**Table 16b: FY2022 Approved Budget and Realignment Iwilei Property Comparison, by Property**

Iwilei Properties	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = ( d - c)	
<b>500 N Nimitz</b>						
Contracts		\$308,250	\$308,250	\$318,750	\$10,500	
Debt Service		528,069	528,069	528,069	0	
Equipment		166,854	166,854	166,854	0	
Grants				0	0	
Overhead		120,051	120,051	149,500	29,449	Insurance premium
Personnel & Fringe				0	0	
Program		189,615	189,615	415,615	226,000	Property tax not included in original forecast
Travel				0	0	
<b>Totals - 500 N Nimitz:</b>		<b>\$1,312,839</b>	<b>\$1,312,839</b>	<b>\$1,578,788</b>	<b>\$265,949</b>	
<b>501 Sumner</b>						
Contracts		\$48,250	\$48,250	\$48,250	\$0	
Debt Service		215,178	215,178	215,178	0	
Equipment		154,735	154,735	154,735	0	
Grants				0	0	
Overhead		79,553	79,553	79,553	0	
Personnel & Fringe				0	0	
Program		8,658	8,658	112,758	104,100	Property tax not included in original forecast
Travel				0	0	
<b>Totals - 501 Sumner:</b>		<b>\$506,374</b>	<b>\$506,374</b>	<b>\$610,474</b>	<b>\$104,100</b>	

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**E. Legacy Property Budget Adjustments**

The Legacy Property Budget consists of operational costs associated with the long-term stewardship kuleana of these historical sites—Kukaniloko, Waialua Courthouse, Pahua Heiau, Ho’omana.

**E1. Palauea Culture Preserve**

Revised needs through June 30, 2022 are estimated and summarized in **Table 17** for the Palauea Culture Preserve and includes a decrease in Equipment to reflect Repair & Maintenance postponed to FY23.

**Table 17: FY2022 Approved Budget and Realignment Palauea Culture Preserve Comparison**

Palauea Culture Preserve	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
<b>Beginning Balance</b>	\$264,659	\$255,489	\$255,489	\$255,489	\$0	
Gross Projected Revenue	65,570	65,570	65,570	65,570	0	
Add: Unspent FY21 (unaudited)			0	17,425	17,425	
<b><i>Sub-total Available Funds:</i></b>	<b>\$330,229</b>	<b>\$330,229</b>	<b>\$321,059</b>	<b>\$338,484</b>	<b>\$17,425</b>	
<b><i>Less: Expenses</i></b>						
Contracts	33,600	33,600	33,600	35,000	1,400	
Debt Service	0	0	0	0	0	
Equipment	31,550	31,550	32,800	1,000	(31,800)	
Grants	0	0	0	0	0	
Overhead	6,000	6,000	5,500	5,580	80	
Personnel	0	0	0	0	0	
Program	1,250	1,250	0	0	0	
Travel	2,340	2,340	2,340	2,394	54	
<b><i>Sub-total Expenditures:</i></b>	<b>\$74,740</b>	<b>\$74,740</b>	<b>\$74,240</b>	<b>\$43,974</b>	<b>(\$30,266)</b>	
<b>Estimated Net Available Funds:</b>	<b>\$255,489</b>	<b>\$255,489</b>	<b>\$246,819</b>	<b>\$294,510</b>	<b>\$48,691</b>	

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**E2. Wao Kele O Puna Management Fund**

Included in OHA's Biennium Budget, BOT #15-02 approved on June 25, 2015, was the establishment of the Wao Kele O Puna (WKOP) Management Fund to include previously authorized Board appropriations for current and future programmatic needs.

Revised needs through June 30, 2022 are estimated and summarized in **Table 18** for the Wao Kele O Puna program and includes a financial support of \$146,261 from the Native Hawaiian Trust Fund as the WKOP Fund is fully spent.

**Table 18: FY2022 Approved Budget and Realignment WKOP Comparison**

Wao Kele O Puna	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
<b>Beginning Balance</b>	\$61,244	\$61,244	\$61,244	\$61,244	\$0	
Add: Native Hawaiian Trust Fund	146,261	146,261	146,261	146,261	0	
<b>Sub-total Available Funds:</b>	<b>\$207,505</b>	<b>\$207,505</b>	<b>\$207,505</b>	<b>\$207,505</b>	<b>\$0</b>	
<b>Less: Expenses</b>						
Contracts	14,850	14,850	0	0	0	
Debt Service	0	0	0	0	0	
Equipment	186,300	186,300	200,000	200,000	0	
Grants	0	0		0	0	
Overhead	0	0		0	0	
Personnel	0	0	0	0	0	
Program	2,275	2,275	300	300	0	
Travel	4,080	4,080	4,080	4,080	0	
<b>Sub-total Expenditures:</b>	<b>\$207,505</b>	<b>\$207,505</b>	<b>\$204,380</b>	<b>\$204,380</b>	<b>\$0</b>	
<b>Estimated Net Available Funds:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

---

**F. Other OHA Programs Budget Adjustments**

OHA's Other OHA Programs Budget reflects budgets for other programs funded through non-trust-fund sources, including federal funds and other fund sources.

**F1. Other OHA Programs Budget – Federal-funded**

**Table 19** reflects updates in the Halawa Luluku Interpretive Development (HLID) FY2022 budget.

**Table 19: Other OHA Programs Budget – Federal-funded - HLID  
FY 2022 Proposed Realignment #3 Adjustments Summary**

	<b>FY 2022</b>					
<b>HLID Project</b>	<b>Approved Budget</b>	<b>Approved Realignment #1</b>	<b>Approved Realignment #2</b>	<b>Proposed Realignment #3</b>	<b>Adjust</b>	<b>FN</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e) = (d - c)</b>	
Contracts	\$220,000	\$220,000	\$200,000	\$546,500	\$346,500	[A]
Debt Service	0	0	0	0	0	
Equipment	67,300	67,300	100,000	100,315	315	
Grants	0	0	0	0	0	
Overhead	31,330	31,330	20,720	21,078	358	
Personnel & Fringe	134,560	134,560	134,560	133,887	(673)	
Program	6,400	6,400	10,400	10,400	0	
Travel	0	0		0	0	
<b>Sub-total HLID:</b>	<b>\$459,590</b>	<b>\$459,590</b>	<b>\$465,680</b>	<b>\$812,180</b>	<b>\$346,500</b>	

[A] INCREASE in Contracts: OHA Administration updated the FY 2022 Services on a Fee Basis in Contracts for Construction Management Services to execute Phase 3 Pre-Construction/Construction Management/Post-Design Services.

-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

**Table 20** reflects updates in the Native Hawaiian Revolving Loan Fund (NHRLF) FY2022 budget as approved by the Administration for Native Americans (ANA).

**Table 20: Other OHA Programs Budget – Federal-funded – NHRLF**

NHRLF	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
Contracts	\$365,231	\$365,231	\$365,231	\$414,000	\$48,769	[A]
Debt Service	0	0	0	0	0	
Equipment	0	0	30,800	54,800	24,000	[B]
Grants	0	0	0	0	0	
Overhead	57,261	57,261	67,371	70,950	3,579	
Personnel & Fringe	779,768	779,768	742,276	665,928	(76,348)	[C]
Program	113,478	113,478	138,128	138,128	0	
Travel	38,068	38,068	10,000	10,000	0	
<b>Sub-total NHRLF:</b>	<b>\$1,353,806</b>	<b>\$1,353,806</b>	<b>\$1,353,806</b>	<b>\$1,353,806</b>	<b>\$0</b>	

[A] INCREASE in Contracts: OHA Administration updated the FY 2022 Services on a Fee Basis in Contracts to reflect NHRLF's portion of accounting service fees.

[B] INCREASE in Equipment: OHA Administration updated the FY 2022 Repairs and Maintenance in Equipment to reflect NHRLF's portion of IT support service fees.

[C] DECREASE in Personnel: OHA Administration updated the FY 2022 Personnel to repurpose for other program needs.

-----INTENTIONALLY LEFT BLANK-----



**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

---

**Table 21** reflects funding provided by the US Department of Commerce National Oceanic and Atmospheric Administration (NOAA), National Ocean Service, Office of National Marine Sanctuaries (ONMS) Pacific Islands Region for the continued, coordinated management of Papahānaumokuākea Marine National Monument (PMNM).

The ONMS will reimburse OHA for support for programs and activities that relate directly to the management of the PMNM and up to \$175,000 upon receipt of itemized invoices. OHA Administration will be categorized based on actual expenditures and will provide the Board of Trustees with a report update when it becomes available.

**Table 21: Other OHA Programs Budget – Federal-funded – PMNM**

PAPAHAUMOKUAKEA (PMNM)	FY 2022					
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Adjust	FN
	(a)	(b)	(c)	(d)	(e) = (d - c)	
Contracts	\$0	\$0	\$0	\$175,000	\$175,000	
<b>Sub-total PMNM:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$175,000</b>	<b>\$175,000</b>	

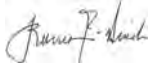
-----INTENTIONALLY LEFT BLANK-----

**Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3**

---

**G. Chief Financial Officer Certification**

The following is the certification by the Chief Financial Officer that the funds are available to effect the realignment actions:



---

Ramona G Hinck

Chief Financial Officer

Date: May 27, 2022

**V. REFERENCES**

The following action items are provided as references for this and future budget realignment actions:

- A. Action Item RM #22-07: Core Personnel, Non-Core Budget Adjustments for 2020-2021 (FY21), 2021-2022 (FY22) and 2022-2023 (FY23), April 12, 2022
- B. Action Item RM #22-05: Kaka‘ako Makai Site A, 1101 Ala Moana Blvd, Activation of Business Plan and Nā Lama Kukui Debt Service, Non-Core Operating Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), April 12, 2022
- C. Action Item RM #22-01: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #2, February 22, 2022
- D. Action Item RM #21-17: FB22-23 Non-Core Budget Realignment #1, October 26, 2021;
- E. 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; and
- F. Action Item RM #21-08A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), June 30, 2021.

**VI. RECOMMENDED ACTIONS**

**Motion #1:** Approve the fiscal biennium budget realignment #3 for the fiscal biennium periods 2021-2022 (FY22) and 2022-2023 (FY23) as summarized at Attachment #1.

**Motion #2:** Carryforward to 2022-2023 (FY23) budget, an estimated amount of \$100,000 of uncommitted, unencumbered, unaccrued amounts related to reorganization costs.

**Motion #3:** Carryforward from 2021-2022 (FY22) budget to 2022-2023 (FY23) budget any uncommitted, unencumbered, unaccrued, declined or unspent amounts in Appropriation 930, Program 3800 – Grants, Object Code 56510 Grants in Aid Program & Proviso Grants, 56530 Grants in Aid – Community Grants, 56540 Grants in Aid – Level II Grants, 56560 Grants in Aid – Sponsorships, and/or 56570 Grants in Aid – Disaster Aid.

**VII. ALTERNATE ACTIONS**

- A. Amend the recommended action.
- B. Do not approve the recommended action.

**VIII. ATTACHMENTS**

- A. 1-FY 2022 and FY 2023 Budget Realignment #3
- B. 2-FY 2022 Budget Realignment #3
- C. 3-FY 2023 Budget Realignment #3

OFFICE OF HAWAIIAN AFFAIRS  
FY 2022 AND FY 2023 BUDGET REALIGNMENT #3

ATTACHMENT 1  
2021-2022 (FY22) Core and Non-Core Budgets and 2022-2023 (FY23) Core and Non-Core Budgets - Realignment #3

Table 1. FY2022 REALIGNMENT #3 (May 2022)

FY 2022 Realignment #3	FTE	Core	Commercial Property Budget		Iwilei Properties Budget		Legacy Property Budget		Other OHA Programs Budget	FY 2022 Total Operating Budget
			Kaka'ako Makai	Nä Lama Kukui	500 N Nimitz	501 Sumner	Palauea Culture Preserve	WKOP Mgmt Fund*	Federal Funded	
Personnel & Fringe	153	\$12,811,457	\$102,819	\$96,800	\$0	\$0	\$0	\$0	\$799,815	\$13,810,891
Program		849,395	81,341	520,697	415,615	112,758	-	300	148,528	2,128,634
Contracts		3,053,985	5,540,344	665,664	318,750	48,250	35,000	-	1,135,500	10,797,493
Grants		15,173,500	-	-	-	-	-	-	-	15,173,500
Travel		248,424	-	-	-	-	2,394	4,080	10,000	264,898
Equipment		1,136,816	1,175,879	1,391,934	166,854	154,735	1,000	53,739	155,115	4,236,072
Overhead		2,853,316	633,065	807,479	149,500	79,553	5,580	-	92,028	4,620,521
Debt Service		408,359	26,600	2,013,821	528,069	215,178	-	-	-	3,192,027
Subtotals:		\$36,535,252	\$7,560,048	\$5,496,395	\$1,578,788	\$610,474	\$43,974	\$58,119	\$2,340,986	\$54,224,036
WKOP Fund		146,261								146,261
Totals:		\$36,681,513	\$7,560,048	\$5,496,395	\$1,578,788	\$610,474	\$43,974	\$58,119	\$2,340,986	\$54,370,297

Table 2. FY2023 REALIGNMENT #3 (May 2022)

FY 2023 Realignment #3	FTE	Core	Commercial Property Budget		Iwilei Properties Budget		Legacy Property Budget		Other OHA Programs Budget	FY 2023 Total Operating Budget
			Kaka'ako Makai	Nä Lama Kukui	500 N Nimitz	501 Sumner	Palauea Culture Preserve	WKOP Mgmt Fund	Federal Funded	
Personnel & Fringe	153	\$ 13,253,145	\$ 105,904	\$ 99,704	\$ -	\$ -	\$ -	\$ -	\$ 937,721	\$ 14,396,474
Program		589,315	62,471	368,409	252,264	33,205	1,250	0	118,282	1,425,196
Contracts		3,674,487	1,444,443	518,765	411,000	61,000	33,600	0	491,188	6,634,483
Grants		15,173,500	0	0	0	0	0	0	0	15,173,500
Travel		443,154	0	0	0	0	2,340	0	39,210	484,704
Equipment		397,048	2,250,352	1,214,493	194,572	272,981	31,550	0	0	4,360,996
Overhead		3,063,757	486,424	782,003	160,068	106,070	6,000	0	74,376	4,678,698
Debt Service		531,742	0	2,510,952	713,836	290,890	0	0	0	4,047,420
Subtotals:		\$ 37,126,148	\$ 4,349,594	\$5,494,326	\$1,731,740	\$764,146	\$74,740	\$0	\$1,660,777	\$ 51,201,471
WKOP Fund		207,505								207,505
Totals:		\$ 37,333,653	\$ 4,349,594	\$ 5,494,326	\$ 1,731,740	\$ 764,146	\$ 74,740	\$ -	\$ 1,660,777	\$ 51,408,976

2-Year Totals:	\$74,015,166	\$11,909,642	\$10,990,721	\$3,310,528	\$1,374,620	\$118,714	\$58,119	\$4,001,763	\$105,779,273
----------------	--------------	--------------	--------------	-------------	-------------	-----------	----------	-------------	---------------

OFFICE OF HAWAIIAN AFFAIRS  
FY 2022 BUDGET REALIGNMENT #3

ATTACHMENT 2

2021-2022 (FY22) Core and Non-Core Budgets - Original Budget to Realignment #1, and Realignment #1 to Realignment #2, and Realignment #2 to Realignment #3

A. FY 2022 TOTAL OPERATING BUDGET (June 2021)

FY 2022 Original	FTE	Core	Commercial Property Budget		Legacy Property Budget		Other OHA Programs Budget	FY 2022 Total Operating Budget
			Kaka'ako Makai	Nä Lama Kukui	Palauea Culture Preserve	WKOP Mgmt Fund	Federal Funded	
Personnel & Fringe	153	\$12,872,126	\$102,819	\$96,800	\$0	\$0	\$914,327	\$13,986,072
Program		590,283	60,651	368,745	1,250	2,275	119,878	1,143,082
Contracts		3,457,396	944,443	604,013	33,600	14,850	585,231	5,639,533
Grants		15,173,500	-	-	-	-	-	15,173,500
Travel		447,234	-	-	2,340	4,080	38,068	491,722
Equipment		437,087	243,060	1,065,425	31,550	40,039	67,300	1,884,461
Overhead		3,004,448	445,285	942,710	6,000	-	88,591	4,487,034
Debt Service		553,178	-	2,550,979	-	-	-	3,104,157
Subtotal:		36,535,252	1,796,258	5,628,672	74,740	61,244	1,813,395	45,909,561
Core Support to WKOP Fund		146,261						146,261
<b>Totals (A):</b>		<b>36,681,513</b>	<b>1,796,258</b>	<b>5,628,672</b>	<b>74,740</b>	<b>61,244</b>	<b>1,813,395</b>	<b>46,055,822</b>

\*With correction from previous version to reflect core support to Wao Kele O Puna. In Realignment #2: \$207,505, of which \$61,244 WKOP Funds and \$146,261 support from the Core Budget.

B. FY2022 REALIGNMENT #1 (October 2021)

FY 2022 Realignment #1	FTE	Core	Commercial Property Budget		Iwilei Properties Budget		Legacy Property Budget		Other OHA Programs Budget	FY 2022 Total Operating Budget
			Kaka'ako Makai	Nä Lama Kukui	500 N Nimitz	501 Sumner	Palauea Culture Preserve	WKOP Mgmt Fund	Federal Funded	
Personnel & Fringe	153	\$12,872,126	\$102,819	\$96,800	\$0	\$0	\$0	\$0	\$914,327	\$13,986,072
Program		590,283	60,651	319,890	189,615	8,658	1,250	2,275	119,878	1,292,500
Contracts		3,457,396	1,499,443	555,564	308,250	48,250	33,600	14,850	585,231	6,502,584
Grants		15,173,500	-	-	-	-	-	-	-	15,173,500
Travel		447,234	-	-	-	-	2,340	4,080	38,068	491,722
Equipment		437,087	628,060	1,391,934	166,854	154,735	31,550	40,039	67,300	2,917,559
Overhead		3,004,448	391,927	780,354	120,051	79,553	6,000	-	88,591	4,470,924
Debt Service		553,178	-	2,550,979	528,069	215,179	-	-	-	3,847,405
Subtotal:		\$36,535,252	\$2,682,900	\$5,695,521	\$1,312,839	\$506,375	\$74,740	\$61,244	\$1,813,395	\$48,682,266
Core Support to WKOP Fund		146,261								146,261
<b>Totals (B):</b>		<b>\$36,681,513</b>	<b>\$2,682,900</b>	<b>\$5,695,521</b>	<b>\$1,312,839</b>	<b>\$506,375</b>	<b>\$74,740</b>	<b>\$61,244</b>	<b>\$1,813,395</b>	<b>\$48,828,527</b>

\*With correction from previous version to reflect core support to Wao Kele O Puna. In Realignment #2: \$207,505, of which \$61,244 WKOP Funds and \$146,261 support from the Core Budget.

<b>Difference (C)=(B)-(A)</b>	<b>\$</b>	<b>-</b>	<b>\$ 886,642</b>	<b>\$ 66,849</b>	<b>\$ 1,312,839</b>	<b>\$ 506,375</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,772,705</b>
-------------------------------	-----------	----------	-------------------	------------------	---------------------	-------------------	-------------	-------------	-------------	---------------------

OFFICE OF HAWAIIAN AFFAIRS  
FY 2022 BUDGET REALIGNMENT #3

ATTACHMENT 2

2021-2022 (FY22) Core and Non-Core Budgets - Original Budget to Realignment #1, and Realignment #1 to Realignment #2, and Realignment #2 to Realignment #3

B'. FY2022 REALIGNMENT #1 (October 2021)

FY 2022 Realignment #1	FTE	Core	Commercial Property Budget		Iwilei Properties Budget		Legacy Property Budget		Other OHA Programs Budget	FY 2022
			Kaka'ako Makai	Nä Lama Kukui	500 N Nimitz	501 Sumner	Palauaea Culture Preserve	WKOP Mgmt Fund	Federal Funded	Total Operating Budget
Personnel & Fringe	153	\$12,872,126	\$102,819	\$96,800	\$0	\$0	\$0	\$0	914,327	\$13,986,072
Program		590,283	60,651	319,890	189,615	8,658	1,250	2,275	119,878	1,292,500
Contracts		3,457,396	1,499,443	555,564	308,250	48,250	33,600	14,850	585,231	6,502,584
Grants		15,173,500	0	0	0	0	-	-	-	15,173,500
Travel		447,234	0	0	0	0	2,340	4,080	38,068	491,722
Equipment		437,087	628,060	1,391,934	166,854	154,735	31,550	40,039	67,300	2,917,559
Overhead		3,004,448	391,927	780,354	120,051	79,553	6,000	-	88,591	4,470,924
Debt Service		553,178	\$0	2,550,979	528,069	215,179	-	-	-	3,847,405
Subtotal:		\$36,535,252	\$2,682,900	\$5,695,521	\$1,312,839	\$506,375	\$74,740	\$61,244	\$1,813,395	\$48,682,266
Core Support to WKOP Fund		146,261								146,261
<b>Totals (B')</b>		<b>\$36,681,513</b>	<b>\$2,682,900</b>	<b>\$5,695,521</b>	<b>\$1,312,839</b>	<b>\$506,375</b>	<b>\$74,740</b>	<b>\$61,244</b>	<b>\$1,813,395</b>	<b>\$48,828,527</b>

\*With correction from previous version to reflect core support to Wao Kele O Puna. In Realignment #2: \$207,505, of which \$61,244 WKOP Funds and \$146,261 support from the Core Budget.

C. FY2022 REALIGNMENT #2 (February 2022)

FY 2022 Realignment #2	FTE	Core	Commercial Property Budget		Iwilei Properties Budget		Legacy Property Budget		Other OHA Programs Budget	FY 2022
			Kaka'ako Makai	Nä Lama Kukui	500 N Nimitz	501 Sumner	Palauaea Culture Preserve	WKOP Mgmt Fund	Federal Funded	Total Operating Budget
Personnel & Fringe	153	\$12,772,126	\$102,819	\$96,800	\$0	\$0	\$0	\$0	876,835	\$13,848,580
Program		835,287	53,209	319,890	189,615	8,658	-	300	148,528	1,555,487
Contracts		3,121,238	2,106,885	555,564	308,250	48,250	33,600	-	565,231	6,739,018
Grants		15,173,500	0	0	0	0	-	-	-	15,173,500
Travel		153,464	0	0	0	0	2,340	4,080	10,000	169,884
Equipment		1,043,897	628,060	1,391,934	166,854	154,735	32,800	56,864	130,800	3,605,944
Overhead		2,885,687	391,927	780,354	120,051	79,553	5,500	-	88,091	4,351,163
Debt Service		553,178	\$0	2,550,979	528,069	215,179	-	-	-	3,847,405
Subtotal:		\$36,538,377	\$3,282,900	\$5,695,521	\$1,312,839	\$506,375	\$74,240	\$61,244	\$1,819,485	\$49,290,981
Core Support to WKOP Fund		143,136								143,136
<b>Totals (D):</b>		<b>\$36,681,513</b>	<b>\$3,282,900</b>	<b>\$5,695,521</b>	<b>\$1,312,839</b>	<b>\$506,375</b>	<b>\$74,240</b>	<b>\$61,244</b>	<b>\$1,819,485</b>	<b>\$49,434,117</b>

\*With correction from previous version to reflect core support to Wao Kele O Puna. In Realignment #2: \$207,505, of which \$61,244 WKOP Funds and \$143,136 support from the Core Budget.

<b>Difference (D)-(C)-(B')</b>	\$	-	\$ 600,000	\$ -	\$ -	\$ -	\$ (500)	\$ -	\$ 6,090	\$ 605,590
--------------------------------	----	---	------------	------	------	------	----------	------	----------	------------



OFFICE OF HAWAIIAN AFFAIRS  
FY 2022 BUDGET REALIGNMENT #3

ATTACHMENT 2

2021-2022 (FY22) Core and Non-Core Budgets - Original Budget to Realignment #1, and Realignment #1 to Realignment #2, and Realignment #2 to Realignment #3

C'. FY2022 REALIGNMENT #2 (February 2022)

FY 2022 Realignment #2	FTE	Core	Commercial Property Budget		Iwilei Properties Budget		Legacy Property Budget		Other OHA Programs Budget	FY 2022
			Kaka'ako Makai	Nä Lama Kukui	500 N Nimitz	501 Sumner	Palauea Culture Preserve	WKOP Mgmt Fund	Federal Funded	Total Operating Budget
Personnel & Fringe	153	\$12,772,126	\$102,819	\$96,800	\$0	\$0	\$0	\$0	876,835	\$13,848,580
Program		835,287	53,209	319,890	189,615	8,658	-	300	148,528	1,556,737
Contracts		3,121,238	2,106,885	555,564	308,250	48,250	33,600	-	565,231	6,739,018
Grants		15,173,500	0	0	0	0	-	-	-	15,173,500
Travel		153,464	0	0	0	0	2,340	4,080	10,000	169,884
Equipment		1,043,897	628,060	1,391,934	166,854	154,735	32,800	56,864	130,800	3,604,694
Overhead		2,885,687	391,927	780,354	120,051	79,553	5,500	-	88,091	4,351,663
Debt Service		553,178	\$0	2,550,979	528,069	215,179	-	-	-	3,847,405
Subtotal:		\$36,538,377	\$3,282,900	\$5,695,521	\$1,312,839	\$506,375	\$74,240	\$61,244	\$1,819,485	\$49,291,481
Core Support to WKOP Fund		143,136								143,136
Totals (B'):		\$36,681,513	\$3,282,900	\$5,695,521	\$1,312,839	\$506,375	\$74,240	\$61,244	\$1,819,485	\$49,434,617

D. FY2022 REALIGNMENT #3 (May 2022)

FY 2022 Realignment #3	FTE	Core	Commercial Property Budget		Iwilei Properties Budget		Legacy Property Budget		Other OHA Programs Budget	FY 2022
			Kaka'ako Makai	Nä Lama Kukui	500 N Nimitz	501 Sumner	Palauea Culture Preserve	WKOP Mgmt Fund	Federal Funded	Total Operating Budget
Personnel & Fringe	153	\$12,811,457	\$102,819	\$96,800	\$0	\$0	\$0	\$0	799,815	\$13,810,891
Program		849,395	81,341	520,697	415,615	112,758	-	300	148,528	2,128,634
Contracts		3,053,985	5,540,344	665,664	318,750	48,250	35,000	-	1,135,500	10,797,493
Grants		15,173,500	0	0	0	0	-	-	-	15,173,500
Travel		248,424	0	0	0	0	2,394	4,080	10,000	264,898
Equipment		1,136,816	1,175,879	1,391,934	166,854	154,735	1,000	53,739	155,115	4,236,072
Overhead		2,853,316	633,065	807,479	149,500	79,553	5,580	-	92,028	4,620,521
Debt Service		408,359	\$26,600	2,013,821	528,069	215,178	-	-	-	3,192,027
Subtotal:		\$36,535,252	\$7,560,048	\$5,496,395	\$1,578,788	\$610,474	\$43,974	\$58,119	2,340,986	\$54,224,036
Core Support to WKOP Fund		146,261								146,261
Totals (D):		\$36,681,513	\$7,560,048	\$5,496,395	\$1,578,788	\$610,474	\$43,974	\$58,119	\$2,340,986	\$54,370,297

Difference (D)-(C)-(B')	\$	-	\$	4,277,148	\$	(199,126)	\$	265,949	\$	104,099	\$	(30,266)	\$	(3,125)	\$	521,501	\$	4,935,680
-------------------------	----	---	----	-----------	----	-----------	----	---------	----	---------	----	----------	----	---------	----	---------	----	-----------

OFFICE OF HAWAIIAN AFFAIRS  
FY 2023 BUDGET REALIGNMENT #3

ATTACHMENT 3

2022-2023 (FY23) Core and Non-Core Budgets - Original Budget to Realignment #1, and Realignment #1 to Realignment #2, and Realignment #2 to Realignment #3

A. FY 2023 TOTAL OPERATING BUDGET (June 2021)

FY 2023 Original	FTE	Core	Commercial Property Budget		Legacy Property Budget		Other OHA Programs Budget	FY 2022  Total Operating Budget
			Kaka'ako Makai	Nä Lama Kukui	Palauea Culture Preserve	WKOP Mgmt Fund	Federal Funded	
Personnel & Fringe	153	\$13,253,145	\$105,904	\$99,704	\$0	\$0	937,721	\$14,396,474
Program		589,315	62,471	370,055	1,250	-	118,282	1,141,373
Contracts		3,674,487	944,443	612,407	33,600	-	491,188	5,756,125
Grants		15,173,500	0	0	-	-	-	15,173,500
Travel		443,154	0	0	2,340	-	39,210	484,704
Equipment		397,048	250,352	1,228,093	31,550	-	-	1,907,043
Overhead		3,063,757	458,644	958,973	6,000	-	74,376	4,561,750
Debt Service		531,742	0	2,510,952	-	-	-	3,042,694
Subtotal:		37,126,148	1,821,814	5,780,184	74,740	-	1,660,777	46,463,663
Core Support to WKOP Fund		207,505						207,505
<b>Totals (A):</b>		<b>37,333,653</b>	<b>1,821,814</b>	<b>\$5,780,184</b>	<b>\$74,740</b>	<b>\$0</b>	<b>\$1,660,777</b>	<b>46,671,169</b>

\*With correction from previous version to reflect core support to Wao Kele O Puna: \$207,505.

B. FY 2023 REALIGNMENT #1 (October 2021)

FY 2023 Realignment #1	FTE	Core	Commercial Property Budget		Iwilei Properties Budget		Legacy Property Budget		Other OHA Programs Budget	FY 2022  Total Operating Budget
			Kaka'ako Makai	Nä Lama Kukui	500 N Nimitz	501 Sumner	Palauea Culture Preserve	WKOP Mgmt Fund	Federal Funded	
Personnel & Fringe	153	\$13,253,145	\$ 105,904	\$ 99,704	\$ -	\$ -	\$ -	\$ -	937,721	\$ 14,396,474
Program		589,315	62,471	368,409	252,264	33,205	1,250	-	118,282	1,425,196
Contracts		3,674,487	1,444,443	518,765	411,000	61,000	33,600	-	491,188	6,634,483
Grants		15,173,500	-	-	-	-	-	-	-	15,173,500
Travel		443,154	-	-	-	-	2,340	-	39,210	484,704
Equipment		397,048	2,250,352	1,214,493	194,572	272,981	31,550	-	-	4,360,996
Overhead		3,063,757	486,423	782,003	160,068	106,070	6,000	-	74,376	4,678,697
Debt Service		531,742	-	2,510,952	713,836	290,889	-	-	-	4,047,419
Subtotal:		\$37,126,148	\$ 4,349,593	\$5,494,326	\$1,731,740	\$764,145	\$74,740	\$0	\$1,660,777	\$51,201,469
WKOP Fund		207,505								207,505
<b>Totals (B):</b>		<b>\$37,333,653</b>	<b>\$4,349,593</b>	<b>\$5,494,326</b>	<b>\$1,731,740</b>	<b>\$764,145</b>	<b>\$74,740</b>	<b>\$0</b>	<b>\$1,660,777</b>	<b>\$51,408,975</b>

\*With correction from previous version to reflect core support to Wao Kele O Puna: \$207,505.

<b>Difference (C)=(B)-(A)</b>	<b>\$</b>	<b>-</b>	<b>\$ 2,527,779</b>	<b>\$ (285,858)</b>	<b>\$ 1,731,740</b>	<b>\$ 764,145</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,737,806</b>
-------------------------------	-----------	----------	---------------------	---------------------	---------------------	-------------------	-------------	-------------	-------------	---------------------

**2022-2023 (FY23) Core and Non-Core Budgets - Original Budget to Realignment #1, and Realignment #1 to Realignment #2, and Realignment #2 to Realignment #3**

B. FY 2023 REALIGNMENT #1 (October 2021)											
FY 2023 Realignment #1	FTE	Core	Commercial Property Budget		Iwilei Properties Budget		Legacy Property Budget		Other OHA Programs Budget	FY 2022	
			Kaka'ako Makai	Nā Lama Kukui	500 N Nimitz	501 Sumner	Palaeua Culture Preserve	WKOP Mgmt Fund	Federal Funded		Total Operating Budget
Personnel & Fringe	153	\$13,253,145	105,904	\$ 99,704	\$ -	\$ -	\$ -	\$ -	\$ 937,721	\$ 14,396,474	
Program		589,315	62,471	368,409	252,264	33,205	1,250	-	118,282	1,425,196	
Contracts		3,674,487	1,444,443	518,765	411,000	61,000	33,600	-	491,188	6,634,483	
Grants		15,173,500	-	-	-	-	-	-	-	15,173,500	
Travel		443,154	-	-	-	-	2,340	-	39,210	484,704	
Equipment		397,048	2,250,352	1,214,493	194,572	272,981	31,550	-	-	4,360,996	
Overhead		3,063,757	486,424	782,003	160,068	106,070	6,000	-	74,376	4,678,698	
Debt Service		-	-	2,510,952	713,836	230,890	-	-	-	4,047,420	
Subtotal:	\$	37,126,148	\$ 4,349,594	\$5,494,326	\$1,731,740	\$764,146	\$74,740	\$0	\$1,660,777	\$ 51,201,471	
WKOP Fund		207,505								207,505	
Totals (B'):	\$	37,333,653	\$ 4,349,594	\$ 5,494,326	\$ 1,731,740	\$ 764,146	\$ 74,740	\$ -	\$ 1,660,777	\$ 51,408,976	

**C. FY 2023 REALIGNMENT #2 (February 2022)**

FY 2023 Realignment #2	FTE	Core	Commercial Property Budget		Iwilei Properties Budget		Legacy Property Budget		Other OHA Programs Budget	FY 2022
			Kaka'ako Makai	Nā Lama Kukui	500 N Nimitz	501 Sumner	Palauoa Culture Preserve	WKOP Mgmt Fund	Federal Funded	
Personnel & Fringe	153	\$ 13,253,145	105,904	\$ 99,704	\$ -	\$ -	\$ -	\$ -	\$ 937,721	\$ 14,396,474
Program		589,315	62,471	368,409	252,264	33,205	1,250	-	118,282	1,425,196
Contracts		3,674,487	1,444,443	518,765	411,000	61,000	33,600	-	491,188	6,634,483
Grants		15,173,500	-	-	-	-	-	-	-	15,173,500
Travel		443,154	-	-	-	-	2,340	-	39,210	484,704
Equipment		397,048	2,250,352	1,214,493	194,572	272,981	31,550	-	-	4,360,996
Overhead		3,063,757	486,424	782,003	160,068	106,070	6,000	-	74,376	4,678,698
Debt Service		531,742	-	2,510,952	713,836	290,890	-	-	-	4,047,420
Subtotal:		\$37,126,148	\$4,349,594	\$5,494,326	\$1,731,740	\$764,146	\$74,740	\$0	\$1,660,777	\$51,201,471
WKOP Fund		207,505								207,505
Totals (C):		\$37,333,653	\$4,349,594	\$5,494,326	\$1,731,740	\$764,146	\$74,740	\$0	\$1,660,777	\$51,408,976

\*With correction from previous version to reflect core support \$207,505 to Wao Kele O Puna

[illegible]

**2022-2023 (FY23) Core and Non-Core Budgets - Original Budget to Realignment #1, and Realignment #1 to Realignment #2, and Realignment #2 to Realignment #3**

FY 2023 Realignment #2	FTE	Core	Commercial Property Budget		Iwilei Properties Budget		Legacy Property Budget		Other OHA Programs Budget	FY 2022
			Kaka'ako Makai	Nā Lama Kukui	500 N Nimitz	501 Sumner	Palaua Culture Preserve	WKOP Mgmt Fund	Federal Funded	Total Operating Budget
Personnel & Fringe	153	\$ 13,253,145	105,904	\$ 99,704	\$ -	\$ -	\$ -	\$ -	\$ 937,721	\$ 14,396,474
Program		589,315	62,471	368,409	252,264	33,205	1,250	-	118,282	1,425,196
Contracts		3,674,487	1,444,443	518,765	411,000	61,000	33,600	-	491,188	6,634,483
Grants		15,173,500	-	-	-	-	-	-	-	15,173,500
Travel		443,154	-	-	-	-	2,340	-	39,210	484,704
Equipment		397,048	2,250,352	1,214,493	194,572	272,981	31,550	-	-	4,360,996
Overhead		3,063,757	486,424	782,003	160,068	106,070	6,000	-	74,376	4,678,698
Debt Service		531,742	-	2,510,952	713,836	290,890	-	-	-	4,047,420
Subtotal:		\$37,126,148	\$4,349,594	\$5,494,326	\$1,731,740	\$764,146	\$74,740	\$0	\$1,660,777	\$51,201,471
WKOP Fund		207,505								207,505
<b>Totals (C'):</b>		<b>\$37,333,653</b>	<b>\$4,349,594</b>	<b>\$5,494,326</b>	<b>\$1,731,740</b>	<b>\$764,146</b>	<b>\$74,740</b>	<b>\$0</b>	<b>\$1,660,777</b>	<b>\$51,408,976</b>

FY 2023 Realignment #3	FTE	Core	Commercial Property Budget		Iwilei Properties Budget		Legacy Property Budget		Other OHA Programs Budget	FY 2022
			Kaka'ako Makai	Nā Lama Kukui	500 N Nimitz	501 Sumner	Palauea Culture Preserve	WKOP Mgmt Fund	Federal Funded	Total Operating Budget
Personnel & Fringe	153	\$ 13,253,145	105,904	\$ 99,704	\$ -	\$ -	\$ -	\$ -	\$ 937,721	\$ 14,396,474
Program		589,315	62,471	368,409	252,264	33,205	1,250	-	118,282	1,425,196
Contracts		3,674,487	1,444,443	518,765	411,000	61,000	33,600	-	491,188	6,634,483
Grants		15,173,500	-	-	-	-	-	-	-	15,173,500
Travel		443,154	-	-	-	-	-	-	-	484,704
Equipment		397,048	2,250,352	1,214,493	194,572	272,981	31,550	-	-	4,360,996
Overhead		3,063,757	486,424	782,003	160,068	106,070	6,000	-	74,376	4,678,698
Debt Service		531,742	-	2,510,952	713,836	290,890	-	-	-	4,047,420
Subtotal:		\$37,126,148	\$4,349,594	\$5,494,326	\$1,731,740	\$764,146	\$74,740	\$0	\$1,660,777	\$51,201,471
WKOP Fund		207,505								207,505
<b>Totals (D):</b>		<b>\$37,333,653</b>	<b>\$4,349,594</b>	<b>\$5,494,326</b>	<b>\$1,731,740</b>	<b>\$764,146</b>	<b>\$74,740</b>	<b>\$0</b>	<b>\$1,660,777</b>	<b>\$51,408,976</b>

[illegible]



**STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS**

**Committee on Resource Management**

Trustee John Waihe'e IV, *At-Large - Chair*

Trustee Luana Alapa, *Moloka'i / Lāna'i - Vice Chair*

*Members*

Trustee Leina'ala Ahu Isa, *At-Large*

Trustee Dan Ahuna, *Kaua'i / Ni'ihau*

Trustee Kaleihikina Akaka, *O'ahu*

Trustee Keli'i Akina, *At-Large*

Trustee Brendon Kalei'aina Lee, *At-Large*

Trustee Carmen Hulu Lindsey, *Maui*

Trustee Mililani Trask, *Hawai'i Island*

**MEETING OF THE  
COMMITTEE ON RESOURCE MANAGEMENT (RM)**

**DATE:** Tuesday, May 31, 2022

**TIME:** 1:30 p.m.

**PLACE:** Virtual Meeting viewable at [www.oha.org/livestream](http://www.oha.org/livestream) OR

Listen by phone: (213) 338-8477,

Webinar ID: 840 0869 8043

**Due to COVID-19, the OHA Board of Trustees and its standing committees will hold virtual meetings until further notice.**

**This virtual meeting can be viewed and observed via livestream on OHA's website at [www.oha.org/livestream](http://www.oha.org/livestream) or listened to by phone at: (213) 338-8477, Webinar ID: 840 0869 8043. A physical meeting location open to the general public will be available at 560 N. Nimitz Hwy., Suite 200, Honolulu HI 96817. All members of the public that wish to access the physical meeting location must pass a wellness check and provide proof of full vaccination or a negative COVID-19 test taken within 72 hours of entry.**

**AGENDA**

**I. Call to Order**

**II. Public Testimony on Items Listed on the Agenda\***

(Please see page 2 on how to submit written testimony or provide oral testimony online.

Oral testimony by telephone/landline **will not** be accepted)

**III. Approval of Minutes**

A. May 3, 2022

**IV. Unfinished Business - None**

**V. New Business**

A. Administration Presentation re: State of Hawai'i, Employees Retirement System,  
Executive Director, Thomas Williams, Endowment Function

B. ACTION ITEM RM #22-08: Community Based, Micro Kokua Grants

C. ACTION ITEM RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022  
(FY 22) and 2022-2023 (FY 23) - Realignment #3

**D. ACTION ITEM RM #22-10: Limited Delegation of Authority of Chapter 10-17 Grant Awards  
for the Purposes of Effecting Responsive Emergency Financial  
Assistance and Community Based, Micro Kokua Grants**

**VI. Announcements**

**VII. Adjournment**

If you require an auxiliary aid or accommodation due to a disability, please contact Everett Ohta at telephone number (808) 594-1988 or by email at: [everetto@oha.org](mailto:everetto@oha.org) no later than three (3) business days prior to the date of the meeting. Meeting materials will be available to the public 72 hours prior to the meeting and posted to OHA's website at: [www.oha.org/rm](http://www.oha.org/rm).




## ACTION ITEM

### COMMITTEE ON RESOURCE MANAGEMENT

May 31, 2022

RM #22-10

**Action Item Issue:** Limited Delegation of Authority of Chapter 10-17 Grant Awards for the Purposes of Effecting Responsive Emergency Financial Assistance and Community-Based, Micro Kōkua Grants

Co-Prepared by:  May 27, 2022

---

Ramona G. Hinck Date  
Ka Pou Kihi Kanaloa Wai, Chief Financial Officer

Reviewed by:  May 27, 2022

---

Casey K. Brown Date  
Ka Pou Nui, Chief Operating Officer

Reviewed by:  May 27, 2022

---

Everett Ohta Date  
Paepae Puka Kūikawā, Interim General Counsel

Co-Prepared & Reviewed by:  May 27, 2022

---

Sylvia M. Hussey, Ed.D. Date  
Ka Pouhana, Chief Executive Officer

Reviewed by:  May 27, 2022

---

Ke Kua, Trustee John D. Waihee, IV Date  
Luna Ho'omalua o ke Kōmike Resource Management  
Chair of the Committee on Resource Management



## **Action Item RM #22-10: Limited Delegation of Authority of Chapter 10-17 Grant Awards for the Purposes of Effecting Responsive Emergency Financial Assistance and Community-Based, Micro Kōkua Grants**

---

### **I. Proposed Action**

Approve the limited delegation of grant awarding authority, pursuant to section 10-17, Hawai‘i Revised Statutes, to the Chief Executive Officer for:

- A. Program 3800 – Grants, Object Code – 56510 – Grants in Aid Program & Proviso Grants, Emergency Financial Assistance (“EFA”) Grants, up to \$2,000 per award, and an overall budgetary limit of \$830,000 in both FY22 and FY23, less any amounts in 3<sup>rd</sup> party grant agreements executed for the purposes of EFA;
- B. Program 3800 – Grants, Object Code – 56560 – Sponsorships, Rural Community-Based, Micro Kōkua Grants for event sponsorships (“Kōkua Grants”), up to \$1,000 per award, and an overall budgetary limit of \$30,000 in both FY22 and FY23; and

subject to weekly reporting to the Board of Trustees by type of grant (EFA or Kōkua), recipient name, type of disbursement (e.g., rent, utilities, funeral, car repair, medical, event), payee, amount, and geographic location (e.g., Kaua‘i, O‘ahu, Maui, Molokai, Lāna‘i, Hawai‘i Island).

### **II. Issue**

Whether or not the Committee on Resource Management will recommend to the Board of Trustees (“Board” or “BOT”), the approval of limited delegated grant awarding authority to the Chief Executive Officer (“CEO”) for Emergency Financial Assistance (“EFA”), and rural, community based, micro event sponsorship grants (to be known as Kōkua grants).

### **III. Discussion**

- A. **Policy Basis – Grants.** Policy 2020 Grants found in the Executive Policy Manual (EPM) describes implementation of OHA’s grants program in compliance with Section 10-17, including authorities granted to the CEO. However, via Action Item RM #18-12: Amendments to OHA’s Board of Trustees Executive Policy Manual related to budget preparation, format and reporting requirements, September 26, 2018, the CEO no longer has grant approval authorities, and the Board retains awarding authority for all grants, including sponsorships. In practice, all grants have come to the Board, via Action Item and with recommendations by the Committee on Resource Management (RMC)<sup>1</sup> forwarded to the Board for action. On an exception basis, grant Action Items have been waived from the RMC to the Board (i.e., COVID-19 related emergency responses).

---

<sup>1</sup> Based on the pilot Kūlia grant implementation processes, from the Board’s Ad Hoc Committee on Grants and Sponsorships, a joint meeting of the RMC and the Committee on Beneficiary Advocacy & Empowerment was required for awarding of the pilot Kūlia program grants. Administration recommended and the Board approved (via FY22, FY23 budget approval) the sunseting of the pilot Kūlia grant program, and an evaluation is process by the Office of Strategy Management.

**Action Item RM #22-10: Limited Delegation of Authority of Chapter 10-17 Grant Awards for the Purposes of Effecting Responsive Emergency Financial Assistance and Community-Based, Micro Kōkua Grants**

**B. Budget Authorization – 3800 Grants Program.** On June 30, 2021, via Action Item RM #21-08A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), the Board approved \$15,173,500 in grants and sponsorships, refer to Figure 2: Core Grants Budget – by Expenditure Type and Attachment A.

- 1. EFA Grants.** Included in the budget approval was \$830,000 in each FY22 and FY23 fiscal year for EFA purposes, object code 56510-Grants in Aid Program & Proviso Grants.

**Figure 1: Object Code 56510-Grants in Aid Program & Proviso Grants**

GRANTS	ACTUAL FY20	PROJECTED FY21	PRELIMINARY		FY22/FY23 2-Year Total	%
			FY 22	FY 23		
56510-GRANTS IN AID PROGRAM & PROVISIO GRANTS	1,726,338	1,044,253	830,000	830,000	1,660,000	5%

General funds of \$415,000 in each FY22 and FY23 fiscal year for “..social services, including referral services and case management, to at-risk Office of Hawaiian Affairs’s beneficiaries to immediately address unexpected crises; provided further that program activities shall be designed with an overall objective to provide financial assistance to improve stability during emergency situations.” was appropriated via Act 29 (2021), as further detailed at Attachment B.

**Figure 2: Core Grants Budget – by Expenditure Type**  
[Table 7 of Action Item RM #21-08A, June 30, 2021]

GRANTS	ACTUAL FY20	PROJECTED FY21	PRELIMINARY		FY22/FY23 2-Year Total	%
			FY 22	FY 23		
56510-GRANTS IN AID PROGRAM & PROVISIO GRANTS	1,726,338	1,044,253	830,000	830,000	1,660,000	5%
56530-GRANTS IN AID - COMMUNITY GRANTS	3,681,670	6,482,356	7,300,000	7,300,000	14,600,000	48%
56540-GRANTS IN AID LEVEL II GRANTS	4,500,000	6,777,983	6,500,000	6,500,000	13,000,000	43%
56560-GRANTS IN AID - SPONSORSHIPS	90,381	140,000	410,921	410,921	821,842	3%
565XX-GRANTS IN AID – DISASTER AID			132,579	132,579	265,158	1%
<b>Subtotal - Grants:</b>	<b>\$9,998,390</b>	<b>\$14,444,592</b>	<b>\$15,173,500</b>	<b>\$15,173,500</b>	<b>\$30,347,000</b>	<b>100%</b>
58700-INVESTMENT (CAPITALIZATION) - WIND DOWN ACTIVITIES FOR LLCs	125,138					
<b>Total - Grants</b>	<b>\$10,123,528</b>	<b>\$14,444,592</b>	<b>\$15,173,500</b>	<b>\$15,173,500</b>	<b>\$30,347,000</b>	

\* After Budget Realignment #3 pending Board approval as of 6/2/2021

**Action Item RM #22-10: Limited Delegation of Authority of Chapter 10-17 Grant Awards for the Purposes of Effecting Responsive Emergency Financial Assistance and Community-Based, Micro Kōkua Grants**

An additional amount of \$415,000 in Trust funds was budgeted in each of FY22 and FY23 fiscal year, also for EFA purposes, for a total budget of \$830,000 in each year.

2. **Kōkua Grants<sup>2</sup>**. Also via Action Item RM #21-08A, \$30,000 in each fiscal year for the purposes of administering rural, community-based micro sponsorships <\$1,000<sup>3</sup> in six island communities (Kaua‘i, Lana‘i, Molokai, Maui, O‘ahu and Hawai‘i Island) was approved. The intent was to support small but meaningful, mission-aligned events, activities and projects in the island communities.

Table 1: Sponsorships – 56560 is Table 10 from Action Item #21-08A details the programmatic sponsorships approved. The Board noted that while the BOT – Sponsorships and Kaiaulu/CEO Sponsorships were included in the budget, both line items are subject to the 2018 Board moratorium pending further work, recommendations and actions of the Board’s Ad Hoc Committee on Grants and Sponsorships.

**Table 1: Sponsorships – 56560**  
*[Table 10 in Action Item RM #21-08A, June 30, 2021]*

Sponsorships	Awarded	Awarded	Biennium Budget Request		FY22/FY23
	FY 20*	FY 21*	FY 22	FY 23	2-Year Total
BOT - Sponsorships			135,000	135,000	270,000
Kaiaulu/CEO - Sponsorships			70,921	70,921	141,842
<b>Sub-total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,921</b>	<b>\$205,921</b>	<b>\$411,842</b>
CE - Coalition Building	20,000	0			0
CE - Association of Hawaiian Civic Clubs	10,000	0	10,000	10,000	20,000
CE - CNHA	10,000	10,000	10,000	10,000	20,000
CE - Onipa'a Celebration	5,000	5,000	5,000	5,000	10,000
CE-SCHHA Homestead Summit	0		10,000	10,000	20,000
CE-Native Hawaiian Chamber of Commerce - O'O Awards			5,000	5,000	10,000
CE-Moanalua Gardens, Prince Lot			15,000	15,000	30,000
Merrie Monarch			15,000	15,000	30,000

<sup>2</sup> Refer also to Action Item RM #22-08: Approval of Community Based, Micro Kokua Grants, May 31, 2022

<sup>3</sup> Administration proposes the award limit be “less than or equal to” \$1,000.

**Action Item RM #22-10: Limited Delegation of Authority of Chapter 10-17 Grant Awards for the Purposes of Effecting Responsive Emergency Financial Assistance and Community-Based, Micro Kōkua Grants**

Sponsorships	Awarded	Awarded	Biennium Budget Request		FY22/FY23
	FY 20*	FY 21*	FY 22	FY 23	2-Year Total
Queen Liliuokalani Keiki Hula			15,000	15,000	30,000
Lunalilo Home Event, Project, Program			15,000	15,000	30,000
Iolani Palace Event, Project, Program			15,000	15,000	30,000
Aha Punana Leo Event, Project, Program			15,000	15,000	30,000
Polynesian Voyaging Society Event, Project, Program			15,000	15,000	30,000
<b>Rural Community Based Sponsorship, &lt; \$1,000; 6 island communities</b>			<b>30,000</b>	<b>30,000</b>	<b>60,000</b>
<b>Sub-total</b>	<b>\$45,000</b>	<b>\$15,000</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$350,000</b>
Advocacy - NH Congressional Fellowship	50,000	0	0	0	0
Advocacy - Papahānaumokuākea	15,000	5,000	15,000	15,000	30,000
Advocacy - Alaska Federation of Natives	5,000	5,000	5,000	5,000	10,000
Advocacy - National Congress of American Indians	5,000	5,000	5,000	5,000	10,000
Advocacy - National Indian Education Association	5,000	5,000	5,000	5,000	10,000
Advocacy - National Museum of the American Indians	5,000	0	0	0	0
Pacific Day - NZ Embassy	3,500	0	0	0	0
<b>Sub-total</b>	<b>\$88,500</b>	<b>\$20,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$60,000</b>
Na Mamo Makamae		0			0
Homestead Summit		10,000			0
NHCC O'o Awards		5,000			0

**Action Item RM #22-10: Limited Delegation of Authority of Chapter 10-17 Grant Awards for the Purposes of Effecting Responsive Emergency Financial Assistance and Community-Based, Micro Kōkua Grants**

Sponsorships	Awarded	Awarded	Biennium Budget Request		FY22/FY23
	FY 20*	FY 21*	FY 22	FY 23	2-Year Total
Moanalua Foundation, Prince Lot		15,000			0
<b>Sub-total</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Realignment #3</b>					0
Merrie Monarch		15,000			0
Queen Liliuokalani Keiki Hula		15,000			0
Lunalilo Home Event, Project, Program		15,000			0
Iolani Palace Event, Project, Program		15,000			0
Aha Punana Leo Event, Project, Program		15,000			0
<b>Sub-total</b>	<b>\$0</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Sponsorships:</b>	<b>\$133,500</b>	<b>\$140,000</b>	<b>\$410,921</b>	<b>\$410,921</b>	<b>\$821,842</b>

### C. Program Implementation

Program implementation details for EFA and Kōkua grants are provided below, including Administration's rationale for recommending a limited delegation of authority for awarding and disbursement.

#### 1. Emergency Financial Assistance Grants

EFA grants were previously awarded to a non-profit organization based on a competitive grants solicitation process. The successful awardee organization would then apply program parameters (e.g., ancestry, purpose or allowable disbursements), process applications, determine eligible recipients, disburse funds (up to a maximum amount) consistent with program parameters (e.g., rent, mortgage, utilities) and provide quarterly grant reports. The Grants Program monitored the grant activities including field audits of grantee records and program administration, approval of disbursements and final reports. Seventy-five percent (75%) of the budgeted amount is allocated for direct beneficiary disbursement amounts and 25% for vendor program administration (e.g., salaries, wages, supplies, equipment). Refer to Figure 3 for parameters of the Ka Waialele program administered, for OHA by the Board approved vendor Hawaii Community Lending with FY21 encumbered funds.

<https://www.oha.org/emergencyaid>


During the 2021 reorganization and FY22 and FY23 budget construction period, Administration planned to administer the EFA grant program in-house to prioritize 100% of the grant amount to beneficiaries compared to the 25% being paid to a vendor. The primary point of interface with the beneficiary, applicant community



## Action Item RM #22-10: Limited Delegation of Authority of Chapter 10-17 Grant Awards for the Purposes of Effecting Responsive Emergency Financial Assistance and Community-Based, Micro Kōkua Grants

was envisioned to be the new Beneficiary Services unit located in OHA offices throughout the state, supported by Grants Program oversight. Due to difficulties in filling Beneficiary Services and Grants Program positions, planning for in-house delivery was delayed and relies on development of central systems, processes, procedures and training materials. Once in-house capabilities are developed and launched, EFA services will be available from both a 3<sup>rd</sup> party contractor (HCL) and in-house direct delivery.


Figure 3: Ka Wailele Program, Administered for OHA by Hawaii Community Lending



### Ka Wailele Program Requirements:

To qualify for Ka Wailele grants, applicants must meet the following qualifications:



- Be Native Hawaiian residing in Hawai'i
- At least 18 years old
- Be in financial hardship; and
- Have documents to prove past due rent, mortgage, utilities, rental deposit, car repairs, funeral or medical expenses



### Ka Wailele Program Requirements:

Native Hawaiian applicants will be required to submit the following documents with their applications to be considered for OHA's Ka Wailele grants:

<u>Proof of Age and Hawai'i Residency</u> <ul style="list-style-type: none"><li>• Copy of Picture ID</li></ul>	<u>Assistance Needed (one of the following)</u> <ul style="list-style-type: none"><li>• Past due rent or eviction notice with amount owed</li><li>• Past due utility or disconnection notice with amount owed</li><li>• Bill from utility service (i.e., water delivery)</li><li>• Mortgage statement with past due amount</li><li>• Car repairs estimate(s) within 30 days of application; proof of ownership</li><li>• Funeral estimate(s) from third party vendor(s) within six months of application; death certificate or obituary notice indicating death within six months of application; proof of relationship to deceased</li><li>• Medical bill within three months of application that indicates out-of-pocket expense OR estimate for procedure/treatment scheduled to occur within one month of application or reasonable timeframe</li></ul>
<u>Native Hawaiian Verification (one of the following)</u> <ul style="list-style-type: none"><li>• Copy of Birth Certificate</li><li>• OHA Hawaiian Registry Card</li><li>• Department of Hawaiian Home Lands Lease</li><li>• Kamehameha Schools Ho'oulu Registry</li></ul>	
<u>Proof of Financial Hardship (one of the following)</u> <ul style="list-style-type: none"><li>• Unemployment or Pandemic Unemployment Assistance (PUA) approval letter</li><li>• Letter from employer verifying you have been laid off or lost hours at work</li><li>• Pay stubs prior to loss of income and current pay stubs</li><li>• Business bank statements prior to loss of income and current business bank statements (if self-employed)</li></ul>	
<u>Housing (one of the following)</u> <ul style="list-style-type: none"><li>• Unemployment or Pandemic Unemployment Assistance (PUA) approval letter.</li></ul>	



OFFICE OF HAWAIIAN AFFAIRS      HAWAII COMMUNITY LENDING



## **Action Item RM #22-10: Limited Delegation of Authority of Chapter 10-17 Grant Awards for the Purposes of Effecting Responsive Emergency Financial Assistance and Community-Based, Micro Kōkua Grants**

---

### **2. Community Based, Micro Kokua Grants**

In 2019, the Community Engagement (CE) paia worked with Corporate Counsel on processes and forms for community based, micro grants in accordance, and to be compliant with, the provisions of Chapter 10-17 – Grants. The reasoning for the CE paia's initial planning and processing, at that time, was that the CE paia including the Community Outreach unit (and Community Outreach Coordinators), being in the community, were in a better position to assess the needs of the community, and address via a small (\$ amount), yet meaningful grant.

Shelved due to the pandemic and reorganization activities, in 2022, the Beneficiary Services unit (aka Hui Huliamaahi), revived the planning effort and re-reviewed and updated, as needed, processes and forms, and launched a pilot application process via the statewide Beneficiary Service Agents. Included in the re-review and update process was to align allowable expenditures with the 'Ahahui event grant program that awards up to \$10,000 for a community event. Included as eligible expenditures for the maximum \$1,000 award include: food, lei, modest makana or ho'okupu (e.g., under \$50, packaged pa'akai), rewards-printed goods (e.g., certificate for 'ōlelo), supplies for activities (e.g., makahiki games, konane).

The intent was to learn about the efficacy of the developed processes, forms and scoring and make recommendations for improvement, including compliance with policy that all grants, including sponsorships, are to be approved by the Board.

The application form and pilot applicants are found at Attachments A and B and the developed scoring sheet at Attachment C. Each pilot application was scored by a team of three reviewers consisting of: 1) a Beneficiary Services Agent in the applicant community; 2) a second Beneficiary Services Agent; and 3) the Beneficiary Services Manager. Recommendations for awarding were then forwarded to the Chief Executive Officer, via the Communications Director (upline Director), and this action item was prepared.

If this pilot award recommendation is approved, Communications will work with Grants and Beneficiary Services programs to advertise broadly to beneficiaries and communities regarding the community based, micro kokua grants (e.g., access, application, \$, budget, mission alignment). The upline recommendation(s) will follow this future path: Hui Huliamaahi via the Communications Director to the Grants Manager via the Chief Financial Officer, then to Ka Pouhana/Chief Executive Officer.

### **3. Basis for Limited Delegation of Authority Recommendation**

Administration recommends the limited delegation of authority for the awarding of in house administered EFA and Kōkua grants for the following reasons:

- a. Individual maximum award amount of \$2,000 (EFA) is at a beneficiary level;
- b. Individual maximum award amount of \$1,000 (Kōkua) is at an organization level vs. \$50,000+ for other grant categories (e.g., education, culture, housing);
- c. Shortened process time frame from application to awarding and disbursement to meet individual beneficiary and community organization needs;

**Action Item RM #22-10: Limited Delegation of Authority of Chapter 10-17 Grant Awards for the Purposes of Effecting Responsive Emergency Financial Assistance and Community-Based, Micro Kōkua Grants**

---

- d. Proposed weekly efficient and timely processing by Administration vs. twice a month Board Committee and Board processing; and
- e. In the absence of a delegation of authority, for the in house processed EFA grants, each beneficiary's application, which includes personal information and documentation of financial hardship, would need to go before the BOT and would need to be voted upon in a public meeting.

**IV. Funding Source**

Not applicable, no dedicated funding needed to delegate limited authority to award emergency financial assistance or rural, community based, micro kokua grants.

**V. Recommended Action**

Approve the limited delegation of grant awarding authority, pursuant to section 10-17, Hawai'i Revised Statutes, to the Chief Executive Officer for:

- A. Program 3800 – Grants, Object Code – 56510 – Grants in Aid Program & Proviso Grants, Emergency Financial Assistance (“EFA”) Grants, up to \$2,000 per award, and an overall budgetary limit of \$830,000 in both FY22 and FY23, less any amounts in 3<sup>rd</sup> party grant agreements executed for the purposes of EFA;
- B. Program 3800 – Grants, Object Code – 56560 – Sponsorships, Rural Community-Based, Micro Kōkua Grants for event sponsorships (“Kōkua Grants”), up to \$1,000 per award, and an overall budgetary limit of \$30,000 in both FY22 and FY23; and

subject to weekly reporting to the Board of Trustees by type of grant (EFA or Kokua), recipient name, type of disbursement (e.g., rent, utilities, funeral, car repair, medical, event), payee, amount, and geographic location (e.g., Kaua'i, O'ahu, Maui, Molokai, Lāna'i, Hawai'i Island).

**VI. Timeframe**

Becomes effective upon the second reading (and approval) by the Board of Trustees.

**VII. Reference Documents**

The following documents are provided as references for this action item and future action items related to retained or delegated grant authorities:

- 1. Action Item RM #18-12: Amendments to OHA's Board of Trustees Executive Policy Manual related to budget preparation, format and reporting requirements, September 26, 2018
- 2. Executive Policy Manual, 2012: Section 2020 – Grants.

**VIII. Attachments**

- A. Approved FY22 and FY23 Grants and Sponsorship Details
- B. Act 29 (2021)

**Action Item RM #21-08A: OHA Biennium Budget for the Fiscal Biennium Period 2021-2022 (FY 22) and 2022-2023 (FY 23)**

**Core Grants Budget**

Includes all grant opportunities in support of our Native Hawaiian communities to create systemic change.

CORE OPERATING BUDGET	ACTUAL FY20 EXPENDITURES	PROJECTED FY21	PRELIMINARY BUDGET REQUEST		FY22/FY23	%
			FY 22	FY 23	2-Year Total	
Personnel	\$14,827,694	\$13,881,194	\$12,872,126	\$13,253,145	\$26,125,271	35%
Grants	10,123,527	14,444,592	15,173,500	15,173,500	30,347,000	41%
Contracts	5,476,301	4,402,735	3,457,396	3,689,337	7,146,733	10%
Overhead	2,711,047	3,073,374	3,004,448	3,063,757	6,068,206	8%
Program	990,767	795,677	590,283	591,590	1,181,874	2%
Equipment	1,059,624	1,015,114	583,348	583,348	1,166,696	2%
Debt Service	561,673	548,637	553,178	531,742	1,084,920	1%
Travel	378,518	118,192	447,234	447,234	894,469	1%
<b>Total Core Operating Budget</b>	<b>\$36,129,151</b>	<b>\$38,279,515</b>	<b>\$36,681,515</b>	<b>\$37,333,655</b>	<b>\$74,015,169</b>	<b>100%</b>

**Table 7: Core Grants Budget - by Expenditure Type**

GRANTS	ACTUAL FY20	PROJECTED FY21	PRELIMINARY		FY22/FY23	%
			FY 22	FY 23	2-Year Total	
56510-GRANTS IN AID PROGRAM & PROVISIO GRANTS	1,726,338	1,044,253	830,000	830,000	1,660,000	5%
56530-GRANTS IN AID - COMMUNITY GRANTS	3,681,670	6,482,356	7,300,000	7,300,000	14,600,000	48%
56540-GRANTS IN AID LEVEL II GRANTS	4,500,000	6,777,983	6,500,000	6,500,000	13,000,000	43%
56560-GRANTS IN AID - SPONSORSHIPS	90,381	140,000	410,921	410,921	821,842	3%
565XX-GRANTS IN AID – DISASTER AID			132,579	132,579	265,158	1%
<b>Subtotal - Grants:</b>	<b>\$9,998,390</b>	<b>\$14,444,592</b>	<b>\$15,173,500</b>	<b>\$15,173,500</b>	<b>\$30,347,000</b>	<b>100%</b>
58700-INVESTMENT (CAPITALIZATION) - WIND DOWN ACTIVITIES FOR LLCS	125,138					
<b>Total - Grants</b>	<b>\$10,123,528</b>	<b>\$14,444,592</b>	<b>\$15,173,500</b>	<b>\$15,173,500</b>	<b>\$30,347,000</b>	

\* After Budget Realignment #3 pending Board approval as of 6/2/2021

**Action Item RM #21-08A: OHA Biennium Budget for the Fiscal Biennium Period 2021-2022 (FY 22) and 2022-2023 (FY 23)**

**Table 8: Community Grants Program – 56530**

Community Grants	Awarded	Awarded	Biennium Budget Request		FY22/FY23	%
	FY 20*	FY 21*	FY 22	FY 23	2-Year Total	
20-01: Culture	\$500,000	\$500,000	\$500,000	\$500,000	\$1,000,000	7%
20-02: Health	500,000	500,000	500,000	500,000	1,000,000	7%
20-03: Education	750,000	750,000	750,000	750,000	1,500,000	10%
20-04: Housing	500,000	500,000	1,500,000	1,500,000	3,000,000	21%
20-05: Income	750,000	750,000	750,000	750,000	1,500,000	10%
20-06: Land	500,000	500,000	500,000	500,000	1,000,000	7%
20-07: Ahahui	200,000	200,000	200,000	200,000	400,000	3%
<b>Leverage Opportunities</b>						0%
Higher Education Scholarships			500,000	500,000	1,000,000	7%
Homestead Community		250,000	300,000	300,000	600,000	4%
NH Teacher Education & Professional Development		250,000	250,000	250,000	500,000	3%
‘Ohana (including Impacts of Incarceration, Human Trafficking, LGBTQ)		250,000	750,000	750,000	1,500,000	10%
Iwi Kupuna Repatriation & Reinterment		144,079	300,000	300,000	600,000	4%
COVID-19 Impacts		500,000	500,000	500,000	1,000,000	7%
<b>Total Community Grants:</b>	<b>\$3,700,000</b>	<b>\$5,094,079</b>	<b>\$7,300,000</b>	<b>\$7,300,000</b>	<b>\$14,600,000</b>	<b>100%</b>

INTENTIONALLY LEFT BLANK

**Action Item RM #21-08A: OHA Biennium Budget for the Fiscal Biennium Period 2021-2022 (FY 22) and 2022-2023 (FY 23)**

**Table 9: Level II Grants -56540**

Level II Grants	Awarded	Awarded	Biennium Budget Request		FY22/FY23	%
	FY 20*	FY 21*	FY 22	FY 23	2-Year Total	
Department of Hawaiian Home Lands (DHHL)	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$6,000,000	46%
Hawaiian-Focused Public Charter Schools	1,500,000	2,000,000	3,000,000	3,000,000	6,000,000	46%
Kulia	250,000	500,000	500,000	500,000	1,000,000	8%
Ohana and Community Grants		1,170,000			0	0%
Iwi Kupuna Repatriation & Reinterment		107,983			0	0%
<b>Total Level II Grants:</b>	<b>\$4,750,000</b>	<b>\$6,777,983</b>	<b>\$6,500,000</b>	<b>\$6,500,000</b>	<b>\$13,000,000</b>	<b>100%</b>

**Table 10: Sponsorships – 56560**

Sponsorships	Awarded	Awarded	Biennium Budget Request		FY22/FY23	%
	FY 20*	FY 21*	FY 22	FY 23	2-Year Total	
BOT - Sponsorships			135,000	135,000	270,000	
Kaiaulu/CEO - Sponsorships			70,921	70,921	141,842	
<b>Sub-total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,921</b>	<b>\$205,921</b>	<b>\$411,842</b>	<b>50%</b>
CE - Coalition Building	20,000	0			0	
CE - Association of Hawaiian Civic Clubs	10,000	0	10,000	10,000	20,000	
CE - CNHA	10,000	10,000	10,000	10,000	20,000	
CE - Onipa'a Celebration	5,000	5,000	5,000	5,000	10,000	
CE-SCHHA Homestead Summit	0		10,000	10,000	20,000	
CE-Native Hawaiian Chamber of			5,000	5,000	10,000	

**Action Item RM #21-08A: OHA Biennium Budget for the Fiscal Biennium Period 2021-2022 (FY 22) and 2022-2023 (FY 23)**

Sponsorships	Awarded	Awarded	Biennium Budget Request		FY22/FY23	%
	FY 20*	FY 21*	FY 22	FY 23	2-Year Total	
Commerce - O'O Awards						
CE-Moanalua Gardens, Prince Lot			15,000	15,000	30,000	
Merrie Monarch			15,000	15,000	30,000	
Queen Liliuokalani Keiki Hula			15,000	15,000	30,000	
Lunalilo Home Event, Project, Program			15,000	15,000	30,000	
Iolani Palace Event, Project, Program			15,000	15,000	30,000	
Aha Punana Leo Event, Project, Program			15,000	15,000	30,000	
Polynesian Voyaging Society Event, Project, Program			15,000	15,000	30,000	
Rural Community Based Sponsorship, < \$1,000; 6 island communities			30,000	30,000	60,000	
<b>Sub-total</b>	<b>\$45,000</b>	<b>\$15,000</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$350,000</b>	<b>43%</b>
Advocacy - NH Congressional Fellowship	50,000	0	0	0	0	
Advocacy - Papahānaumokuākea	15,000	5,000	15,000	15,000	30,000	
Advocacy - Alaska Federation of Natives	5,000	5,000	5,000	5,000	10,000	
Advocacy - National Congress of American Indians	5,000	5,000	5,000	5,000	10,000	
Advocacy - National Indian Education Association	5,000	5,000	5,000	5,000	10,000	
Advocacy - National Museum of the American Indians	5,000	0	0	0	0	
Pacific Day - NZ Embassy	3,500	0	0	0	0	



**Action Item RM #21-08A: OHA Biennium Budget for the Fiscal Biennium Period 2021-2022 (FY 22) and 2022-2023 (FY 23)**

Sponsorships	Awarded	Awarded	Biennium Budget Request		FY22/FY23	%
	FY 20*	FY 21*	FY 22	FY 23	2-Year Total	
<b>Sub-total</b>	<b>\$88,500</b>	<b>\$20,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$60,000</b>	<b>7%</b>
Na Mamo Makamae		0			0	
Homestead Summit		10,000			0	
NHCC O'o Awards		5,000			0	
Moanalua Foundation, Prince Lot		15,000			0	
<b>Sub-total</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Realignment #3</b>					0	
Merrie Monarch		15,000			0	
Queen Liliuokalani Keiki Hula		15,000			0	
Lunalilo Home Event, Project, Program		15,000			0	
Iolani Palace Event, Project, Program		15,000			0	
Aha Punana Leo Event, Project, Program		15,000			0	
<b>Sub-total</b>	<b>\$0</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Total Sponsorships:</b>	<b>\$133,500</b>	<b>\$140,000</b>	<b>\$410,921</b>	<b>\$410,921</b>	<b>\$821,842</b>	<b>100%</b>

INTENTIONALLY LEFT BLANK



GOV. MSG. NO. 1129

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

May 28, 2021

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Thirty First State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirty First State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on May 28, 2021, the following bill was signed into law:

HB204 SD2 CD1

RELATING TO THE BUDGET OF THE OFFICE  
OF HAWAIIAN AFFAIRS  
**ACT 29(21)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

**MAY 20 2021**

**ORIGINAL**

ATTACHMENT B

on

HOUSE OF REPRESENTATIVES  
THIRTY-FIRST LEGISLATURE, 2021  
STATE OF HAWAII

# ACT 29

H.B. NO. 204  
S.D. 2  
C.D. 1

# A BILL FOR AN ACT

RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

**1** **PART I. GENERAL PROVISIONS**

2       SECTION 1.   SHORT TITLE.   This Act shall be known and may  
3 be cited as the Office of Hawaiian Affairs Appropriations Act of  
4 2021.

5       SECTION 2.  DEFINITIONS.  As used in this Act, unless the  
6 context otherwise requires:

7 "Means of financing" or "MOF" means the source from which  
8 funds are appropriated or authorized to be expended for the  
9 programs and projects specified in this Act. All appropriations  
10 are followed by letter symbols. These letter symbols, where  
11 used, shall mean the following:

12           A       General funds

13            T       Trust funds

14 "Position ceiling" means the maximum number of permanent  
15 and temporary full-time equivalent positions authorized for a  
16 particular program during a specified period or periods, as  
17 denoted by an asterisk (\*) for permanent full-time equivalent

HB204 CD1



H.B. NO. 204  
S.D. 2  
C.D. 1

1 positions and a pound sign (#) for temporary full-time  
2 equivalent positions.

3 "Program ID" means the unique identifier for the specific  
4 program and consists of OHA, the abbreviation for the office of  
5 Hawaiian affairs, followed by the organization number for the  
6 program.

7 **PART II. PROGRAM APPROPRIATIONS**

8 SECTION 3. APPROPRIATIONS. The following sums, or so much  
9 thereof as may be sufficient to accomplish the purposes and  
10 programs designated herein, are appropriated or authorized from  
11 the means of financing specified to the office of Hawaiian  
12 affairs for the fiscal biennium beginning July 1, 2021, and  
13 ending June 30, 2023. The total expenditures and the number of  
14 positions in each fiscal year of the biennium shall not exceed  
15 the sums and the numbers indicated for each fiscal year, except  
16 as provided elsewhere in this Act, or as provided by general  
17 law.



H.B. NO. 204  
S.D. 2  
C.D. 1

## PROGRAM APPROPRIATIONS

				APPROPRIATIONS			
ITEM	PROG.		EXPENDING	FISCAL	M	FISCAL	M
NO.	ID.	PROGRAM	AGENCY	YEAR	O	YEAR	O
				2021-2022	F	2022-2023	F
Hawaiian Affairs							
1.	OHA150	OFFICE OF THE TRUSTEES					
				0.47*		0.47*	
	OPERATING		OHA	0A		0A	
				4.53*		4.53*	
			OHA	275,687T		275,687T	
2.	OHA160	ADMINISTRATION					
				5.03*		5.03*	
	OPERATING		OHA	0A		0A	
				31.97*		31.97*	
			OHA	2,861,727T		2,861,727T	
3.	OHA175	BENEFICIARY ADVOCACY					
				1.47*		1.47*	
	OPERATING		OHA	2,254,400A		2,254,400A	
				18.53*		18.53*	
			OHA	3,292,290T		3,292,290T	



### PART III. PROGRAM PROVISIONS

SECTION 4. Provided that the general fund appropriations in part II of this Act shall be expended by the Office of Hawaiian Affairs.

SECTION 5. Provided that of the funds appropriated for beneficiary advocacy (OHA175), the sum of \$500,000 in general funds and \$500,000 in trust funds for fiscal year 2021-2022 and the same sums for fiscal year 2022-2023 shall be expended for office of Hawaiian affairs beneficiaries for occupancy ready housing needs.

SECTION 6. Provided that of the funds appropriated for beneficiary advocacy (OHA175), the sum of \$415,000 in general funds and \$415,000 in trust funds for fiscal year 2021-2022 and the same sums for fiscal year 2022-2023 shall be expended to provide for social services, including referral services and case management, to at-risk Office of Hawaiian Affairs beneficiaries to immediately address unexpected crises; provided further that program activities shall be designed with an overall objective to provide financial assistance to improve stability during emergency situations; and provided further that notwithstanding section 10-17(e), Hawaii Revised Statutes, any



1 funds expended for the purposes of this section shall be in  
2 accordance with chapter 103D or 103F, Hawaii Revised Statutes,  
3 or a competitive grants process, as appropriate.

4 SECTION 7. Provided that of the funds appropriated for  
5 beneficiary advocacy (OHA175), the sum of \$615,000 in general  
6 funds and \$615,000 in trust funds for fiscal year 2021-2022 and  
7 the same sums for fiscal year 2022-2023 shall be expended to  
8 provide for educational improvement programs for native Hawaiian  
9 students; provided further that program activities shall be  
10 designed to help native Hawaiian students succeed academically;  
11 and provided further that notwithstanding section 10-17(e),  
12 Hawaii Revised Statutes, any expenditures for the purposes of  
13 this section shall be in accordance with chapter 103D or 103F,  
14 Hawaii Revised Statutes, or a competitive grants process, as  
15 appropriate.

16 SECTION 8. Provided that of the funds appropriated for  
17 beneficiary advocacy (OHA175), the sum of \$524,400 in general  
18 funds and \$524,400 in trust funds for fiscal year 2021-2022 and  
19 the same sums for fiscal year 2022-2023 shall be expended to  
20 provide for legal services and legal representation to Office of  
21 Hawaiian Affairs beneficiaries for:



1 (1) The assertion and defense of quiet title actions;  
2 (2) Assistance with ahupuaa and kuleana tenant rights,  
3 including rights of access and rights to water;  
4 (3) Land title assistance, including review of title  
5 and genealogy;  
6 (4) Preservation of traditional and customary  
7 practices;  
8 (5) Protection of culturally significant places;  
9 (6) Preservation of native Hawaiian land trust  
10 entitlements; and  
11 provided further that notwithstanding section 10-17(e), Hawaii  
12 Revised Statutes, any funds expended for the purposes of this  
13 section shall be made in accordance with chapter 103D or 103F,  
14 Hawaii Revised Statutes, as appropriate.

15 **PART IV. RELEASE OF PRIOR FUNDS**

16 SECTION 9. Act 37, Session Laws of Hawaii 2019, is amended  
17 by amending section 8 to read as follows:

18 "SECTION 8. [~~(a) Provided that of the trust funds~~  
19 ~~appropriated in part II of this Act, the sum of \$500,000 for~~  
20 ~~fiscal year 2019-2020 shall be expended for the costs for the~~



~~auditor to conduct or contract for a financial and management  
audit of the Office of Hawaiian Affairs.~~

~~— The auditor shall submit a report of the findings and  
recommendations of the audit to the legislature, governor, and  
the chairperson of the board of trustees of the office of  
Hawaiian affairs no later than twenty days prior to the  
convening of the regular session of 2020.~~

~~— (b)]~~ Provided that the general funds appropriated for  
fiscal year 2020-2021 pursuant to part II of this Act shall not  
be released to the Office of Hawaiian Affairs until after the  
[~~audit report required by subsection (a)]~~ CLA - OHA & LLCs  
Contract and Disbursement Review - Report, dated December 4,  
2019, is received by the legislature."

SECTION 10. The general funds appropriated for fiscal year  
2020-2021 pursuant to part II of Act 37, Session Laws of Hawaii  
2019, shall not lapse at the end of the fiscal year for which  
the appropriation is made; provided that all moneys from the  
appropriation that are unencumbered as of June 30, 2022, shall  
lapse as of that date.

SECTION 11. Provided that of the general funds  
appropriated for beneficiary advocacy (OHA175), the sum of



1 \$200,000 for fiscal year 2021-2022 shall be expended to conduct  
2 or contract for a follow-up contract and disbursement review of  
3 the CLA - OHA & LLCs Contract and Disbursement Review - Report,  
4 dated December 4, 2019.

5 **PART V. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE**

6 SECTION 12. Provided that whenever necessary, the board of  
7 trustees of the Office of Hawaiian Affairs or the board's  
8 designee may transfer sufficient funds and positions between  
9 programs for operating purposes; provided further that these  
10 transfers shall be consistent with legislative intent; and  
11 provided further that the Office of Hawaiian Affairs shall  
12 submit a report to the legislature of all uses of this authority  
13 for the previous twelve month period from December 1 to November  
14 30, no later than twenty days prior to the convening of the  
15 regular sessions of 2022 and 2023.

16 SECTION 13. If any provision of this Act, or the  
17 application thereto to any person or circumstance, is held  
18 invalid, the invalidity does not affect other provisions or  
19 applications of the Act that can be given effect without the  
20 invalid provision or application, and to this end the provisions  
21 of this Act are severable. If any portion of a specific



H.B. NO. 204  
S.D. 2  
C.D. 1

1 appropriation is held to be invalid for any reason, the  
2 remaining portion shall be expended to fulfill the objective of  
3 that appropriation to the extent possible.

4 SECTION 14. If manifest clerical, typographical, or other  
5 mechanical errors are found in this Act, the board of trustees  
6 of the Office of Hawaiian Affairs may correct these errors. All  
7 changes made pursuant to this section shall be reported to the  
8 legislature at its next session.

9 SECTION 15. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11 SECTION 16. This Act shall take effect on July 1, 2021;  
12 provided that sections 9 and 10 of this Act shall take effect  
13 retroactive to June 30, 2021.

APPROVED this 20 day of MAY, 2021



GOVERNOR OF THE STATE OF HAWAII



HB No. 204, SD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 27, 2021  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2021.



Scott K. Saiki  
Speaker  
House of Representatives



Brian L. Takeshita  
Chief Clerk  
House of Representatives

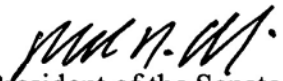


H.B. No. 204, S.D. 2, C.D. 1

**THE SENATE OF THE STATE OF HAWAI‘I**

Date: April 27, 2021  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-First Legislature of the State of Hawai‘i, Regular Session of 2021.

  
President of the Senate

  
Clerk of the Senate