

Committee on Resource ManagementTrustee John Waihe'e IV, *At-Large* - ChairTrustee 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*

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

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

DATE: Tuesday, September 27, 2022**TIME:** 10:00 a.m.**PLACE:** Virtual Meeting viewable at <https://www.oha.org/livestream> OR
Listen by phone: (213) 338-8477, Webinar ID: 870 8722 8555

This virtual meeting can be viewed and observed via livestream on OHA's website at www.oha.org/livestream or listened to by phone at: (213) 338-8477, Webinar ID: 870 8722 8555. A physical meeting location, open to members of the public who would like to provide oral testimony or view the virtual meeting, 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. Approval of Minutes**

A. August 30, 2022*

III. Unfinished Business – None**IV. New Business**

- A. ACTION ITEM RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4*
- B. ACTION ITEM RM #22-23B: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) – Repurposing Previously Designated COVID-19 Reserve*
- C. ACTION ITEM RM #22-23C: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy*

V. Announcements**VI. Adjournment**

If you need an auxiliary aid/support or other accommodation due to a disability, please contact Everett Ohta at telephone number 594-1988 or by email to everetto@oha.org as soon as possible. Requests made as early as possible will allow adequate time to fulfill your request. Upon request, this notice is available in alternate formats such as large print, Braille, or electronic copy.

Meeting materials for this meeting will be available for the public to view 48 hours prior to this meeting at OHA's main office located at 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817. Meeting materials will also be available to view at OHA's neighbor island offices and will be posted to OHA's website at: www.oha.org/rm.

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 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.



**STATE OF HAWAII'
OFFICE OF HAWAIIAN AFFAIRS**

* **Public Testimony** will be called for each agenda item and **must be limited** to those 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*** or ***at the physical meeting location*** 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 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.
- (2) Persons wishing to provide ***oral testimony online*** during the virtual meeting must first register at:
https://us06web.zoom.us/webinar/register/WN_IhjBQVr3QOuywyMRRD16_g

You need to register if you would like to ***orally testify online***. 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 online*** during the virtual meeting.

To provide ***oral testimony online***, you will need:

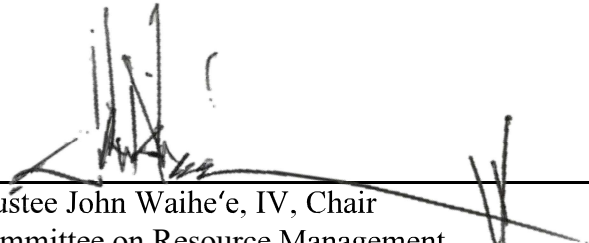
- (a) a computer or mobile device to connect to the virtual meeting;
- (b) internet access; and
- (c) a microphone to provide oral testimony.

Once your ***oral testimony online*** 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.

- (3) Persons wishing to provide ***oral testimony at the physical meeting location*** can sign up the day-of the meeting at the Nā Lama Kukui OHA lobby.

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.


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

09/21/2022

Date

September 27, 2022 - Continued

Committee on Resource ManagementTrustee John Waihe'e IV, *At-Large* - ChairTrustee 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*

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

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

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Listen by phone: (213) 338-8477, Webinar ID: 870 8722 8555

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AGENDA

I. Call to Order**II. Approval of Minutes****A. August 30, 2022*****III. Unfinished Business – None****IV. New Business**

- A. ACTION ITEM RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4*
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**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
560 N. NIMITZ HIGHWAY, SUITE 200
(VIRTUAL MEETING - VIA ZOOM WEBINAR)
COMMITTEE ON RESOURCE MANAGEMENT
MINUTES**

August 30, 2022 10:00 a.m.

ATTENDANCE:

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

EXCUSED:

Trustee Leina'ala Ahu Isa

BOT STAFF:

Crayn Akina
Melissa Wennihan

ADMINISTRATION STAFF:

Sylvia Hussey, CEO / Ka Pouhana / Administrator
Casey Brown, COO / Ka Pou Nui
Daniel Santos III, IT
Edna Johnson, Grants
Everett Ohta, Corporation Counsel
Kevin Chak, IT
Nietzsche Ozawa, Corporation Counsel
Ramona Hinck, CFO

I. CALL TO ORDER

Chair Waihe'e calls the Committee on Resource Management meeting for Tuesday, August 30, 2022 to order at **10:01 a.m.**

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

MEMBERS			AT CALL TO ORDER (10:01 a.m.)	TIME ARRIVED
CHAIR	JOHN	WAIHE'E, IV	PRESENT	
VICE-CHAIR	LUANA	ALAPA	PRESENT	
TRUSTEE	DAN	AHUNA	PRESENT	
TRUSTEE	KALEIHIKINA	AKAKA	PRESENT	
TRUSTEE	KELI'I	AKINA	PRESENT	
TRUSTEE	BRENDON KALEI'AINA	LEE	PRESENT	
TRUSTEE	MILILANI	TRASK	PRESENT	
TRUSTEE	CARMEN HULU	LINDSEY	PRESENT	Arrived at 10:19 a.m.

At the Call to Order, **SEVEN (7) Trustees are PRESENT**, thereby constituting a quorum.

EXCUSED from the RM Meeting are:

MEMBERS			COMMENT
TRUSTEE	LEI	AHU ISA	MEMO – REQUESTING TO BE EXCUSED

II. APPROVAL OF MINUTES

A. July 26, 2022

Trustee Akina moves to approve the minutes of July 26, 2022.

Vice-Chair Alapa seconds the motion.

Chair Waihe'e asks if there is any discussion or changes.

There is no discussion nor are there changes.

RM Staffer Akina states for the record that there is no one signed-up to testify on this agenda item.

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

							10:03 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA	1		X			
VICE-CHAIR LUANA	ALAPA		2	X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY						Arrived at 10:19 a.m.
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				7	0	0	2

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

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

III. UNFINISHED BUSINESS

None

IV. NEW BUSINESS

- A. ACTION ITEM RM #22-18: Approve the Awarding of Iwi Kupuna Repatriation & Reinternment Grants, from Solicitation #22-10, Published April 14, 2022, Application Deadline June 10, 2022***

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

There are zero registrants to testify.

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

Pouhana Hussey: Thank you, Chair Waihe'e. I'm going to invite CFO Ramona Hinck who is functioning as the Interim Grants Manager and Grant Supervisor Edna Johnson, to turn on their cameras and participate in the Action Items.

Similar to actions that have been brought forward, this is for the Iwi Kupuna; this is Cycle One. Provided were all of the applications, the scoring, the comments by external reviewers, and then the actual recommendations.

So, you will see there are far more applications, profiles that are in than are actually recommended for awarding.

Iwi Kupuna; two awardees. The first is a brand new applicant, and that's Huliauapa'a. The second awardee that's being recommended is a second time that they have been awarded, and Administration is recommending that the Board approve that subject to completion of their first award, and completion of all of the operational recording and accountability reports that they have.

So, in summary, those are the two. We did not have any additional applications for this cycle, as the Board can see. There are additional funds that will be available for Cycle Two that we can open up once the contracting and all of those items are completed.

We'll leave it at that; and are ready for any questions by the committee.

Chair Waihe'e asks if there are any questions.

Chair Waihe'e recognizes Trustee Trask.

Trustee Trask: I wanted to ask about what kind of follow-up we're getting now with the Iwi Kupuna awards. What I'm referring to are to some of the requests that we were getting for persons who were leaving to retrieve the Iwi Kupuna in museums from abroad. Then they were bringing them home, but we were not getting any kind of an actual document, report from them. Were those Iwi ever reinterred, and if so, where were they re-interred.

I had some inquiry from my island, because people were happy that they knew that Iwi had been brought back from a museum in Europe. They never heard again, but they're looking for Iwi that were taken from the area and the shoreline of Kahikolu Church, before it was actually constructed.

Trustee Trask: I didn't know what to tell them. When I checked with the office is when I learned that we fund Iwi repatriation, but sometimes the people doing the repatriation don't send us a report, so it's hard to say. To tell beneficiaries, *yes, the Iwi came back, here is when they were reinterred*, but it seems like there's a break there. This is my question. *Are we still having that problem?*

Pouhana Hussey: Trustee Trask these Iwi Kupuna Repatriation Grants are for in-state only. They're not for International or out of State, so these are all for local activities.

Any of the international kinds of events, would come through the regular budgeting process. It's in that budget process that the Board would be informed of the different forays into the different countries. So, this particular grant award, and the *re-award to*, for example, the Hawai'i Church of Hawai'i Nei is for local Iwi Kupuna repatriation activities in each of the communities.

Trustee Trask: *Do we get our report back from them?*

I'm inclined to vote Yes, but when I do vote yes, and they receive the funding and undertake the Iwi repatriation, *will we receive a report back from them?*

To me, I feel like it's the same whether it's coming back from Frankfurt or it's coming back from the Bishop Museum in Honolulu. There still should be some indication that the job was done and most importantly, where the Iwi went, for those on Neighbor Islands that know that something is coming home. I don't know there's a break in communication there somehow.

Pouhana Hussey: So, for these two awardees, the Hawaiian Church of Hawai'i Nei, is an inaugural grantee, when we first opened up Iwi Kupuna. So those are local activities, and their markers are making of the baskets, doing the kapa.

So, the markers, for what they are spending their money on, that's the Grant monitoring report. The appendix, provided in the Action Item, is an example of a grant monitoring report.

The Grants Officer works with them. *Did you spend the money in accordance with what it was supposed to be spent on? Are you on time?* This particular grantee, August 31 and September 30 are the markers to close out their first-year grant. That's why Administration is recommending to award with the condition, that they finish up their first-year grant. They finish it and we will then open up funding for the second year.

Trustee Trask: *Our Grant team has taken a look at that report, and this is the kind of report we want?*

Pouhana Hussey: Correct, and they will monitor not only the expenditures, but also the activities that the grantee said that they were going to do - and they will monitor. If you said you were going to do so many workshops and produced so many items; they will monitor – to match what you said you were going to do.

Trustee Trask: I'm so happy for this, and now, what I will do is that if I get further inquiries, I'll direct them to these materials and say, *look at this, here's a sample of something that comes back to our board*. Thank you very much for that.

Chair Waihe'e asks if there are any further questions or discussion.

There are no further questions nor is there further discussion.

Chair Waihe'e asks if there is anyone signed up to testify on this matter.

RM Staffer Akina states for the record that there is no one signed-up to testify on RM #22-18; neither in-person, nor virtually.

Motion 1 - Huliauapa'a

Trustee Ahuna moves to approve the following Fiscal Year (FY) 2022 and 2023, Community Grant – Iwi Kupuna Repatriation & Reinterment disbursement totaling \$50,000 from Core Operating Budget (Object Code 56530):

Organization	Award Amount
Huliauapa'a	\$50,000
Total	\$50,000

Trustee Akaka seconds the motion.

Chair Waihe'e asks if there is any discussion.

There is no further discussion.

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

							Motion 1: 10:12 a.m. Vote: 10:13 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA	1		X			
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'AINA	LEE			X			
CARMEN HULU	LINDSEY						Arrived at 10:19 a.m.
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				7	0	0	2

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

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

Motion 2 - The Hawaiian Church of Hawaii Nei

Trustee Ahuna moves to approve the following Fiscal Year (FY) 2022 and 2023, Community Grant – Iwi Kupuna Repatriation & Reinterment disbursement totaling \$50,000 from Core Operating Budget (Object Code 56530) for the Hawaiian Church of Hawaii Nei (HCHN), subject to the satisfactory completion of the following FY 2021 grant activities:

- 1) Performance Progress Report & Invoice, submitted before the 7/31/2022 deadline and currently under review by the assigned Grants Officer;
- 2) Performance Final Report & Invoice, due 8/31/2022;
- 3) Closeout Report due 9/30/2022; and
- 4) the Grants Program review and sign off of the reports, closing the 2021 Iwi Kupuna Reinterment & Repatriation grant for HCHN in good standing.

Organization	Award Amount
The Hawaiian Church of Hawaii Nei	\$50,000
Total	\$50,000

Trustee Akaka seconds the motion.

Chair Waihe'e asks if there is any discussion.

There is no further discussion.

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

							Motion 2: 10:14 a.m. Vote: 10:15 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA	1		X			
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY						Arrived at 10:19 a.m.
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				7	0	0	2

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. NEW BUSINESS

**B. ACTION ITEM RM #22-19: Approve the Awarding of Community Grants –
‘Āina, from Solicitation #22-06,
Published April 1, 2022,
Application Deadline May 27, 2022***

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

Pouhana Hussey: Thank you, Chair Waihe’e. Trustees, for the ‘Āina awards, there were six applications in the cycle, and two recommended for awarding. The details of the reasons recommended, either the scoring points, the feedback from the external reviewers, and then, if there is a partial recommendation that Administration has made a calculation of what that partial recommendation of awarding would be.

So, you'll find that in the materials - that out of the six applications, two are being recommended for awarding, and we're ready to answer any questions you may have.

Chair Waihe’e asks if there are any questions or testimony.

There are zero questions and zero registrants to testify.

MAIN MOTION:

Trustee Ahuna moves to approve the following Fiscal Year 2022, Community Grants – ‘Āina disbursements totaling \$275,000 from Core Operating Budget (Object Code 56530) for:

Organization / Island	Award Amount
1. Ke Ao Hāli’i	\$100,000
2. Na Moku Aupuni o Ko’olau Hui	\$75,000
3. Aina Hookupu o Kilauea	\$100,000
Total	\$275,000

Trustee Akaka seconds the motion.

MAIN MOTION							Motion: 10:17 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA	1					
KALEIHIKINA	AKAKA		2				
KELI'I	AKINA						
RM VICE CHAIR LUANA	ALAPA						
BRENDON KALEI'ĀINA	LEE						
CARMEN HULU	LINDSEY						Arrived at 10:19 a.m.
MILILANI	TRASK						
RM CHAIR JOHN	WAIHE'E						
TOTAL VOTE COUNT							

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

Pouhana Hussey: Chair Waihe'e, I'd like to call attention to the Trustees that the Action Item actually excludes the seventy-five thousand award. We received information between the initial information provided to the Trustees and the actual application.

The applicant, the process, they went to scoring, but they had not fulfilled all of the awarding recommendations. So, the Action Item awarding is the motion that is in the Action Item, and so that's minus the seventy-five thousand for Na Moku Aupuni o Ko'olau Hui.

Pouhana Hussey: So, we recommend a friendly amendment, because we are not putting forward the seventy-five thousand for awarding, we are recommending, that goes to the second cycle. E kala mai for the confusion.

AMENDMENT:

Trustee Lee moves to amend the motion to remove the 2. Na Moku Aupuni o Ko'olau Hui award amount of \$75,000, from the Fiscal Year 2022, Community Grants – 'Āina disbursements from Core Operating Budget (Object Code 56530).

Organization / Island	Award Amount
2. Na Moku Aupuni o Ko'olau Hui	\$75,000
Total	-\$75,000

Trustee Ahuna 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**.

AMENDMENT							Motion: 10:19 a.m. Vote: 10:20 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA		2	X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'ĀINA	LEE	1		X			
CARMEN HULU	LINDSEY			X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				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 **AMENDMENT PASSES**.

MAIN MOTION, AS AMENDED

Trustee Ahuna moves to approve the following Fiscal Year 2022, Community Grants – 'Āina disbursements totaling \$200,000 from Core Operating Budget (Object Code 56530) for:

Organization / Island	Award Amount
1. Ke Ao Hāli'i	\$100,000
2. Aina Hookupu o Kilauea	\$100,000
Total	\$200,000

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**.

MAIN MOTION, AS AMENDED							Motion: 10:17 a.m. Vote: 10:20 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA	1		X			
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY			X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				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 **MAIN MOTION, AS AMENDED PASSES**.

IV. NEW BUSINESS

C. ACTION ITEM RM #22-20: Approve the Awarding of Community Grants – Mo'omeheu from Solicitation #22-07, Published April 1, 2022, Application Deadline May 27, 2022*

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

Pouhana Hussey: Thank you, Chair Waihe'e, and thank you, Trustee Lee and Trustees for the last one.

This is Mo'omeheu, the culture-based items. There were two applicants, and one is being recommended to move forward. That is the sole-awardee action that's there for the Board's consideration.

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina states for the record that there is no one signed-up to testify on RM #22-20; neither in-person, nor virtually.

Trustee Ahuna moves to approve the following Fiscal Year 2022, Community Grants – Mo‘omeheu disbursements totaling \$99,840 from Core Operating Budget (Object Code 56530) for:

Organization / Island	Award Amount
1. Hui Mālama O Ke Kai Foundation, O‘ahu	\$99,840
Total Cycle 1 Recommendation	\$99,840

Trustee Lindsey seconds the motion.

Chair Waihe‘e asks if there are any questions.

Chair Waihe‘e recognizes Trustee Akina.

Trustee Akina: I have a couple of questions about this. First, I think many of us are aware that Civil Beat published an article this week, talking about the decline in the enrollment of Native Hawaiian males in college. In fact, one of the things they pointed out was that over the last ten-year period, when we compared this last year to ten years ago, there are thirty-percent fewer of Hawaiian males in college now.

So, I wanted to just ask a couple of questions.

First, does this grant, which I think is a marvelous grant in terms of its intention; *does this grant in any way address the issue of fortifying the Native Hawaiian male population in college?*

The second question, given how wonderful this grant is, is *why have only two parties applied for it?*

Pouhana Hussey: Chair Waihe‘e, I'll address Trustee Akina's first question.

This particular grant focus is on youth versus college males, as an example where the Civil Beat article focused on. This particular one is focusing on youth and their families, and particularly with ku‘i ‘ai boards and that whole piece. So, these are the culture-based awards. So, I'm sorry, Trustee, that's a long answer for a short answer, which should be, this doesn't address that age group.

Trustee Akina: Thank you for your response, KP, but, as I read the Action Item, I understood that it had also to deal with preparation of young people for career and college, which would take place while they are in high school. So that's really what I'm asking, is whether at that stage in high school we would be specifically focusing on getting more males into college.

Pouhana Hussey: I apologize, Trustee Akina, definitely. There's always that connection, even though the activity is in one sector. The foundation is always being built for that next career and college steppingstone.

So, we can follow up if it's specifically addressing males. Which this one doesn't specify that it's addressing males, just as a whole, but we can certainly ask them and ensure that they have that orientation, which they probably do, just not explicitly called out.

Trustee Akina: I'm not necessarily saying that we need to revise this particular grant. Perhaps, in the future, as we look at the research going forward.

My second question was simply, with the opportunity that this grant offers, why we only had two applicants.

Pouhana Hussey: In terms of recruitment, that is a good question. We're hoping that putting out the second cycle will also have people realize that there are opportunities, including the one applicant that wasn't recommended for awarding this cycle. That they would come back and provide the specificity that some of the external reviewers called out.

Trustee Akina: It may be a good opportunity, given the recent newspaper article to get the word out that we have these funds available in the next cycle.

Pouhana Hussey: I will share with the Trustees, that among the reviewers, as they review the categories, if an applicant addresses a gap area that no other applicant is bringing forward, those are plus points.

So, to your point, Trustee Akina, if the application came in and they were identifying a sector that remained to be a gap, for example, eighth grade math on the neighbor islands is usually a gap area in education. The reviewers would call that out, as plus points, because this particular applicant covers a sector that isn't being covered by anyone else.

Trustee Akina: Mahalo.

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

Chair Waihe'e recognizes Trustee Trask.

Trustee Trask: I just wanted to follow up on what Trustee Akina is raising here. *Do we have within our Grant application process, a section or question that probes this, so that we have some data coming back?*

Pouhana Hussey: *Data collected by the awardee themselves, or data that we provide as part of the solicitation, Trustee?*

Trustee Trask: No, I'm talking about data on both, and the reason why is because Civil Beat has a very bad habit of looking at articles, and drafting articles, in a way that always makes Hawaiians look bad, including this office.

Trustee Trask: So, when I see something like this from Civil Beat; number one, I always want to check and verify their data, but number two, I want to be cautious, because they have a habit of inviting people to do things, because they would like to see a different change, but they do not themselves ensure that equity is maintained.

So, I'm not looking for a way to adjust numbers to please Civil Beat. If Civil Beat is saying that we don't have enough Hawaiian males being funded, I would like to know what we're looking at to address the problems.

When I saw that article, I thought it was very interesting that Civil Beat pointed out that there were less males, but they didn't point out that America had gotten into problems in places like Afghanistan and elsewhere, and when that happens, it's the young males that go. There are women in military, but there are much fewer.

So, whenever I see something with Civil Beat, I'm very cautious, but I feel like it's my job, as a Trustee to look at this and see; *do we need to have a special outreach for our young men? What's impacting this?*

You never see that kind of analysis from Civil Beat, because they're rushing to a conclusion to point the finger of blame at a Hawaiian, but we have to take a look at it. I don't know what the purpose could be or what could be the reason, but if we need to look at it, let's do it. I don't want to leave our young men out.

Trustee Trask: I also don't want to assess the situation like Civil Beat does globally, so they can point the finger at OHA and not go up to the University of Hawai'i or other programs, and not take a look at what else is happening in the world. Thank you.

Chair Waihe'e recognizes Trustee Lee.

Trustee Lee: Thank you, Chair Waihe'e. To follow up on what Trustee Trask was saying, she has a very good point, and if you read all the comments on that article from Civil Beat, somebody from the University of Hawai'i actually did respond.

Their response stated the recent push over the last six to eight years, about Continuing Education doesn't just mean college. They pointed out studies that the UH has done that shows that a lot of males, *and they only addressed males because that's what the article addressed*, are transitioning from high school to trade schools, versus college.

They also pointed out that their studies have shown that the kids going to trade school are actually making significantly more income in today's market in Hawai'i, specifically, than, kids that are graduating with a four-year degree.

They used teaching degrees as the example. They have people graduating from Electrician School, Plumbing School, or joining a Carpenters Union, making upwards of three to four times as much as a Teacher coming out with a four year degree.

Trustee Lee: So, to Trustee Trask's point, Civil Beat took a very, skewed view of this without looking at the entire picture that a lot of students from high school are foregoing college for taking on a trade. Which they believe, they have proven, that they can make a better living at - working in a trade versus going to college.

Chair Waihe'e recognizes Ka Pouhana.

Pouhana Hussey: Thank you, I did want to follow up also on Trustee Akina. When the applicants apply, in the application, it is their responsibility to also cite the demographics of the community that they are trying to address with the program.

So, they will give the community, they will define what that community is, and then they will give the statistics of that community to which this grant is trying to address. So, this specific applicant, in the Grant application itself, they call out the community, the high school graduation rate, the persistence rate once they go to college, and that is why they are utilizing this program to address those specific statistics.

So, part of the process is for them to state... and often the statistics or the data they're using comes from OHA's data books. That's the value of our research is to provide a foundation for them to utilize in this grant, but in other grants as well.

Chair Waihe'e asks if there are any further questions or comments.

There are no further questions, nor comments.

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

							Motion: 10:22 a.m. Vote: 10:31 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA	1		X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY		2	X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				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. NEW BUSINESS

D. ACTION ITEM RM #22-21: Approve the Awarding of ‘Ohana Grants from Solicitation #22-09, Published April 1, 2022, Application Deadline June 10, 2022*

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

Pouhana Hussey: Thank you, Chair Waihe‘e. Trustees, ‘Ohana Grants were combined with the COVID-19 to provide a larger amount, as well as segmented by island. So, you will see in the original budgeting that there were big line items for 2.5 million dollars, and then we sub-allocated that to each of the islands, based on overall Native Hawaiian population. We did call out Lāna‘i and Ni‘ihau to be handled separately. In the past, we haven't had some very targeted applications, nor awarding.

So, we decided to pull that out so that we can work with the on-island community to more effectively get those dollars to the community itself. So that's why Lāna‘i and Ni‘ihau are pulled out, but the rest of it is just provided for allocation purposes, and so you will see the three awardees.

There were four applications, and three recommended for awarding. One of the applications was very similar to the ‘Ahahui, when we awarded a sponsor organization that the Board had already approved sponsorship for, had applied for additional dollars and Administration, had recommended that they just continue to be awarded the fifteen thousand sponsorship dollars, and not be awarded additional amounts in fairness to other sponsorship applicants.

This is the same situation as the Kalihi-Palama application, who asked for more than the already approved fifteen thousand dollars for each year, so that's the reason Administration is not recommending that for awarding. In addition, they did not score highly, so sort of a moot issue on that, but that's why they are not being recommended for awarding, even if they had high scores by external reviewers.

Chair Waihe‘e recognizes Trustee Lee.

Trustee Lee: Thank you, Chair Waihe‘e. Ka Pouhana, given that this is the second instance this has happened - in the Grant process or Grant application, does it inform the sponsored, that they are not eligible for a Grant.

The only reason why I ask is, well, as you know, I know you've written many grants. Grant writing is a long process, and a lot of these are volunteers doing that. *So, are we letting them know up front, don't waste your time filling out this grant, because you can't get it?*

Pouhana Hussey: I think it's a little of both, they are more than welcome. For example, Kalihi-Palama is more than welcome to apply for a grant, and they have many other programs that they can apply for, so we wouldn't know ahead of time.

Yet, as the application comes in, and it's specifically for a sponsorship event, I think it would be informative to all who apply, letting them know, *if you're going to apply for a grant specifically for an event that you already received a sponsorship, then that's an ineligible application.*

Pouhana Hussey: If you're going to apply for something else, then you're more than welcome to apply. So, I think that clarification behooves us to make clear to future sponsorship applicants.

Trustee Lee: *So, we don't currently do that?*

Pouhana Hussey: We do not currently do that, but obviously we should.

Chair Waihe'e recognizes Trustee Trask.

Trustee Trask: Colleagues, I had a call on this. I know what the process is, I understand this, but I had a call on this, and I'm not really sure if the person that called me was affiliated with any of these groups, I don't know.

What they told me was that - we have a problem with our program, and this is what it is. Because it takes months for people to write grants, as Brendon is saying, put things in, they're checked on their budget and double-checked. They submit the grants and then what has happened right here in the U.S., that in a four-or-five-month period, while they're going through it, inflation occurs.

So, we know that the program needs ten thousand dollars, yet by the time we give them the ten thousand we know that inflation has occurred, and they really won't be able to do it unless they get another three or four grand.

He asked me the question, why doesn't OHA look at the reality of our lives, everyone else is dealing with inflation. We know what it is, it's in the paper and on the news, but when we submit grants to you, you ignore it and deny us, and if we come back for more, your criterion is that you will ignore inflation and fund us with a grant that is not going to be enough at the end.

I don't really have any answers for this colleagues, but I wanted to bring it to your attention, because we know the truth of that every time we go to KTA in Hilo, every time we go fill up gas, you know.

I don't know - RM Committee Chair, and BAE, and Sylvia, *is it time that we look at inflationary adjustments in the grants that we award, and how would that be an adjustment that we could put into our own budget process?*

So, we don't get another horrible article from Civil Beat, accusing us of violating our own internal procedures.

Pouhana Hussey: Trustee Trask, that is definitely a reality. Some of the constructs of the way OHA grants are currently structured is we don't fund one hundred percent, anyway, of the entire programming. We ask for a twenty percent match for them, not all of them require a match during the time of COVID.

We didn't require any matches in COVID. We just wanted the monies to get out, but now we look to twenty percent for them to match. Then we look at them, and we cap the entire budget, because we want to make sure we have money for as many people as can apply.

Pouhana Hussey: I would love to come to the Trustees with a problem that we have too many applications; they're all worthy and Trustees I need another one hundred thousand to fund. We're not there yet, but we are prepared for that.

So again, quality of applications. In their budgeting process, some of the things that they should think about: if they are anticipating an increase in salary, they should factor that into their budget as they project the two-year period.

Part of that is also about understanding their budget and crafting that budget with the reality. As well as adjusting the budget. Sometimes people leave, and now they don't have that function anymore. They now have to go to a third party rather than their own employee, and that's where the Grants Officer works with the program to realign their budgets within that.

The other way we could do it, is conditional awarding.

For whatever the amount, say fifty thousand, and if the Trustees are in agreement, then the award gets a plus ten percent or whatever that number. We can factor that into the awarding conditions.

That would definitely need to be approved by the Trustees in terms of this plus factor. Right now, the budget, the matching, the other funds that they bring in are signs of the applicant. If they're getting funds from multiple sources, that's also a good sign of an awardee who is able to manage all of those pieces.

We talked earlier about grants for kāko'o, help with grant writing, help with, again not exciting stuff, but back office accounting, and HR, and reports, and things, and data; kāko'o grants. That would be helpful for them, so that would be needed to be brought forward to the Trustees and then a budget, considered for that.

Chair Waihe'e asks if there are any further questions or comments.

There are no further questions, nor comments.

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina states for the record that there is no one signed-up to testify on RM #22-21; neither in-person, nor virtually.

Trustee Ahuna moves to approve the following Fiscal Year 2022, Community Grants – ‘Ohana disbursements totaling \$165,000** from Core Operating Budget (Object Code 56530) for:

Organization / Island	Award Amount
Papahana Kuaola – O’ahu	\$100,000
Ke Kula o Piilani – Maui	\$85,000
Hana Arts - Maui	\$80,000
Total	<u>\$165,000**</u>

**** Note:**

The sum presented in the Action Item is incorrect. The correct summation is \$265,000.
This issue will be addressed at the Board-level when this issue is listed on the Board agenda.

This summation issue was resolved at the September 15, 2022 Board meeting in Hilo Hawai‘i.

Trustee Akaka seconds the motion.

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

							Motion: 10:43 a.m. Vote: 10:44 a.m.
TRUSTEE		1	2	’AE (YES)	A’OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA’ALA	AHU ISA						EXCUSED
DAN	AHUNA	1		X			
KALEIHIKINA	AKAKA		2	X			
KELI’I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI’ĀINA	LEE			X			
CARMEN HULU	LINDSEY			X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE’E			X			
TOTAL VOTE COUNT				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. NEW BUSINESS

E. ACTION ITEM RM #22-22: Approve the Awarding of Homestead Community Grants, from Solicitation #22-11, Published April 14, 2022, Application Deadline June 10, 2022*

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

Pouhana Hussey: Thank you, Chair Waihe'e. Trustees, this is the first cycle for Homestead Grants, and there were two applications and two recommendations for awarding. The scores, we also take the recommendations from the external reviewers, and then adjust.

So, this is an example where one of the recommended awardees was adjusted for a partial award, because that was the recommendation, and their scoring aligned to that recommendation.

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina states for the record that there is no one signed-up to testify on RM #22-22; neither in-person, nor virtually.

Trustee Ahuna moves to approve the following Fiscal Year 2022 and 2023, Community Grants – Homestead disbursements totaling \$90,000 from Core Operating Budget (Object Code 56530) for:

Organization / Island	Award Amount
Keaukaha Pana'ewa Community Alliance	\$50,000
Homestead Community Development Corporation	\$40,000
Total	\$90,000

Trustee Akaka seconds the motion.

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

							10:45 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA	1		X			
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'AINA	LEE			X			
CARMEN HULU	LINDSEY			X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				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**.

V. ANNOUNCEMENTS

None

VI. ADJOURNMENT

Trustee Lindsey moves to adjourn the RM meeting.

Trustee Ahuna 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**.

							10:46 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA		2	X			
KALEIHIKINA	AKAKA			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			
TOTAL VOTE COUNT				8	0	0	1

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

Chair Waihe'e adjourns the RM meeting at 10:46 a.m.

Respectfully submitted,

Melissa Wennihan
Trustee Aide
Committee on Resource Management

As approved by the Committee on Resource Management (RM) on September 27, 2022.

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

Committee on Resource ManagementTrustee 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*

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

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

DATE: Tuesday, September 27, 2022**TIME:** 10:00 a.m.

PLACE: Virtual Meeting viewable at <https://www.oha.org/livestream> OR
Listen by phone: (213) 338-8477, Webinar ID: 870 8722 8555

This virtual meeting can be viewed and observed via livestream on OHA's website at www.oha.org/livestream or listened to by phone at: (213) 338-8477, Webinar ID: 870 8722 8555. A physical meeting location, open to members of the public who would like to provide oral testimony or view the virtual meeting, 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. Approval of Minutes**

A. August 30, 2022*

III. Unfinished Business – None**IV. New Business**

- A. ACTION ITEM RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4*
- B. ACTION ITEM RM #22-23B: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) – Repurposing Previously Designated COVID-19 Reserve*
- C. ACTION ITEM RM #22-23C: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy*

V. Announcements**VI. Adjournment**

If you need an auxiliary aid/support or other accommodation due to a disability, please contact Everett Ohta at telephone number 594-1988 or by email to everetto@oha.org as soon as possible. Requests made as early as possible will allow adequate time to fulfill your request. Upon request, this notice is available in alternate formats such as large print, Braille, or electronic copy.

Meeting materials for this meeting will be available for the public to view 48 hours prior to this meeting at OHA's main office located at 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817. Meeting materials will also be available to view at OHA's neighbor island offices and will be posted to OHA's website at: www.oha.org/rm.

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 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.




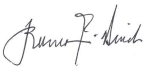
ACTION ITEM

COMMITTEE ON RESOURCE MANAGEMENT September 27, 2022


RM #22-23A

Action Item Issue: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

Co-Prepared by:  9/22/2022
Grace Chen Date
'Aho Hui Mo'ohelu, Budget Analyst

Co-Prepared & Reviewed by:  9/22/2022
Ramona G. Hinck Date
Pou Kāko'o Ho'opono Kūikawā, Interim Controller &
Ka Pou Kihi Kanaloa Wai, Chief Financial Officer

Reviewed by:  9/22/2022
Casey K. Brown Date
Ka Pou Nui, Chief Operating Officer

Reviewed by:  9/22/2022
Sylvia M. Hussey, Ed.D. Date
Ka Pouhana, Chief Executive Officer

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

Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

I. PROPOSED ACTIONS

- A. Motion #1 - Budget:** Approve the fiscal biennium budget realignment #4 for the fiscal biennium periods 2021-2022 (FY22) and 2022-2023 (FY23) as summarized at Attachment #1.
- B. Motion #2 – Reorganization Costs:** Approve the carryforward amount to 2022-2023 (FY23) budget, of an estimated amount of \$148,000 of uncommitted, unencumbered, unaccrued amounts related to reorganization costs to address unfilled positions, vacancies and compensation study.
- C. Motion #3 - Grants:**
1. Reclassify \$500,000 Housing Proviso from 56530 Community Grant to Grants In Aid & Proviso Grants 56510;
 2. Reclassify \$500,000 within 56530 Community Grants from COVID-19 purpose to ‘Ohana grants in alignment with ‘Ohana grants solicitation;
 3. Approve an additional \$10,000 sponsorship amount for the Association of Hawaiian Civic Clubs (AHCC) annual convention, Operating Budget, Object Code 56560; and
 4. Approve reclassification of FY23 BOT & CEO/Kaiaulu Sponsorships of \$205,921 Object Code 56530 to an additional \$10,000 in Object Code 56560 for the AHCC sponsorship and the balance of \$195,921 to 56530-GRANTS IN AID - COMMUNITY GRANTS for a new classification of grants – Kako’o grants.
- D. Motion #4 – Debt:** Approve the cash payoff of approximately \$1.2 million of debt currently held by American Savings Bank, which represented the former Bank of Hawaii debt used to finance the 2016 Native Hawaiian ‘Aha, to be compliant with the Debt Management Policy.

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 the three motions noted above.

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)¹ (“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.

¹ 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)

- 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 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, 2022², 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, 2021³, approved the expansion of Executive Policy Manual (EPM) to: (1) Add new section 3045 Budget Management; (2) Add new section 3046 Fiscal

² 1st Reading, BOT Meeting, April 14, 2022; 2nd Reading, BOT Meeting, April 28, 2022

³ 1st Reading, BOT Meeting, April 22, 2021; 2nd Reading, BOT Meeting, April 29, 2021

Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

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*.

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 Realignments.** 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, 2021⁴. 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”.

1. **Budget Realignment #1 – October 2021.** Administration analyzed the necessity of budget realignments for both “Core” and “Non-Core”⁵ 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.⁶
2. **Budget Realignment #2 – February 2022.** This action item specifically addressed the fiscal period, from July 1, 2021, through June 30, 2022 (FY 2022), and July 1, 2022, through June 30, 2023 (FY 2023), and sought approval for the 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

⁴ 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.

⁵ 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 Palaua. All other budgets and activities are collectively considered “Core”.

⁶ 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

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expenditures) and additional budget for commercial property related planning and other operational adjustments.

- 3. Budget Realignment #3 – May 2022.** Via Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3, realignment actions for fiscal period, from July 1, 2021, through June 30, 2022 (FY 2022), and July 1, 2022, through June 30, 2023 (FY 2023) were approved, including new federal grant received for Papahānaumokuākea related work, carryforward to 2022-2023 (FY23) budget, an estimated amount of \$100,000 of uncommitted, unencumbered, unaccrued amounts related to reorganization costs; and 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.

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

IV. FISCAL BIENNIUM 22-23 Realignment #4 – Discussion

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

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 quarterly from various State Agencies	901
	Matching Trust Funds (to the General Funds appropriated to OHA) and drawn from 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 specific Fiscal Stabilization Policy and Fund use criteria (e.g., budget stabilization, emergencies, reserves, contingencies).	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 ⁷	Palaeua 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

⁷ Core Legacy properties include: Kukaniilo, Pahua Heiau, Hoomana, Waialua Courthouse.

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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
	Federal-fund appropriations for Wao Kelo O Puna (WKOP)	205
Other Programs Budget – <i>Other</i>	Other – 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

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

Table 2: Spending Limit for FY 2023 Total Operating Budget

FY 2023 Spending Limit	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjustments	Ref Page(s)
	AI RM #21-08A	AI RM #21-17	AI RM #22-01	AI RM #22-09	AI RM #22-23A		
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
1. Core Operating Budget							
5% of Investment Portfolio	18,615,394	18,615,394	18,615,394	18,615,394	18,615,394	0	
Public Land Trust Revenues	15,100,000	15,100,000	15,100,000	15,100,000	21,500,000	6,400,000	
State of Hawai'i General Funds	2,254,400	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	440,604	(923,257)	
Sub-total - Core Operating:	\$37,333,655	\$37,333,655	\$37,333,655	\$37,333,655	\$42,810,398	\$5,476,743	
2. Commercial Property							
Kaka'ako Makai	11,265,822	11,265,822	11,265,822	11,265,822	5,909,419	(5,356,403)	
Nā Lama Kukui	6,455,044	6,455,044	6,455,044	6,455,044	7,632,587	1,177,543	
Sub-total Comm Property:	\$17,720,866	\$17,720,866	\$17,720,866	\$17,720,866	\$13,542,006	(\$4,178,860)	
3. Iwilei Property							
500 North Nimitz	0	3,519,058	3,519,058	3,519,058	3,817,475	298,417	
501 Sumner	0	704,671	704,671	704,671	166,404	(538,267)	
Sub-total – Iwilei Property:	\$0	\$4,223,729	\$4,223,729	\$4,223,729	\$3,983,879	(\$239,850)	
4. Legacy Properties							
Palauea Culture Preserve	321,059	321,059	321,059	321,059	361,617	40,558	
Wao Kele O Puna Management Fund	0	0	0	0	20,831	20,831	
Sub-total Legacy Properties:	\$321,059	\$321,059	\$321,059	\$321,059	\$382,448	\$61,389	
5. Other OHA Programs							
<i>Federal-Funded</i>							
Halawa Luluku Interpretive Development	266,358	266,358	266,358	266,358	222,280	(44,078)	
Native Hawaiian Revolving Loan Fund	1,394,419	1,394,419	1,394,419	1,394,419	1,386,669	(7,750)	
US Department of Interior (WKOP Mgmt Fund)	0	0	0	0	231,045	231,045	
Sub-total – Federal-Funded:	\$1,660,777	\$1,660,777	\$1,660,777	\$1,660,777	\$1,839,994	\$179,217	
<i>Other</i>	56,000	56,000	56,000	56,000	56,000	0	
Sub-total – Other OHA	\$1,716,777	\$1,716,777	\$1,716,777	\$1,716,777	\$1,895,994	\$179,217	

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FY 2023 Spending Limit	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjustments	Ref Page(s)
	AI RM #21-08A	AI RM #21-17	AI RM #22-01	AI RM #22-09	AI RM #22-23A		
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
Total Operating Budget:	\$57,092,357	\$61,316,086	\$61,468,604	\$61,316,086	\$62,614,725	\$1,298,639	

5. **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. On June 27, 2022, SOH Act 226 "Relating to Increasing the payment amount for the OHA's pro rate share of the Public Land Trust" i) appropriated \$64,000,000 as partial proceeds of 20% of the gross amount of Public Land Trust (PLT) income and proceeds owed to OHA, ii) beginning FY23 OHA's PLT revenue is stated as an interim amount of \$21,500,000 per year.
- **Kaka'ako Makai (KM) Revenues** are allocated to OHA's Core Budget for Legacy Property management funding. The Board approved allocation of sixty (60)⁸ 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 (2019) financial and management audit.

⁸Action 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

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6. ***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 in 2019 superseded 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, emergencies, reserves and contingencies, but under stricter fiscal limitations. Definitions, concepts, criteria and other elements found in the Guidelines have been mapped to the Fiscal Stabilization Policy (FSP).
7. ***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:
 - ***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.
8. ***Legacy Property:*** Reflects the funds designated for use on specific legacy property.
 - ***Palaua 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 2022, updated as needed at each realignment point. Additional information is available beginning on page 39 of this Action Item.
9. ***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:
 - Hālawā Lūluku Interpretive Development (HLID) Project;
 - Native Hawaiian Revolving Loan Fund (NHRLF) Program;
 - Papahānaumokuākea Marine National Monument (PMNM).
 - Wao Kele O Puna (WKOP) Project.

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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.

The approximate available funds for FY 2023 for the Other Programs are summarized in **Table 3**. OHA Administration updated the FY 2023 revenue to reflect updated forecast based on prior year actual receipts. Ka Wai Ola's actual FY2022 revenue was \$66,600.

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

Funding Source	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjust	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
Beginning Balance:	\$0	\$0	\$0	\$0	\$66,000	\$66,000	
OHA - Other Projects	56,000	56,000	56,000	56,000	56,000	\$0	
Sub-total Available Funds:	56,000	56,000	56,000	34,000	122,000	\$88,000	
Proposed Appropriations	0	0	0	0	0	0	
Total Net Available Funds:	\$56,000	\$56,000	\$56,000	\$34,000	\$122,000	\$88,000	

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B. Total Operating Budget Adjustments – FY 2023

B1. FY2023. 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 2023 Total Budget are outlined in **Table 4** below and outlined in **Attachment #1**:

Table 4: FY23 Approved Total Operating Budget and Realignments

FY 2023 Total Operating Budget	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adj	Ref Page(s)
	AI RM #21-08A	AI RM #21-17	AI RM #22-01	AI RM #22-09	AI RM #22-23A		
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
1. Core Operating Budget							
Personnel (Fringe 52%)	\$13,253,145	\$13,253,145	\$13,253,145	\$13,253,145	\$13,253,145	\$0	
Non-Personnel	24,080,510	24,080,510	24,080,510	24,080,510	27,089,670	3,009,160	
Sub-total – Core Operating:	\$37,333,655	\$37,333,655	\$37,333,655	\$37,333,655	\$40,342,815	\$3,009,160	
2. Commercial Property							
Kaka'ako Makai	1,821,814	4,349,593	4,349,593	4,349,593	5,997,822	1,648,229	
Na Lama Kukui	5,780,184	5,494,326	5,494,326	5,494,326	3,561,344	(1,932,982)	
Sub-total – Commercial Property:	\$7,601,998	\$9,843,919	\$9,843,919	\$9,843,919	\$9,559,166	(\$284,753)	
3. Iwilei Property*							
500 North Nimitz		1,731,740	1,731,740	1,731,740	1,922,350	190,610	
501 Sumner		764,145	764,145	764,145	855,553	91,408	
Sub-total – Iwilei Property:		\$2,495,885	\$2,495,885	\$2,495,885	\$2,777,903	\$282,018	
4. Legacy Properties							
Palauea Culture Preserve	74,740	74,740	74,740	74,740	131,790	57,050	
Wao Kele O Puna Management Fund (1)						0	
Sub-total – Legacy Properties:	\$74,740	\$74,740	\$74,740	\$74,740	\$131,790	\$57,050	
5. Other OHA Programs							
Federal-Funded							
Halawa Luluku Interpretive Development	266,358	266,358	266,358	266,358	222,280	(44,078)	
Native Hawaiian Revolving Loan Fund	1,394,419	1,394,419	1,394,419	1,394,419	1,386,669	(7,750)	
US Dept of Interior (WKOP)					231,045	231,045	
Sub-total – Federal-Funded:	\$1,660,777	\$1,660,777	\$1,660,777	\$1,660,777	\$1,839,994	\$179,217	

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FY 2023 Total Operating Budget	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adj	Ref Page(s)
	AI RM #21-08A	AI RM #21-17	AI RM #22-01	AI RM #22-09	AI RM #22-23A		
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
Total Operating Budget:	\$46,671,170	\$51,408,976	\$51,408,976	\$51,408,976	\$54,651,668	\$3,242,692	

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

(1) WKOP Management Fund depleted. Core Operating Budget to provide financial support of \$216,015. US Department of Interior's US Fish & Wildlife Service to provide financial support of \$231,045.

B. Core Operating Budget Adjustments – FY2023

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 2023.

Table 5: FY2023 Approved Budget and Realignment Core Budget Comparison

CORE OPERATING BUDGET	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjustments	Table(s)
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
Contracts	\$3,689,337	\$3,689,337	\$3,689,337	\$3,689,337	\$4,869,888	\$1,180,551	7
Debt Service	531,742	531,742	531,742	531,742	1,029,097	497,355	8
Equipment	583,348	583,348	583,348	583,348	1,181,363	598,015	9
Grants	15,173,500	15,173,500	15,173,500	15,173,500	15,173,500	-	10
Overhead	3,063,757	3,063,757	3,063,757	3,063,757	3,194,871	131,114	11
Personnel & Fringe	13,253,145	13,253,145	13,253,145	13,253,145	13,253,145	-	
Program	591,590	591,590	591,590	591,590	1,186,623	595,033	12
Travel	447,235	447,235	447,235	447,235	454,327	7,092	13
Total	\$37,333,655	\$37,333,655	\$37,333,655	\$37,333,655	\$40,342,815	\$3,009,160	

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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 2023. Core Personnel Budget Adjustments are summarized in **Table 6** and shows no change in Personnel costs.

Table 6: Core Personnel Budget – FY 23

CORE PERSONNEL & FRINGE	FY 2023						Table
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjustments	
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
52070 VACATION TRANSFERS AND PAYOUTS	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$0	
52100 SALARIES	8,570,295	8,570,295	8,570,295	8,570,295	8,570,295	0	
52110 SALARIES - STUDENT HELPER PROGRAM	36,050	36,050	36,050	36,050	36,050	0	
52130 EMPLOYEE INCENTIVE PROGRAM	1,500	1,500	1,500	1,500	1,500	0	
52150 SEVERANCE & RETIREMENT PROGRAM	0	0	0	0	0	0	
52300 OVERTIME	20,000	20,000	20,000	20,000	20,000	0	
57000 FRINGE BENEFITS	4,456,554	4,456,554	4,456,554	4,456,554	4,456,554	0	
57011 FRINGE BENEFITS - STUDENT HELPER PROGRAM	18,746	18,746	18,746	18,746	18,746	0	
Total:	\$13,253,145	\$13,253,145	\$13,253,145	\$13,253,145	\$13,253,145	\$0	

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

B. Core Non-Personnel Budget Adjustments

The FY 2023 Core Non-Personnel Budget consists of all operational and programmatic costs and has been adjusted to reflect estimated needs through June 30, 2023. OHA's FY 2023 needs are summarized in **Table 7** below.

Table 7: Core Non-Personnel Budget – FY 23

FY 2022 Approved Budget and Realignment #4 Core Non-Personnel Budget Comparisons

CORE NON-PERSONNEL	FY 2023						Table
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjustments	
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
Contracts	\$3,689,337	\$3,689,337	\$3,689,337	\$3,689,337	\$4,869,888	\$1,180,551	
Debt Service	531,742	531,742	531,742	531,742	1,029,097	497,355	
Equipment	583,348	583,348	583,348	583,348	1,181,363	598,015	
Grants	15,173,500	15,173,500	15,173,500	15,173,500	15,173,500	0	
Overhead	3,063,757	3,063,757	3,063,757	3,063,757	3,194,871	131,114	
Program	591,590	591,590	591,590	591,590	1,186,623	595,033	
Travel	447,235	447,235	447,235	447,235	454,327	7,092	
Total CORE NON-PERSONNEL	\$24,080,510	\$24,080,510	\$24,080,510	\$24,080,510	\$27,089,670	\$3,009,160	
Personnel & Fringe	13,253,145	13,253,145	13,253,145	13,253,145	\$13,253,145	-	
CORE TOTAL (w Personnel)	\$37,333,655	\$37,333,655	\$37,333,655	\$37,333,655	\$40,342,815	\$3,009,160	

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

[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 **increase in Contracts Account Category of \$1,180,551** in **Table 7b**.

Table 7a: FY2023 Approved Budget and Realignment Contracts Budget Comparison

CONTRACTS	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjustments	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
57110 SERVICES ON A FEE BASIS	\$2,938,337	\$2,938,337	\$2,938,337	\$2,938,337	\$4,318,888	\$1,380,551	
57115 LEGAL SERVICES	751,000	751,000	751,000	751,000	551,000	(200,000)	
TOTAL - CONTRACTS	\$3,689,337	\$3,689,337	\$3,121,238	\$3,689,337	\$4,869,888	\$1,180,551	

Table 7b: FY 2023 Contracts Budget Realignment #4 Highlights

CONTRACTS BY ADMINISTRATOR	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjustments	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
Services on a Fee							
A. State Proviso: Legal Representation	\$1,048,800	\$1,048,800	1,048,800	1,048,800	\$1,248,800	\$200,000	
B. Paia Level							
1) Board of Trustees	350,000	350,000	350,000	350,000	150,000	(200,000)	
2) Administration							
CEO					202,140	202,140	
COO	1,049,360	1,049,360	1,049,360	1,049,360	979,832	(69,528)	
CFO	490,177	490,177	490,177	490,177	1,568,116	1,077,939	
Corp Counsel					170,000	170,000	
Subtotal 1:	\$2,938,337	\$2,938,337	\$2,938,337	\$2,938,337	\$4,318,888	\$1,380,551	
Legal Services							
Board of Trustees					200,000	200,000	
Corp Counsel	751,000	751,000	751,000	751,000	351,000	(400,000)	
Subtotal 1:	\$751,000	\$751,000	\$751,000	\$751,000	\$551,000	(\$200,000)	
Total Core Contracts Budget:	\$3,689,337	\$3,689,337	\$3,689,337	\$3,689,337	\$4,869,888	\$1,180,551	

Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

[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 increase in Debt Service of \$497,355**. In the refinancing of Na Lama Kukui, there were amounts at Bank of Hawaii that pertained to governance and financing the ‘Aha that was approximately \$2MM, which was not in line with the debt management policy. Therefore, Administration will be seeking approval to pay off that amount, estimated at \$1.2MM, now held by American Savings Bank (ASB), and reducing the ASB debt amount and being compliant with the debt management policy.

Table 8: FY2023 Approved Budget and Realignment Debt Service Budget Comparison

DEBT SERVICE	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjustments	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
59020 INTEREST EXPENSE	\$24,993	\$24,993	\$24,993	\$24,993	\$8,331	(\$16,662)	
59030 PRINCIPAL EXPENSE	506,749	506,749	506,749	506,749	1,020,766	514,017	
TOTAL - DEBT SERVICE	\$531,742	\$531,742	\$531,742	\$531,742	\$1,029,097	\$497,355	

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[C] Equipment Budget Adjustments:

The Equipment Budget includes Repair & Maintenance, Furniture, Fixtures, and Software and Equipment. Table 9 reflects revised FY23 estimates for software license support and maintenance.

Table 9: FY2023 Approved Budget and Realignment Equipment Budget Comparison

EQUIPMENT	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjustments	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
55810 REPAIR & MAINTENANCE	\$489,837	\$489,837	\$489,837	\$489,837	\$1,043,177	\$553,340	
58400 SOFTWARE & EQUIPMENT	93,511	93,511	93,511	93,511	128,187	34,675	
TOTAL - EQUIPMENT	\$583,348	\$583,348	\$1,187,033	\$583,348	\$1,171,363	\$588,015	

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[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**. There are several adjustments to the budget to align to proper accounting records and reflect proposed reclassifications:

1. Reclassify Housing Proviso from 56530 Community Grant to Grants In Aid & Proviso Grants 56510;
2. Reclassify within 56530 Community Grants from COVID-19 to ‘Ohana grants in alignment with ‘Ohana grants solicitation;
3. Approve an additional \$10,000 sponsorship amount for the Association of Hawaiian Civic Clubs (AHCC), \$30,000 in total - \$10,000 in FY22 and \$20,000 in FY23, Operating Budget, Object Code 56560, to sponsor a luncheon at the November 2022 convention in Seattle for 400 participants to provide a public policy, advocacy and beneficiary update in support of 2023 Legislative priorities; and
4. Approve reclassification of FY23 BOT & CEO/Kaialulu Sponsorships of \$205,921 Object Code 56530 to an additional \$10,000 in Object Code 56560 for the AHCC sponsorship and the balance of \$195,921 to 56530-GRANTS IN AID - COMMUNITY GRANTS for a new classification of grants – Kako’o grants.

Table 10a: FY2023 Approved Budget and Realignment Equipment Budget Comparison

GRANTS	FY 2023						Table
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjustments	
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
56510 GRANTS IN AID PROGRAM & PROVISIO GRANTS	\$830,000	\$830,000	\$830,000	\$830,000	\$1,330,000	\$500,000	10b
56530 GRANTS IN AID - COMMUNITY GRANTS	7,300,000	7,300,000	7,300,000	7,300,000	\$6,995,921	(\$304,079)	10c
56540 GRANTS IN AID LEVEL II GRANTS	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	-	10d
56560 GRANTS IN AID - SPONSORSHIPS	410,921	410,921	410,921	410,921	\$215,000	(\$195,921)	10e
56570 GRANTS IN AID - DISASTER AID	132,579	132,579	132,579	132,579	132,579	-	
Subtotal - GRANTS:	\$15,173,500	\$15,173,500	\$15,173,500	\$15,173,500	\$15,173,500	-	

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

GRANTS IN AID (GIA) & PROVISO GRANTS	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed Realignment #3	Proposed Realignment #4	Adjust	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
Social Service Proviso	\$830,000	\$830,000	\$830,000	\$830,000	\$830,000	\$0	
Housing Proviso	0	0	0	0	500,000	500,000	Reclass
Total GIA & Proviso Grants:	\$830,000	\$830,000	\$830,000	\$830,000	\$1,330,000	\$500,000	

Table 10c: Community Grants Program - 56530-GRANTS IN AID - COMMUNITY GRANTS

COMMUNITY GRANTS	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjust	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
20-01: Culture	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	0	
20-02: Health	500,000	500,000	500,000	500,000	500,000	0	
20-03: Education	750,000	750,000	750,000	750,000	750,000	0	
20-04: Housing	1,500,000	1,500,000	1,500,000	1,500,000	1,000,000	(500,000)	Reclass
20-05: Income	750,000	750,000	750,000	750,000	750,000	0	
20-06: Land	500,000	500,000	500,000	500,000	500,000	0	
20-07: Ahahui	200,000	200,000	200,000	200,000	200,000	0	
Leverage Opportunities							
Higher Education Scholarships	500,000	500,000	500,000	500,000	500,000	0	
Homestead Community	300,000	300,000	300,000	300,000	300,000	0	
NH Teacher Education & Professional Development	250,000	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	1,250,000	500,000	Reclass
Iwi Kupuna Repatriation & Reinterment	300,000	300,000	300,000	300,000	300,000	0	
COVID-19 Impacts	500,000	500,000	500,000	500,000	0	(500,000)	Reclass

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Kako'o Grants ⁹					195,921	195,921	New
Total Community Grants:	\$7,300,000	\$7,300,000	\$7,300,000	\$7,300,000	\$6,995,921	(\$304,079)	

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⁹ Refers to a new classification of grants identified as a need by the community, to solicit for grant writers and other assistance, paying for financial audits, accountant, human resources and other back-office functions, to strengthen community organizations' grant applications, and post award monitoring and reporting.

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Table 10d: Level II Grants - 56540-GRANTS IN AID LEVEL II GRANTS

LEVEL II GRANTS	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjust	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
Department of Hawaiian Home Lands (DHHL)	\$3,000,000	\$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	3,000,000	0	
Kulia	500,000	500,000	500,000	500,000	500,000	0	
Total Level II Grants:	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000	0	

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Table 10e: Sponsorships – 56560

SPONSORSHIPS	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjust	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
BOT - Sponsorships	135,000	135,000	135,000	135,000	0	(135,000)	
Kaiaulu/CEO - Sponsorships	70,921	70,921	70,921	70,921	0	(70,921)	
Sub-total	\$205,921	\$205,921	\$205,921	\$205,921	\$0	\$(205,921)	
CE - Association of Hawaiian Civic Clubs	10,000	10,000	10,000	10,000	20,000	10,000	
CE - CNHA	10,000	10,000	10,000	10,000	10,000	0	
CE - Onipa'a Celebration	5,000	5,000	5,000	5,000	5,000	0	
CE-SCHHA Homestead Summit	10,000	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	5,000	0	
CE-Moanalua Gardens, Prince Lot	15,000	15,000	15,000	15,000	15,000	0	
Merrie Monarch	15,000	15,000	15,000	15,000	15,000	0	
Queen Liliuokalani Keiki Hula	15,000	15,000	15,000	15,000	15,000	0	
Lunalilo Home Event, Project, Program	15,000	15,000	15,000	15,000	15,000	0	
Iolani Palace Event, Project, Program	15,000	15,000	15,000	15,000	15,000	0	
Aha Punana Leo Event, Project, Program	15,000	15,000	15,000	15,000	15,000	0	
Polynesian Voyaging Society Event, Project, Program	15,000	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	30,000	0	
Sub-total	\$175,000	\$175,000	\$175,000	\$175,000	\$185,000	\$10,000	
Advocacy - Papahānaumokuākea	15,000	15,000	15,000	15,000	15,000	0	
Advocacy - Alaska Federation of Natives	5,000	5,000	5,000	5,000	5,000	0	
Advocacy - National Congress of American Indians	5,000	5,000	5,000	5,000	5,000	0	

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SPONSORSHIPS	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjust	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
Advocacy - National Indian Education Association	5,000	5,000	5,000	5,000	5,000	0	
Sub-total	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$0	
Total Sponsorships:	\$410,921	\$410,921	\$410,921	\$410,921	\$215,000	(\$195,921)	

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[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 increase of \$131,114** in FY 2023 as detailed in **Table 11** below. Figures reflect updated forecast of year end spend.

Table 11: FY2023 Approved Budget and Realignment Equipment Budget Comparison

OVERHEAD	FY 2023						Table
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjustments	
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
53100 OFFICE SUPPLIES	\$16,060	\$16,060	\$16,060	\$16,060	\$16,060	\$0	
53200 OTHER SUPPLIES	18,975	18,975	18,975	18,975	55,975	37,000	
53750 POSTAGE	13,520	13,520	13,520	13,520	16,520	3,000	
53810 TELEPHONE & RELATED SVCS	176,506	176,506	176,506	176,506	148,990	(27,515)	
53850 CELLULAR PHONE	30,000	30,000	30,000	30,000	40,000	10,000	
54150 PARKING VALIDATIONS	37,000	37,000	37,000	37,000	38,200	1,200	
55010 ELECTRICITY	330,790	330,790	330,790	330,790	242,365	(88,425)	
55200 WATER	1,766	1,766	1,766	1,766	6,166	4,400	
55510 RENTAL OF LAND & BUILDING	1,181,071	1,181,071	1,181,071	1,181,071	1,318,674	137,603	
55515 RENTAL OF LAND & BUILDING - CAM & MISC	722,377	722,377	722,377	722,377	722,876	499	
55640 RENTAL OF EQUIPMENT	88,642	88,642	88,642	88,642	88,642	-	
55910 INSURANCE	417,051	417,051	417,051	417,051	437,903	20,853	
56810 SETTLEMENT - LAWSUITS	30,000	30,000	30,000	30,000	30,000	-	
58200 LEASEHOLD IMPROVEMENTS	0	0	0	0	25,000	25,000	
59015 BANK FEES	0	0	0	0	7,500	7,500	
TOTAL - OVERHEAD	\$3,063,757	\$3,063,757	\$2,885,687	\$3,063,757	\$3,194,871	\$131,114	

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[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 \$595,033**, of which \$534,167 reflects Ka Wa Ola costs, not included in original budget.

Table 12: FY2023 Approved Budget and Realignment Program Budget Comparison

PROGRAM	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjustments	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
53300 PROMOTIONAL ITEMS	\$8,000	\$8,000	\$8,000	\$8,000	\$6,000	(\$2,000)	
53400 BOOKS & REFERENCE MATLS	4,110	4,110	4,110	4,110	3,395	(715)	
53510 DUES	32,840	32,840	32,840	32,840	47,120	14,280	
53520 SUBSCRIPTION	50,080	50,080	50,080	50,080	68,066	17,985	
53610 FREIGHT & DELIVERY	5,990	5,990	5,990	5,990	53,990	48,000	KWO
53710 BULK MAIL	181,232	181,232	181,232	181,232	240,000	58,768	KWO
53910 PRINTING	8,860	8,860	8,860	8,860	209,010	200,150	KWO
54010 ADVERTISING	48,988	48,988	48,988	48,988	276,488	227,500	KWO
54190 AUTO ALLOWANCE	3,912	3,912	3,912	3,912	3,912	-	
55750 OTHER RENTALS	21,444	21,444	21,444	21,444	30,694	9,250	
57120 HONORARIUM	25,210	25,210	25,210	25,210	35,920	10,710	
57220 VOLUNTEER STIPEND	1,760	1,760	1,760	1,760	160	(1,600)	
57240 OTHER EXPENSES	15,307	15,307	15,307	15,307	20,457	5,150	
57250 SEMINAR & CONFERENCE FEES	64,707	64,707	64,707	64,707	60,707	(4,000)	
57255 CONFERENCES, MEETINGS, EVENTS-ORG BY OHA	91,500	91,500	91,500	91,500	93,925	2,425	
57256 CONFERENCES, MEETINGS, EVENTS-NOT ORG BY OHA	11,450	11,450	11,450	11,450	20,580	9,130	
57280 TRUSTEE ALLOWANCE REPORTS	16,200	16,200	16,200	16,200	16,200	-	
TOTAL - PROGRAM	\$591,590	\$591,590	\$835,287	591,590	1,186,623	\$595,033	

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[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 \$7,092** highlighted in **Table 13a** and **Table 13b** below.

Table 13a: FY2022 Approved Budget and Realignment Travel Budget Comparison

TRAVEL	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjustments	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
54110 MILEAGE	\$1,887	\$1,887	\$1,887	\$1,887	\$4,900	\$3,013	
54130 PARKING	\$7,082	7,082	7,082	7,082	\$7,081	(1)	
54260 TRANSPORTATION - IN STATE	\$62,936	62,936	62,936	62,936	\$64,061	1,125	
54310 SUBSISTENCE - IN STATE	\$89,632	89,632	89,632	89,632	\$91,957	2,325	
54460 TRANSPORTATION - OUT OF STATE	\$94,440	94,440	94,440	94,440	\$94,440	-	
54510 SUBSISTENCE - OUT OF STATE	\$119,774	119,774	119,774	119,774	\$119,774	-	
54610 CAR RENTAL - IN STATE	\$36,632	36,632	36,632	36,632	\$37,262	630	
54620 CAR RENTAL - OUT OF STATE	\$18,040	18,040	18,040	18,040	\$18,040	-	
54810 OTHER TRAVEL IN STATE	\$6,572	6,572	6,572	6,572	\$6,572	-	
54820 OTHER TRAVEL OUT OF STATE	\$10,240	10,240	10,240	10,240	\$10,240	-	
TOTAL - TRAVEL	\$447,235	\$447,235	\$153,464	\$447,235	\$454,327	\$7,092	

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

Table 13b: FY2023 Approved Budget and Realignment Travel Budget Comparison (by Expenditure Type)

TRAVEL	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjustments	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
In-State Employee Travel	\$198,169	\$198,169	\$198,169	\$198,169	\$205,261	\$7,092	
Out-of-State Employee Travel	232,254	232,254	232,254	232,254	232,254	-	
Other and Non-Employee Travel	16,812	16,812	16,812	16,812	16,812	-	
Total Core Travel Budget:	\$447,235	\$447,235	\$153,464	\$447,235	\$454,327	\$7,092	

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

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, 2023.

D1. Kaka‘ako Makai

Table 14a compares figures from FY 2022 Approved, Realignment, to unaudited Actuals. Table 14b and 14c show summary figures of FY2023 Kakaako Makai Budget and by KM LOT. The FY 2023 Budget is an increase of **\$4,176,008**, of which \$2,500,000 was approved in Action Item RM#21-17 and revised figure reflected in Realignment #4.

Table 14a: FY2022 Approved Budget and Realignment Kakaako Makai Budget Comparison

Kaka'ako Makai	FY22 Approved	FY22 Approved Realignment #3	FY22 Actuals*	Difference
	(a)	(b)	(c)	(d) = (c - b)
Beginning Balance*	\$6,550,082	\$6,550,082	\$6,550,082	\$0
Gross Projected Revenue	4,551,586	4,551,586	2,841,547	(1,710,039)
Less: 60% Kakaako Makai Net Income (Legacy Use)	(1,363,861)	(1,363,861)	(440,604)	923,257
Sub-total Available Funds:	\$9,737,807	\$9,737,807	\$8,951,025	(\$786,782)
Less: Expenses				0
Contracts	944,443	5,540,344	4,051,865	(1,488,480)
Equipment	243,060	1,175,879	877,303	(298,576)
Grants	0	0	0	0
Overhead	445,285	633,065	380,696	(252,369)
Personnel	102,819	102,819	97,946	(4,873)
Program	60,651	81,341	8,852	(72,489)
Travel	0	0	0	0
Sub-total Expenditures:	\$1,796,258	\$7,533,448	\$5,416,662	(\$2,116,786)
Less: Debt Service		26,600	25,887	(713)
Total Expenditures:	\$1,796,258	\$7,560,048	\$5,442,549	(\$2,117,499)
Estimated Net Available Funds:	\$7,941,549	\$2,177,759	\$3,508,476	\$1,330,717

*Unaudited

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

Table 14b: FY2023 Approved Budget and Realignment Kakaako Makai Budget Comparison

Kaka'ako Makai	FY 2023						
	FY23 Approved Budget	FY23 Approved Realignment #1	FY23 Approved Realignment #2	FY23 Approved Realignment #3	FY23 Proposed Realignment #4	Adjustments	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
Beginning Balance*	\$7,567,524	\$7,567,524	\$7,567,524	\$7,567,524	\$3,508,476	(\$4,059,048)	
Gross Projected Revenue	4,688,134	4,688,134	4,688,134	4,688,134	2,841,547	(1,846,587)	
Less: 60% Kakaako Makai Net Income (Legacy Use)	(1,363,861)	(1,363,861)	(1,363,861)	(1,363,861)	(440,604)	923,257	
Sub-total Available Funds:	\$10,891,797	\$10,891,797	\$10,891,797	\$10,891,797	\$5,909,419	(\$4,982,378)	
Less: Expenses							
Contracts	944,443	944,443	944,443	944,443	2,749,443	1,805,000	14c
Equipment	250,352	250,352	250,352	250,352	2,437,352	2,187,000	14c
Grants	0	0	0	0	0	0	
Overhead	458,644	458,644	458,644	458,644	510,424	51,780	
Personnel	105,904	105,904	105,904	105,904	116,494	10,590	
Program	62,471	62,471	62,471	62,471	99,271	36,800	
Travel	0	0	0	0	0	0	
Sub-total Expenditures:	\$1,821,814	\$1,821,814	\$1,821,814	\$1,821,814	\$5,912,985	\$4,091,171	
Less: Debt Service	0	0	0	0	84,838	84,838	
Total Expenditures:	\$1,821,814	\$1,821,814	\$1,821,814	\$1,821,814	\$5,997,822	\$4,176,008	
Estimated Net Available Funds:	\$9,069,983	\$9,069,983	\$9,069,983	\$9,069,983	(\$88,404)	(\$9,158,387)	

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

Table 14c: FY2023 Approved Budget and Realignment Kakaako Makai Budget Comparison, by Lot Number

Kaka'ako Makai	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjustments	Explanation
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
8210 KM OTHER THAN LOT A							
Contracts	\$944,443	\$944,443	\$944,443	\$944,443	\$2,749,443	\$1,805,000	RM#21-17 (10.26.2021) \$500,000 Development Planning; Realign #4 \$1,300,000 2023 Legislative Priorities
Debt Service	0	0	0	0	0	0	
Equipment	250,352	250,352	250,352	250,352	2,265,352	2,015,000	RM#21-17 (10.26.2021) \$2,000,000 Reactivate landscaping and monument signs at the gateway to KM
Grants	0	0	0	0	0	0	
Overhead	458,644	458,644	458,644	458,644	486,424	27,780	Lot E - no recoverable expense to offset utilities due to vacancy and owner costs
Personnel	105,904	105,904	105,904	105,904	116,494	10,590	Overtime estimates
Program	62,471	62,471	62,471	62,471	91,271	28,800	Lot Entertainment Fees
Travel	0	0	0	0	0	0	

Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

Kaka'ako Makai	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjustments	Explanation
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
Sub-total KM Other than Lot A:	\$1,821,814	\$1,821,814	\$1,821,814	\$1,821,814	\$5,708,985	\$3,887,171	
8211 KM LOT A							
Contracts					0	0	
Debt Service					84,838	84,838	Loan financing fees
Equipment					172,000	172,000	Trash removal \$3k/mo., Security measures \$7k/mo., Landscape maint \$1k/mo., General R/M \$40k/yr
Grants					0	0	
Overhead					24,000	24,000	Utilities: Electricity, Water, and (3) Year-round Porta-potty
Personnel					0	0	
Program					8,000	8,000	
Travel					0	0	
Sub-total KM Lot A:	\$0	\$0	\$0	\$0	\$288,838	\$288,838	
KM GRAND TOTAL	\$1,821,814	\$1,821,814	\$1,821,814	\$1,821,814	\$5,997,822	\$4,176,008	

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

D2. Nā Lama Kukui

Table 15a compares figures from FY 2022 Approved, Realignment, to unaudited Actuals. The FY 2023 Na Lama Kukui Budget has **a net decrease of by \$1,932,982** because of FY22 debt refinancing as approved in RM#22-05 as highlighted in **Table 15b**:

Table 15a: FY2022 Approved Budget and Realignment Na Lama Kukui Budget Comparison

Na Lama Kukui	FY22 Approved	FY22 Approved Realignment #3	FY22 Actuals	Difference
	(a)	(d)	(c)	(d) = (c - b)
Beginning Balance	\$1,060,531	\$1,060,531	\$1,060,531	\$0
Gross Projected Revenue	5,189,803	5,189,803	5,091,326	(98,477)
Sub-total Available Funds:	\$6,250,334	\$6,250,334	\$6,151,857	(\$98,477)
Less: Expenses				0
Contracts	604,013	665,664	\$564,593.43	(101,071)
Equipment	1,065,425	1,391,934	\$962,873.86	(429,060)
Grants	0	0		0
Overhead	942,710	807,479	\$780,626.11	(26,853)
Personnel	96,800	96,800	\$98,591.47	1,791
Program	368,745	520,697	\$473,360.17	(47,337)
Travel	0	0		0
Sub-total Expenditures:	\$3,077,693	\$3,482,574	\$2,880,045	(\$602,529)
Less: Debt Service	2,550,979	2,013,821	\$829,028.24	(1,184,793)
Total Expenditures:	\$5,628,672	\$5,496,395	\$3,709,073	(\$1,787,322)
Estimated Net Available Funds:	\$621,662	\$753,939	\$2,442,784	\$1,688,845

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

Table 15b: FY2023 Approved Budget and Realignment Na Lama Kukui Budget Comparison

Na Lama Kukui	FY 2023						
	Approved Budget	Approved Realignment #1	Approved Realignment #2	Approved Realignment #3	Proposed Realignment #4	Adjust	Table
	(a)	(b)	(c)	(d)	(d)	(e) = (d - c)	
Beginning Balance	\$1,060,531	\$1,060,531	\$1,060,531	\$1,060,531	\$2,442,784	\$0	
Gross Projected Revenue	5,189,803	5,189,803	5,189,803	5,189,803	5,189,803	0	
Sub-total Available Funds:	\$6,250,334	\$6,250,334	\$6,250,334	\$6,250,334	\$7,632,587	\$0	
Less: Expenses							
Contracts	612,407	518,765	518,765	518,765	518,765	0	
Equipment	1,228,093	1,214,493	1,214,493	1,214,493	1,214,493	0	
Grants	0	0	0	0	0	0	
Overhead	958,973	782,003	782,003	782,003	797,003	15,000	
Personnel	99,704	99,704	99,704	99,704	109,674	9,970	
Program	370,055	368,409	368,409	368,409	368,409	0	
Travel	0	0	0	0	0	0	
Sub-total Expenditures:	\$3,269,232	\$2,983,374	\$2,983,374	\$2,983,374	\$3,008,344	\$24,970	
Less: Debt Service	2,510,952	2,510,952	2,510,952	2,510,952	553,000	(1,957,952)	
Total Expenditures:	\$5,780,184	\$5,494,326	\$5,494,326	\$5,494,326	\$3,561,344	(\$1,932,982)	
Estimated Net Available Funds:	\$470,150	\$756,008	\$756,008	\$753,939	\$753,939	\$1,932,982	

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

E. Iwilei Properties Budget Adjustments – FY2022 Actuals and FY2023 Proposed

The Iwilei Properties Budget consists of 500 N. Nimitz and 501 Sumner operational costs to reflect estimated needs through June 30, 2023 in Tables 16a and 16c.

Table 16a: FY2023 Approved Budget and Realignment 500 N Nimitz Comparison

500 N NIMITZ	FY2022			FY2023		
	FY 22 Approved	FY 22 Actual	Difference	FY 23 Approved	Proposed FY23 Realignment #4	Difference
Beginning Balance	\$0	\$0	\$0	\$0	\$874,758	\$874,758
Gross Projected Revenue	\$2,639,294	\$2,207,038	(\$432,256)	\$3,519,058	\$2,942,717	(\$576,341)
Sub-total Available Funds:	\$2,639,294	\$2,207,038	(\$432,256)	\$3,519,058	\$3,817,475	\$298,417
<i>Less: Expenses</i>						
Contracts	308,250	275,982	(\$32,268)	411,000	411,000	\$0
Equipment	166,854	12,248	(\$154,606)	194,572	194,572	\$0
Grants	0	0	0	0	0	
Overhead	120,051	141,326	\$21,275	160,068	165,068	\$5,000
Personnel	0	0	0	0	0	\$0
Program	189,615	374,867	\$185,252	252,264	380,000	\$127,736
Travel	0	0	0	0	0	
Sub-total Expenditures:	\$784,770	\$804,423	\$19,653	\$1,017,904	\$1,150,640	\$132,736
<i>Less: Debt Service</i>	528,069	527,857	(\$212)	713,836	771,710	\$57,874
Total Expenditures:	\$1,312,839	\$1,332,280	\$19,441	\$1,731,740	\$1,922,350	\$190,610
Estimated Net Available Funds	\$1,326,455	\$874,758	(\$451,697)	\$1,787,318	\$1,895,125	\$107,807

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

Table 16b: FY2023 Approved Budget and Realignment 501 Sumner Comparison

501 Sumner	FY2022			FY2023		
	FY 22 Approved	FY 22 Actual	Difference	FY 23 Approved	Proposed FY23 Realignment #4	Difference
Beginning Balance	\$0	\$0	\$0	\$0	(\$59,454)	(\$59,454)
Gross Projected Revenue	\$183,753	\$167,401	(\$16,352)	\$704,691	\$225,858	(\$478,833)
Sub-total Available Funds:	\$183,753	\$167,401	(\$16,352)	\$704,691	\$166,404	\$888,444
<i>Less: Expenses</i>						
Contracts	48,250	57,640	\$9,390	61,000	61,000	\$0
Equipment	154,735	92,434	(\$62,301)	272,981	272,981	\$0
Grants	0	0	0	0	0	\$0
Overhead	79,553	22,687	(\$56,866)	106,070	112,570	\$6,500
Personnel	0	0	0	0	0	\$0
Program	8,658	93,893	\$85,235	33,205	93,205	\$60,000
Travel	0	0	0	0	0	\$0
Sub-total Expenditures:	291,196	266,654	(\$24,542)	473,256	539,756	66,500
<i>Less: Debt Service</i>	\$215,178	\$215,290	\$112	\$290,889	315,797	\$24,908
Total Expenditures:	\$506,374	\$764,145	(\$24,430)	\$764,145	\$855,553	\$91,408
Estimated Net Available Funds	(\$322,621)	(\$59,454)	\$8,078	(\$59,454)	(\$689,149)	(\$382,075)

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

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

Table 17a compares figures from FY 2022 Approved, the last Realignment #3, to unaudited Actuals. Revised needs through June 30, 2023 are estimated and summarized in **Table 17b** for the Palauea Culture Preserve, a **net decrease of \$1,537**.

Table 17a: FY2022 Approved Budget and Realignment Palauea Culture Preserve Comparison

Palauea Culture Preserve	FY22 Approved	FY22 Approved Realignment #3	FY22 Projected Actuals	Difference
	(a)	(d)	(c)	(d) = (c - b)
Beginning Balance	\$264,659	\$255,489	\$255,489	\$0
Gross Projected Revenue	65,570	65,570	65,570	0
Add: Unspent FY21 (unaudited)		17,425	17,425	
Sub-total Available Funds:	\$330,229	\$338,484	\$338,484	\$0
Less: Expenses				0
Contracts	33,600	35,000	35,000	0
Debt Service	0	0	0	
Equipment	31,550	1,000	0	(1,000)
Grants	0	0	0	0
Overhead	6,000	5,580	5,454	(127)
Personnel	0	0	0	0
Program	1,250	0	0	0
Travel	2,340	2,394	\$1,983.21	(411)
Sub-total Expenditures:	\$74,740	\$43,974	\$42,437	(\$1,537)
Estimated Net Available Funds:	\$255,489	\$294,510	\$296,047	\$1,537

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

Table 17b: FY2023 Approved Budget and Realignment Palauea Culture Preserve Comparison

Palauea Culture Preserve	FY 2023						
	FY23 Approved Budget	FY23 Approved Realignment #1	FY23 Approved Realignment #2	FY23 Approved Realignment #3	FY23 Proposed Realignment #4	Adjustments	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
Beginning Balance	\$255,489	\$255,489	\$255,489	\$255,489	\$296,047	\$40,558	
Gross Projected Revenue	65,570	65,570	65,570	65,570	65,570	0	
Add: Unspent FY22 (unaudited)							
Sub-total Available Funds:	\$321,059	\$321,059	\$321,059	\$321,059	\$361,617	\$40,558	
CONTRACTS	33,600	33,600	33,600	33,600	20,000	(13,600)	Repurpose for program use
DEBT SERVICE	0	0	0	0	0	0	
EQUIPMENT	31,550	31,550	31,550	31,550	103,200	71,650	Add funds for Site Manager Fees
GRANTS	0	0	0	0	0	0	
OVERHEAD	6,000	6,000	6,000	6,000	6,150	150	
PERSONNEL	0	0	0	0	0	0	
PROGRAM	1,250	1,250	1,250	1,250	0	(1,250)	Repurpose for program use
TRAVEL	2,340	2,340	2,340	2,340	2,440	100	
Sub-total HLID:	\$74,740	\$74,740	\$74,740	\$74,740	\$131,790	\$57,050	

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

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.

A recap of WKOP's FY2022 Approved Budget, the last Realignment #3, to unaudited actuals figures in Table 18a. Revised needs through June 30, 2023 are estimated and summarized in **Table 18b and Table 18c** for the Wao Kele O Puna program and includes **a financial support of \$\$195,275** from the Native Hawaiian Trust Fund as the WKOP Fund is fully spent.

On September 15, 2022, the Wao Kele O Puna program was awarded a federal grant from the US Department of Interior's US Fish and Wildlife Service, an amount of \$231,045.10 for WKOP Deer Fence Project at Puu Hei. This amount is included in the Realignment #4 budget request.

Table 18a: FY2022 Approved Budget and Realignment WKOP Comparison

Wao Kele O Puna Management Fund	FY22 Approved	FY22 Approved Realignment #3	FY22 Projected Actuals	Difference
	(a)	(d)	(c)	(d) = (c - b)
Beginning Balance	\$61,244	\$61,244	\$61,244	\$0
Add: Native Hawaiian Trust Fund	146,261	\$146,261	146,261	0
Sub-total Available Funds:	\$207,505	\$207,505	\$207,505	\$0
Less: Expenses				0
Contracts	14,850	0	0	0
Debt Service	0	0	0	
Equipment	186,300	200,000	185,970	(14,031)
Grants	0	0	0	0
Overhead	0	0	0	0
Personnel	0	0	0	0
Program	2,275	300	300	0
Travel	4,080	4,080	\$405.31	(3,675)
Sub-total Expenditures:	\$207,505	\$204,380	\$186,675	(\$17,705)
Estimated Net Available Funds:	\$0	\$3,125	\$20,831	\$17,705

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

Table 18b: FY2023 Approved Budget and Realignment WKOP Comparison

Wao Kele O Puna Management Fund	FY 2023						
	FY23 Approved Budget	FY23 Approved Realignment #1	FY23 Approved Realignment #2	FY23 Approved Realignment #3	FY23 Proposed Realignment #4	Adjustments	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
Beginning Balance	\$0	\$0	\$0	\$0	\$20,831	\$20,831	
Add: Native Hawaiian Trust Fund	207,505	207,505	207,505	207,505	195,275	(12,231)	
Add: Federal Dept of Interior					231,045	231,045	
Sub-total Available Funds:	\$207,505	\$207,505	\$207,505	\$207,505	\$447,150	\$239,645	
CONTRACTS	14,850.00	14,850.00	14,850.00	14,850.00	241,045.10	\$226,195	
DEBT SERVICE	-	-	-	-	-	0	
EQUIPMENT	186,300.00	186,300.00	186,300.00	186,300.00	200,000.00	13,700	
GRANTS	-	-	-	-	-	0	
OVERHEAD	-	-	-	-	-	0	
PERSONNEL	-	-	-	-	-	0	
PROGRAM	2,275.00	2,275.00	2,275.00	2,275.00	2,025.00	(250)	
TRAVEL	4,080.00	4,080.00	4,080.00	4,080.00	4,080.00	0	
Sub-total WKOP:	\$207,505	\$207,505	\$207,505	\$207,505	\$447,150	\$239,645	

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

Table 18c: FY2023 Approved Budget and Realignment WKOP Comparison, by Funding Source

Wao Kele O Puna Management Fund	FY 2023						
	FY23 Approved Budget	FY23 Approved Realignment #1	FY23 Approved Realignment #2	FY23 Approved Realignment #3	FY23 Proposed Realignment #4	Adjustments	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
NOT FEDERAL FUNDED							
CONTRACTS	\$14,850	\$14,850	\$14,850	\$14,850	\$10,000	(\$4,850)	
DEBT SERVICE	0	0	0	0	0	0	
EQUIPMENT	186,300	186,300	186,300	186,300	200,000	13,700	
GRANTS	0	0	0	0	0	0	
OVERHEAD	0	0	0	0	0	0	
PERSONNEL	0	0	0	0	0	0	
PROGRAM	2,275	2,275	2,275	2,275	2,025	(250)	
TRAVEL	4,080	4,080	4,080	4,080	4,080	0	
Sub-total - Not Federal Funded:	\$207,505	\$207,505	\$207,505	\$207,505	\$216,105	\$8,600	
FEDERAL FUNDED							
CONTRACTS	0	0	0	0	231,045	231,045	
DEBT SERVICE	0	0	0	0	0	0	
EQUIPMENT	0	0	0	0	0	0	
GRANTS	0	0	0	0	0	0	
OVERHEAD	0	0	0	0	0	0	
PERSONNEL	0	0	0	0	0	0	
PROGRAM	0	0	0	0	0	0	
TRAVEL	0	0	0	0	0	0	
Sub-total Federal funded:	\$0	\$0	\$0	\$0	\$231,045	\$231,045	
TOTAL - WKOP	\$207,505	\$207,505	\$207,505	\$207,505	\$447,150	\$239,645	

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

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) FY2023 budget, with explanation in NOTES section.

**Table 19: Other OHA Programs Budget – Federal-funded - HLID
FY 2023 Proposed Realignment #4 Adjustments Summary**

HLID Project	FY 2023						NOTES
	FY23 Approved Budget	FY23 Approved Realignment #1	FY23 Approved Realignment #2	FY23 Approved Realignment #3	FY23 Proposed Realignment #4	Adjustments	
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
CONTRACTS	\$115,000	\$115,000	\$115,000	\$115,000	\$60,000	(\$55,000)	Update architect monitoring activities
DEBT SERVICE	\$0	\$0	\$0	\$0	\$0	0	
EQUIPMENT	\$0	\$0	\$0	\$0	\$14,000	14,000	Incinerator toilets for Halawa Project Area, Approved by HDOT/FHWA
GRANTS	\$0	\$0	\$0	\$0	\$0	0	
OVERHEAD	\$11,598	\$11,598	\$11,598	\$11,598	\$25,980	14,382	Realign to estimate expenditures
PERSONNEL	\$134,560	\$134,560	\$134,560	\$134,560	\$112,560	(22,000)	Repurpose for program use
PROGRAM	\$5,200	\$5,200	\$5,200	\$5,200	\$9,740	4,540	
TRAVEL	\$0	\$0	\$0	\$0	\$0	0	
Sub-total HLID:	\$266,358	\$266,358	\$266,358	\$266,358	\$222,280	(\$44,078)	

Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

No change to Native Hawaiian Revolving Loan Fund (NHRLF) FY2023 budget in **Table 20**.

Table 20: Other OHA Programs Budget – Federal-funded – NHRLF

NHRLF	FY 2023						
	FY23 Approved Budget	FY23 Approved Realignment #1	FY23 Approved Realignment #2	FY23 Approved Realignment #3	FY23 Proposed Realignment #4	Adjustments	Table
	(a)	(b)	(c)	(d)	(e)	(f) = (e - d)	
CONTRACTS	\$376,188	\$376,188	\$376,188	\$376,188	\$376,188	\$0	
DEBT SERVICE	\$0	\$0	\$0	\$0	\$0	0	
EQUIPMENT	\$0	\$0	\$0	\$0	\$0	0	
GRANTS	\$0	\$0	\$0	\$0	\$0	0	
OVERHEAD	\$49,303	\$49,303	\$49,303	\$49,303	\$49,303	0	
PERSONNEL	\$803,161	\$803,161	\$803,161	\$803,161	\$803,161	0	
PROGRAM	\$118,807	\$118,807	\$118,807	\$118,807	\$118,807	0	
TRAVEL	\$39,210	\$39,210	\$39,210	\$39,210	\$39,210	0	
Sub-total HLID:	\$1,386,669	\$1,386,669	\$1,386,669	\$1,386,669	\$1,386,669	\$0	

Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

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).

Table 21: Summary of Papahānaumokuākea – OHA Grant

Purpose	Amount
Gathering Lāhui Mana‘o on Papahānaumokuākea Sanctuary Designation and OHA’s Ocean Policy	\$60,000
OHA Support of the Papahānaumokuākea Cultural Working Group.	\$80,000
OHA Action items for Support of the Papahānaumokuākea Marine Monument as Co-Manager	\$35,000
Total	\$175,000

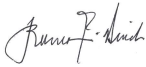
In FY 2022, the ONMS will reimburse OHA for support for programs and activities that relate directly to the management of the PMNM and up to \$175,000 upon receipt of itemized invoices. OHA Administration will categorize based on actual expenditures. There are no FY2023 budget request at this time.

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Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

V. 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: 9/22/2022

VI. REFERENCES

The following action items are provided as references for this and future budget realignment actions:

- A. **Action Item RM #22-23B:** OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) – Repurposing Previously Designated COVID-19 Reserve, September 27, 2022;
- B. **Action Item RM #22-23C:** OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy, September 27, 2022;
- C. **Action Item BAE-RM #22-03:** Approve Non-Core Budget for Kaka‘ako Makai Legislative Activities and the Renaming of Kaka‘ako Makai, September 20, 2022;
- D. **Action Item RM #22-09:** OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #3, May 31, 2022;
- E. **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;
- F. **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;
- G. **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;
- H. **Action Item RM #21-17:** FB22-23 Non-Core Budget Realignment #1, October 26, 2021;
- I. **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
- J. **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.

Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4

VII. RECOMMENDED ACTIONS

- A. **Motion #1 - Budget:** Approve the fiscal biennium budget realignment #4 for the fiscal biennium periods 2021-2022 (FY22) and 2022-2023 (FY23) as summarized at Attachment #1.
- B. **Motion #2 – Reorganization Costs:** Approve the carryforward amount to 2022-2023 (FY23) budget, of an estimated amount of \$148,000 of uncommitted, unencumbered, unaccrued amounts related to reorganization costs to address unfilled positions, vacancies and compensation study.
- C. **Motion #3 - Grants:**
1. Reclassify \$500,000 Housing Proviso from 56530 Community Grant to Grants In Aid & Proviso Grants 56510;
 2. Reclassify \$500,000 within 56530 Community Grants from COVID-19 purpose to ‘Ohana grants in alignment with ‘Ohana grants solicitation;
 3. Approve an additional \$10,000 sponsorship amount for the Association of Hawaiian Civic Clubs (AHCC) annual convention, Operating Budget, Object Code 56560; and
 4. Approve reclassification of FY23 BOT & CEO/Kaiaulu Sponsorships of \$205,921 Object Code 56530 to an additional \$10,000 in Object Code 56560 for the AHCC sponsorship and the balance of \$195,921 to 56530-GRANTS IN AID - COMMUNITY GRANTS for a new classification of grants – Kako’o grants.
- D. **Motion #4 – Debt:** Approve the cash payoff of approximately \$1.2 million of debt currently held by American Savings Bank, which represented the former Bank of Hawaii debt used to finance the 2016 Native Hawaiian ‘Aha, to be compliant with the Debt Management Policy.

VIII. ALTERNATE ACTIONS

- A. Amend the recommended action(s)/motion(s); or
- B. Do not approve the recommended action(s)/motion(s), individually or collectively.

IX. ATTACHMENTS

- 1-2021-2022 (FY22) Core and Non-Core Budgets and 2022-2023 (FY23) Core and Non-Core Budgets – Realignment #4
- 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 and Realignment #3 to Realignment #4
- 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 and Realignment #3 to Realignment #4

OFFICE OF HAWAIIAN AFFAIRS
FY 2022 AND FY 2023 BUDGET REALIGNMENT #4

ATTACHMENT 1

2021-2022 (FY22) Core and Non-Core Budgets and 2022-2023 (FY23) Core and Non-Core Budgets - Realignment #4

Table 1. FY2022 REALIGNMENT #4 (September 2022)

FY 2022 Realignment #4	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	Palaeua 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		143,136	-	-	-	-	-	-	-	143,136
Totals:		\$36,678,388	\$7,560,048	\$5,496,395	\$1,578,788	\$610,474	\$43,974	\$58,119	\$2,340,986	\$54,367,172

Table 2. FY2023 REALIGNMENT #4 (September 2022)

FY 2023 Realignment #4	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	Palaeua Culture Preserve	WKOP Mgmt Fund	Federal Funded	
Personnel & Fringe	153	\$ 13,253,145	\$ 116,494	\$ 109,674	\$ -	\$ -	\$ -	\$ -	\$ 915,721	\$ 14,395,034
Program		1,184,598	99,271	368,409	380,000	93,205	0	0	128,547	2,254,030
Contracts		4,859,888	2,749,443	518,765	411,000	61,000	20,000	0	436,188	9,056,284
Grants		15,173,500	0	0	0	0	0	0	0	15,173,500
Travel		450,247	0	0	0	0	2,440	0	39,210	491,897
Equipment		981,363	2,437,352	1,214,493	194,572	272,981	103,200	0	14,000	5,217,961
Overhead		3,194,871	510,424	797,003	165,068	112,570	6,150	0	75,283	4,861,369
Debt Service		1,029,097	84,838	553,000	771,710	315,797	0	0	0	2,754,442
Subtotals:		\$ 40,126,709	\$ 5,997,822	\$3,561,344	\$1,922,350	\$855,553	\$131,790	\$0	\$ 1,608,949	\$ 54,204,517
WKOP Fund (1)		216,105	0	0	0	0	0	0	231,045	447,150
Totals:		\$ 40,342,815	\$ 5,997,822	\$ 3,561,344	\$ 1,922,350	\$ 855,553	\$ 131,790	\$ -	\$ 1,839,994	\$ 54,651,668

(1) WKOP Management Fund depleted. In FY2023, Core to provide financial support of \$216,015, and US Department of Interior's US Fish & Wildlife Service federal grant to provide financial support of \$231,045, for a total of \$447,150.

2-Year Totals:	\$77,021,203	\$13,557,870	\$9,057,739	\$3,501,138	\$1,466,027	\$175,764	\$58,119	\$4,180,980	\$109,018,840
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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. and Realignment #3 to Realignment #4

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	Nā 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
Totals (A):		36,681,513	1,796,258	5,628,672	74,740	61,244	1,813,395	46,055,822

*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	Nā 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
Totals (B):		\$36,681,513	\$2,682,900	\$5,695,521	\$1,312,839	\$506,375	\$74,740	\$61,244	\$1,813,395	\$48,828,527

*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.

Difference (C)=(B)-(A)	\$	-	\$	886,642	\$	66,849	\$	1,312,839	\$	506,375	\$	-	\$	-	\$	-	\$	2,772,705
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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. and Realignment #3 to Realignment #4

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	Nā Lama Kukui	500 N Nimitz	501 Sumner	Palaua 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	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
Totals (B'):		\$36,681,513	\$2,682,900	\$5,695,521	\$1,312,839	\$506,375	\$74,740	\$61,244	\$1,813,395	\$48,828,527

*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 Total Operating Budget
			Kaka'ako Makai	Nā Lama Kukui	500 N Nimitz	501 Sumner	Palaua Culture Preserve	WKOP Mgmt Fund	Federal Funded	
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
Totals (D):		\$36,681,513	\$3,282,900	\$5,695,521	\$1,312,839	\$506,375	\$74,240	\$61,244	\$1,819,485	\$49,434,117

*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.

Difference (D)=(C)-(B')	\$	-	\$	600,000	\$	-	\$	-	\$	-	\$	6,090	\$	605,590
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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. and Realignment #3 to Realignment #4

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 Total Operating Budget
			Kaka'ako Makai	Nā Lama Kukui	500 N Nimitz	501 Sumner	Palauca Culture Preserve	WKOP Mgmt Fund	Federal Funded	
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 Total Operating Budget
			Kaka'ako Makai	Nā Lama Kukui	500 N Nimitz	501 Sumner	Palauca 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	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)-(B')	\$	-	\$	4,277,148	\$	(199,126)	\$	265,949	\$	104,099	\$	(30,266)	\$	(3,125)	\$	521,501	\$	4,935,680
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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. and Realignment #3 to Realignment #4

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 Total Operating Budget
			Kaka'ako Makai	Nā Lama Kukui	500 N Nimitz	501 Sumner	Palauca 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	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		143,136								143,136
Totals (B'):		\$36,678,388	\$7,560,048	\$5,496,395	\$1,578,788	\$610,474	\$43,974	\$58,119	\$2,340,986	\$54,367,172

E. FY2022 REALIGNMENT #4 (September 2022) - no change

FY 2022 Realignment #4	FTE	Core	Commercial Property Budget		Iwilei Properties Budget		Legacy Property Budget		Other OHA Programs Budget	FY 2022 Total Operating Budget
			Kaka'ako Makai	Nā Lama Kukui	500 N Nimitz	501 Sumner	Palauca 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	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		143,136								143,136
Totals (D):		\$36,678,388	\$7,560,048	\$5,496,395	\$1,578,788	\$610,474	\$43,974	\$58,119	\$2,340,986	\$54,367,172

Difference (D)-(B')	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
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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. and Realignment #3 to Realignment #4

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	Nā 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
Totals (A):		37,333,653	1,821,814	\$5,780,184	\$74,740	\$0	\$1,660,777	46,671,169

*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	Nā Lama Kukui	500 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
Totals (B):		\$37,333,653	\$4,349,593	\$5,494,326	\$1,731,740	\$764,145	\$74,740	\$0	\$1,660,777	\$51,408,975

*With correction from previous version to reflect core support to Wao Kele O Puna: \$207,505.

Difference (C)=(B)-(A)	\$	-	\$ 2,527,779	\$ (285,858)	\$ 1,731,740	\$ 764,145	\$ -	\$ -	\$ -	\$ 4,737,806
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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. and Realignment #3 to Realignment #4

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	Palauca 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
Totals (B'):		\$ 37,333,653	\$ 4,349,594	\$ 5,494,326	\$ 1,731,740	\$ 764,146	\$ 74,740	\$ -	\$ 1,660,777	\$ 51,408,976

*With correction from previous version to reflect core support \$207,505 to Wao Kele O Puna.

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	Palauca 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
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.

Difference (D)=(C)-(B')	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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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. and Realignment #3 to Realignment #4

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	Nä Lama Kukui	500 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	486,424	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

D. FY 2023 REALIGNMENT #3 (May 2022)

FY 2023 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 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	486,424	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 (D):		\$37,333,653	\$4,349,594	\$5,494,326	\$1,731,740	\$764,146	\$74,740	\$0	\$1,660,777	\$51,408,976

Difference (E)=(D)-(C')	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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OFFICE OF HAWAIIAN AFFAIRS
ATTACHMENT 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. and Realignment #3 to Realignment #4

D'. FY 2023 REALIGNMENT #3 (May 2022)

FY 2023 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	\$ 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

E. FY 2023 REALIGNMENT #4 (September 2022)

FY 2023 Realignment #4	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	116,494	\$ 109,674	\$ -	\$ -	\$ -	\$ -	\$ 915,721	\$ 14,395,034
Program		1,184,598	99,271	368,409	380,000	93,205	-	-	128,547	2,254,030
Contracts		4,859,888	2,749,443	518,765	411,000	61,000	20,000	-	436,188	9,056,284
Grants		15,173,500	-	-	-	-	-	-	-	15,173,500
Travel		450,247	-	-	-	-	2,440	-	39,210	491,897
Equipment		981,363	2,437,352	1,214,493	194,572	272,981	103,200	-	14,000	5,217,961
Overhead		3,194,871	510,424	797,003	165,068	112,570	6,150	-	75,283	4,861,369
Debt Service		1,029,097	84,838	553,000	771,710	315,797	-	-	-	2,754,442
Subtotal:		\$40,126,709	\$5,997,822	\$3,561,344	\$1,922,350	\$855,553	\$131,790	\$0	\$1,608,949	\$54,204,517
WKOP Fund (1)		216,105							231,045	447,150
Totals (D):		\$40,342,815	\$5,997,822	\$3,561,344	\$1,922,350	\$855,553	\$131,790	\$0	\$1,839,994	\$54,651,668

(1) WKOP Management Fund depleted. In FY2023, Core to provide financial support of \$216,015, and US Department of Interior's US Fish & Wildlife Service federal grant to provide financial support of \$231,045, for a total of \$447,150.

Difference (E)=(D)-(C')	\$3,009,162	\$1,648,228	(\$1,932,982)	\$190,610	\$91,407	\$57,050	\$0	\$179,217	\$3,242,692
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Committee on Resource ManagementTrustee John Waihe'e IV, *At-Large* - ChairTrustee 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*

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

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

DATE: Tuesday, September 27, 2022**TIME:** 10:00 a.m.

PLACE: Virtual Meeting viewable at <https://www.oha.org/livestream> OR
Listen by phone: (213) 338-8477, Webinar ID: 870 8722 8555

This virtual meeting can be viewed and observed via livestream on OHA's website at www.oha.org/livestream or listened to by phone at: (213) 338-8477, Webinar ID: 870 8722 8555. A physical meeting location, open to members of the public who would like to provide oral testimony or view the virtual meeting, 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. Approval of Minutes**

A. August 30, 2022*

III. Unfinished Business – None**IV. New Business**

A. ACTION ITEM RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4*

B. ACTION ITEM RM #22-23B: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) –
Repurposing Previously Designated COVID-19 Reserve*

C. ACTION ITEM RM #22-23C: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23),
Fiscal Stabilization Policy*

V. Announcements**VI. Adjournment**

If you need an auxiliary aid/support or other accommodation due to a disability, please contact Everett Ohta at telephone number 594-1988 or by email to everetto@oha.org as soon as possible. Requests made as early as possible will allow adequate time to fulfill your request. Upon request, this notice is available in alternate formats such as large print, Braille, or electronic copy.

Meeting materials for this meeting will be available for the public to view 48 hours prior to this meeting at OHA's main office located at 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817. Meeting materials will also be available to view at OHA's neighbor island offices and will be posted to OHA's website at: www.oha.org/rm.

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 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.

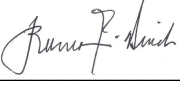



ACTION ITEM

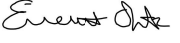
COMMITTEE ON RESOURCE MANAGEMENT September 27, 2022

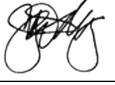
RM #22-23B


Action Item Issue: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) – Repurposing Previously Designated COVID-19 Reserve

Co-Prepared by:  9/22/2022
Ramona G. Hinck Date
Pou Kāko‘o Ho‘opono Kūikawā, Interim Controller &
Ka Pou Kihi Kanaloa Wai, Chief Financial Officer

Reviewed by:  9/22/2022
Casey K. Brown Date
Ka Pou Nui, Chief Operating Officer

Reviewed by:  9/22/2022
Everett Ohta Date
Ka Paepae Puka Kūikawā, Interim General Counsel

Co-Prepared &
Reviewed by:  9/22/2022
Sylvia M. Hussey, Ed.D. Date
Ka Pouhana, Chief Executive Officer

Reviewed by:  9/22/2022
Ke Kua, Trustee John D. Waihee, IV Date
Luna Ho‘omalua o ke Kōmike Resource Management
Chair of the Committee on Resource Management

I. PROPOSED ACTION

Approve and repurpose the balance of the approved COVID-19 Operational Reserve account, Appropriation 935, as of September 30, 2022, projected to be approximately \$321,000, to operational space planning uses at Nā Lama Kūkui, subject to the: A) Existing Fiscal Stabilization Policy attached; and B) Budgetary policies and authorities of the Board to approve future, Administration recommended, capital renovation costs, consistent with Policy 3045 – Budget Management Policy of the Executive Policy Manual.

II. ISSUE

Whether or not the Board of Trustees (BOT) should authorize and approve the repurposing of the previously approved amount of \$500,000 for COVID-19 operational uses, Appropriation 935, to operational space planning uses at Nā Lama Kūkui (NLK). As of September 30, 2022, the balance is projected to be approximately \$321,000, subject to the existing: Fiscal Stabilization Policy (FSP) attached; and budgetary policies and authorities of the Board, Policy 3045 – Budget Management Policy of the Executive Policy Manual.

III. BACKGROUND

A. COVID-19 Operational Use Reserve Authorization. The COVID-19 operational use reserve was established via Action Item BOT #20-04: OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21) – Realignment #2, on June 18, 2020, via Motion #4: Authorize the additional funding of the Fiscal Stabilization Fund in the amount of \$1,000,000.

Table 1 – Fiscal Year Action and Impact of Fiscal Stabilization Policy & Fund

Fiscal Year Action and Action Item	Action	Impact to Fiscal Stabilization Policy & Fund
Action Item BOT #20-04 OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21) – Realignment #2 June 18, 2020	Authorize the additional funding of the Fiscal Stabilization Fund in the amount of \$1,000,000. Approve the use of the Fiscal Stabilization Fund in the amount of \$1,000,000 for COVID-19 related purposes in FY21.	Action Classification: Funding & Designation FY2021 - \$1,000,000 = COVID-19 related purposes ¹

¹ Board approved \$500,000 for COVID-19 grants and \$500,000 for operations to address work site and operational needs (e.g., Maui Ola configuration, equipment, sound, video capabilities, personal protective equipment, social distancing, increase frequency and intensity of cleaning, telework enhancements, laptops, mifis, masks), balance as of June 30, 2022 is approximately \$321,000.

B. COVID-19 Operational Use Reserve Uses. Since the establishment, Table 2 details the operational uses of the COVID-19 reserve:

Table 2. Summary of Uses

Amount	Purpose	Comments
\$71,000 \$62,700	Software, Equipment Boardroom Reconfiguration	Software & Equipment, COVID-19 teleworking needs, reconfigure the boardroom for AV and network equipment due to COVID-19 response to maintain social distance,
\$21,250	HR managed platform, application(s)	For COVID 19 safety precautions
\$24,000	Furniture & Fixtures	Furniture and fixtures for OHA's Boardroom re: COVID-19 response
\$178,950	Total to Date	

Administration projects that with the lessons learned from the past 2.5 years (since March 2020) of being under COVID-19, any operational needs (e.g., barriers, equipment, supplies), can be addressed within the regular operational budget amounts, processes and practices; and a separate reserve is no longer necessary specifically for COVID-19.

C. Space Planning Needs at Nā Lama Kūkui. With the March 2020 imposed COVID-19 ‘stay-at-home’ orders, the entire OHA organization statewide complied, including the Board and Administration at Nā Lama Kūkui (NLK). OHA, as an owner-occupant, occupies approximately 30% of NLK. Looking forward, OHA is revisioning the existing space at NLK in a way that will address internal organizational demands as well as a changing external environment foremost of which is the needs of our beneficiaries. As such, space planning at NLK is necessary to:

- 1. Address needs of the OHA Board:** Examples of needs include returning the large boardroom table to the boardroom, creating additional room for staff and beneficiaries, improving functionality and utilization for board meetings, creating space for large formal gatherings (e.g. gatherings with national and international dignitaries), and addressing various safety needs; and
- 2. Create more opportunity for Beneficiary use:** Examples include creation of collaboration and/or co-work space locations; 2) Space for community meetings (e.g., civic clubs, NH Chamber of Commerce, Association of Hawaiian Civic Clubs); and 3) Space for OHA and community seminars, lectures, workshops and/or training needs.

D. Compliance with Fiscal Stabilization Policy, Fiscal Stabilization Fund. In compliance with the FSP, Administration notes:

1. The requested reallocation is for an authorized use—that of a previously designated operational reserve for COVID-19 in the amount of \$500,000. While not all of the projected operational reserve was used, the remaining estimated amount of \$321,000 is recommended to be applied to NLK for space planning as part of a post COVID-19 effort. As noted in Table 1 above, almost half of the COVID-19 was related to

SECTION IV – AUTHORIZED FUND USES

Authorized fund uses. Funds from the Fiscal Stabilization Fund may be withdrawn and used as authorized by the BOT through an Action Item for the following purposes only:

1. **Budget stabilization.** The Fiscal Stabilization Fund may be used to address unexpected shortfalls in available funding that directly translate into a significant budget decrease. Shortfalls can be considered any decrease in Annual Public Land Trust Revenues or General Fund Appropriations from the State, change in State assessments such as fringe rate, retirement or a significant financial market downturn.
2. **Emergencies.** The Fiscal Stabilization Fund may be used to address emergency expenditures directly incurred by the OHA or experienced by the OHA's beneficiaries. To qualify as an authorized fund use, the expenditures (1) must directly result from an emergency; (2) must address events or situations that are non-recurring; (3) must not have been contemplated in the budget process; and (4) cannot wait to be included in the next budget cycle. Emergencies include threats to public health, welfare, or safety from a major natural disaster, infrastructure emergencies involving OHA's real properties or legal fees and costs incurred by OHA for pending cases.
3. **Reserves.** The Fiscal Stabilization Fund may be used to activate previously designated reserves.
4. **Contingencies.** The Fiscal Stabilization Fund may be used to address contingencies either previously reserved or subsequently identified.

changes needed in the Boardroom to address boardroom safety (e.g., 6-foot circumference social distancing), and functionality during COVID-19. Administration therefore recommends the balance to be repurposed for post-COVID-19 period space planning design needs at NLK.

2. Administration is utilizing the budget realignment process (as part of the Budget Management Policy) to address the repurposing of the COVID-19 operational reserve to focus on post COVID-19 space planning efforts at NLK, now instead of a new budget cycle (i.e., FY24-25) as the need is immediate for post COVID-19 space planning efforts at NLK.

Figure 1. Section IV – Authorized Fund Uses Excerpt from the FSP

Because the recommended action is to repurpose COVID-19 operational reserve to space planning at NLK, which would include post COVID-19 purposes (e.g., restoration of the Boardroom, expansion and increased utility and functionality of NLK spaces), there is no additive proposed spending of the FSF with this action.

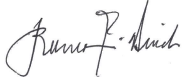
VII. RECOMMENDED ACTION

Approve and repurpose the balance of the approved COVID-19 Operational Reserve account, Appropriation 935, as of September 30, 2022, projected to be approximately \$321,000, to operational space planning uses at Nā Lama Kūkui, subject to the: A) Existing Fiscal Stabilization Policy attached; and B) Budgetary policies and authorities of the Board to approve future, Administration recommended, capital renovation costs, consistent with Policy 3045 – Budget Management Policy of the Executive Policy Manual.

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VIII. CHIEF FINANCIAL OFFICER CERTIFICATION

The following is the certification by the Chief Financial Officer that the funds are available to effect the repurposing of the balance of the COVID-19 Operational Reserve account, to operational space planning uses at Nā Lama Kūkui, as described herein, and that the maximum withdrawal restrictions for the Fiscal Stabilization Fund will not be violated:



Ramona G Hinck
Chief Financial Officer
Date: 9/22/2022

IX. ALTERNATIVE ACTIONS

- A. Amend the purpose and/or amount of the recommended action; or
- B. Do not approve the recommended action, which would:
 - 1. Continue the purpose/use of the \$321,000 to address COVID-19 operational uses; or
 - 2. Result in the inability to repurpose and utilize \$321,000 in FY2023 to address post COVID-19 operational space planning needs and uses at NLK.

X. REFERENCE DOCUMENTS

- A. **Action Item RM #22-23A:** OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4, September 27, 2022;
- B. **Action Item RM #22-23C:** OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy, September 27, 2022;
- 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, May 31, 2022;
- D. **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;
- E. **Action Item RM #21-17:** FB22-23 Non-Core Budget Realignment #1, October 26, 2021;
- F. **Action Item RM #21-08A:** OHA Biennium Budget for the Fiscal Biennium Period 2021-2022 (FY 22) and 2022-2023 (FY 23), June 30, 2021;
- G. **Action Item RM #21-06:** Approval of FY21 Budget Realignment #3 – Core (Personnel and Non-Personnel) and Non-Core Budgets, May 25, 2021;
- H. **Action Item RM #21-05:** Amendment to Executive Policy Manual Section, Budget Management Policy, April 20, 2021;
- I. **Action Item BOT #20-04:** OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21) – Realignment #2, June 18, 2020;
- J. **Action Item RM #19-17:** Realignment #1 of the OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21), September 25, 2019; and

- K. **Action Item RM #19-16:** Action Regarding a Fiscal Stabilization Policy including Withdrawal Guidelines and the related Elimination of the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy, September 4, 2019, September 5, 2019 (1st reading BOT); September 19, 2019 (2nd reading BOT).

XI. ATTACHMENT – FISCAL STABILIZATION POLICY INCLUDING WITHDRAWAL GUIDELINES AND THE RELATED ELIMINATION OF THE FISCAL WITHDRAWAL GUIDELINES CONTAINED WITHIN THE NATIVE HAWAIIAN TRUST FUND SPENDING POLICY

RM #19-16 Action Regarding a Fiscal Stabilization Policy including Withdrawal Guidelines and the related Elimination of the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy

ATTACHMENT A

**OFFICE OF HAWAIIAN AFFAIRS
FISCAL STABILIZATION POLICY**

SECTION I - PURPOSE AND INTENT

Purpose and intent. Historically, OHA has required funds to address unexpected shortfalls in available funding that had a significant effect on budget, as well as emergencies. OHA currently uses “OHA’s Native Hawaiian Trust Fund Spending Policy’s Fiscal Reserve Management Guidelines” (the Guidelines) to address funding needs, but the guidelines have been viewed as overly broad and unclear. This policy supersedes the guidelines and establishes 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) contained herein.

SECTION II – DEFINITIONS

Definitions. In this policy, if not inconsistent with the context:

1. **“Action Item”** refers to a draft of proposed policy or description or other action by the Board. An action item must comply with the form and content requirements set by the Board or the OHA organization.
2. **“Annual Ceded Land or Public Land Trust Revenues”** shall be the \$15.1 million annual revenues received from the State of Hawaii as of fiscal year 2006-2007, or including any adjustments to annual ceded lands revenues in the future by the State of Hawaii.
3. **“Appropriation”** refers to funds allocated for the OHA organization, set aside by formal Board action for specific use or through normal and customary government funding mechanism. An appropriation allows money to be spent; and is not an expenditure record.
4. **“Authorized Fund Uses”** means the uses described in section IV of this policy.
5. **“Beneficiary”** means as defined in HRS section 10-2.
6. **“Board” or “BOT”** means the OHA Board of Trustees, as described in Article XII, section 5 of the State Constitution and HRS chapters 10 and 13D.
7. **“Budget cycle”** means the two-year, biennium term of budget activity.
8. **“Budget process”** includes the process of developing and approving an operating budget for the fiscal biennium, as described in the BOT Executive Policy Manual section 3050, Fiscal; subsections 3.5.C and 3.5.D.
9. **“Budget Stabilization”** refers to setting aside funds for times of unexpected revenue shortfall, budget deficit, or emergency.
10. **“Chief Executive Officer” or “CEO”** means the administrator of the Office of Hawaiian Affairs, appointed by the Board pursuant to HRS section 10-10.
11. **“Chief Financial Officer” or “CFO”** means the person appointed by the administrator to be the chief financial officer of OHA or an individual that carries out the function.

RM #19-16 Action Regarding a Fiscal Stabilization Policy including Withdrawal Guidelines and the related Elimination of the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy

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12. **“Contingency”** refers to an event or condition (such as an emergency) that may but is not certain to occur.
13. **“Emergency”** refers to a serious, unexpected, and often dangerous condition requiring immediate attention. Emergencies include threats to public health, welfare, or safety from a major natural disaster, infrastructure emergencies involving OHA’s real properties or legal fees and costs incurred by OHA for pending claims or litigation.
14. **“Fiscal Biennium Total Operating Budget”** means the formal document that reflects the authorized expenditures of OHA for the two fiscal years that constitute the applicable fiscal biennium.
15. **“Fiscal Reserve Fund”** means the fund prior to the establishment of the “Fiscal Stabilization Fund” under the Guidelines.
16. **“Fiscal Stabilization Fund”** means the fund established by this policy.
17. **“General Fund Appropriations from the State”** refers to appropriations determined by the State of Hawaii Legislature during each biennium and are spent for a specific purposes.
18. **“Native Hawaiian Trust Fund”** is defined as all Public Land Trust revenue emanating from 5(f) funds that is subject to OHA’s Native Hawaiian Trust Fund investment policy.
19. **“NHTF Financial Assets Portfolio”** means the Native Hawaiian Trust Fund plus any other financial asset subject to OHA’s Native Hawaiian Trust Fund investment policy.
20. **“Non-recurring”** refers to costs, charges, or expenses that occur one time only and are not likely to happen again.
21. **“Originator”** includes a person who first thinks of something and causes it to happen.
22. **“Policy”** means this Fiscal Stabilization Fund Policy.
23. **“Quarterly Withdrawal Limitation”** means the maximum quarterly withdrawals from the fund, as defined in section V(a) of this policy.
24. **“Reserve”** means something stored or kept available for future use or need, money or its equivalent kept on hand or set apart usually to meet liabilities.
25. **“RM Committee”** means the Resource Management Committee of the Board.
26. **“Shortfall”** refers to a deficit of something required or expected, such as revenues or budgeted funds.
27. **“Trustee”** means the members of the BOT, as described in Article XII, section 5 of the State Constitution and HRS chapters 10 and 13D.
28. **“Variance”** means the financial or quantitative difference between a budgeted amount and purpose for the actual amount and purpose.
29. **“Unexpected”** means not expected or unforeseen.

RM #19-16 Action Regarding a Fiscal Stabilization Policy including Withdrawal Guidelines and the related Elimination of the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy

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SECTION III – ESTABLISHMENT

A. Establishment.

1. The Fiscal Stabilization Fund (FSF) is established by an initial, one-time appropriation of \$1,500,000¹ into a separate fund account² outside the Native Hawaiian Trust Fund (NHTF) upon adoption of this policy. This appropriation shall be counted toward maximum withdrawal limitation in the BOT Spending Policy.
2. Deposits and withdrawals into the FSF shall follow the requirements of this policy. Upon adoption of this policy, “OHA’s Native Hawaiian Trust Fund Spending Policy’s Fiscal Reserve Management Guidelines” shall terminate.
3. At the discretion of the BOT, additional deposits of up to \$3,000,000 may be made in each subsequent fiscal year from funds that were budgeted from the NHTF Financial Assets Portfolio that were unspent at the end of previous fiscal years. The audited financial statements and audited processes (i.e., lapsing of prior encumbered purchase orders) for each respective fiscal year shall be used as the sole basis to determine the eligible deposits into the FSF. Annual deposits shall be counted toward the maximum withdrawal limitations in the BOT Spending Policy.
4. The monies in the FSF may be carried over from year to year, provided that the total amount in the FSF shall not exceed \$10,000,000. Funds above and beyond the \$10,000,000 cap shall be redeposited into the NHTF.
5. Withdrawals from the FSF shall not be included in the maximum withdrawal limitations in the BOT Spending Policy for the fiscal year in which the withdrawal is made.
6. Temporarily idle moneys in the FSF may be invested as directed by the BOT, and the interest earned may be either transferred permanently into the NHTF or may remain in the FSF, at the discretion of the BOT. If the interest remains in the FSF, it may serve to increase the fund balance, but in no event shall the balance of the FSF be allowed to exceed the \$10,000,000.

B. Reserves.

1. Once established, reserves for contingencies may be designated in the Fiscal Stabilization Fund to acknowledge and recognize the responsibilities of the OHA.
2. Such reserves for contingencies may include but not be limited to estimates for legal or other settlements, repatriation, budget stabilization needs and emergencies such as natural disasters.

¹ The amount of the initial deposit will be dependent on the current size of the fiscal reserve fund.

² Such fund should be a part of the OHA’s overall cash management policy

RM #19-16 Action Regarding a Fiscal Stabilization Policy including Withdrawal Guidelines and the related Elimination of the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy

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SECTION IV – AUTHORIZED FUND USES

Authorized fund uses. Funds from the Fiscal Stabilization Fund may be withdrawn and used as authorized by the BOT through an Action Item for the following purposes only:

1. **Budget stabilization.** The Fiscal Stabilization Fund may be used to address unexpected shortfalls in available funding that directly translate into a significant budget decrease. Shortfalls can be considered any decrease in Annual Public Land Trust Revenues or General Fund Appropriations from the State, change in State assessments such as fringe rate, retirement or a significant financial market downturn.
2. **Emergencies.** The Fiscal Stabilization Fund may be used to address emergency expenditures directly incurred by the OHA or experienced by the OHA's beneficiaries. To qualify as an authorized fund use, the expenditures (1) must directly result from an emergency; (2) must address events or situations that are non-recurring; (3) must not have been contemplated in the budget process; and (4) cannot wait to be included in the next budget cycle. Emergencies include threats to public health, welfare, or safety from a major natural disaster, infrastructure emergencies involving OHA's real properties or legal fees and costs incurred by OHA for pending cases.
3. **Reserves.** The Fiscal Stabilization Fund may be used to activate previously designated reserves.
4. **Contingencies.** The Fiscal Stabilization Fund may be used to address contingencies either previously reserved or subsequently identified.

SECTION V – MAXIMUM WITHDRAWALS

Limitations on the maximum FSF size and related withdrawals are identified below.

Maximum withdrawals. The maximum withdrawals from this fund are limited as follows:

1. The maximum withdrawals in any given fiscal year, for any combination of authorized uses in section IV, are limited to no more than \$3,000,000 annually, and no more than \$750,000 per quarter, regardless of the total balance of the fund. The funds that are withdrawn must be used during the current fiscal year, and do not carry over to subsequent fiscal years.

Spending Guidelines

Minimum Balance	None
Maximum Designations (Annual)	\$3,000,000
Maximum Designations (Quarterly)	\$750,000

2. The fund balance cannot be negative after accounting for all authorized spending.
 - a. Funds are subject to quarterly withdrawal limitations;
 - b. The \$3,000,000 limitation is based on the fiscal year in which the designation is made,

RM #19-16 Action Regarding a Fiscal Stabilization Policy including Withdrawal Guidelines and the related Elimination of the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy

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regardless of the year of funding specified in the designation. For example, if a \$2,000,000 designation is made in budget year one, to be funded in budget year two, the \$2,000,000 will count towards the limit in budget year one, and only an additional \$1,000,000 can be designated in budget year one. In budget year two, the maximum designation of \$3,000,000 is still available.

SECTION VI – REQUEST PROCEDURE

Request Procedure. Funding requests for the use of Fiscal Stabilization Fund must be submitted as an action item. To be considered, the action item must comply with Board requirements for action items, and include the following, at a minimum:

- 1 **Originator.** Identification of the originator of the initial request. If the originator is not a member of the BOT, the action item shall state that it is being made “By Request,” and include the identity of the originator, for example, “CEO” or “beneficiary.”
- 2 **Explanation.** Clear explanation of the reasons the request qualifies as an authorized fund use. The explanation must address all requirements of sections IV and V, including:
 - a. The reasons the request cannot be accommodated with other available means of financing, or why it cannot be budgeted in the next Fiscal Biennium Total Operating Budget.
 - b. An explanation of the urgency of the request and its impact on OHA or its beneficiaries if the request is denied or the decision is delayed.
 - c. Certification by the CFO that the funds are available for the request, and that maximum withdrawal restrictions will not be violated if the request is granted.
- 3 **Supporting documentation.** All supporting documentation that justifies the funding request.

SECTION VIII – DELEGATION OF RESPONSIBILITY

Delegation of Responsibility.

1. The CEO shall be responsible for the initiation of the Action Item(s) requesting funding.
2. The CFO shall be responsible for reviewing the Action Item(s), the release of funds and any documentation in relation to disbursements. All documentation must be stored in accordance with OHA’s record retention policy.
3. Any Action Item that does not comply with the requirements of this policy shall not be considered by the Board. Any non-compliant action item approved by the Board shall be considered void.

RM #19-16 Action Regarding a Fiscal Stabilization Policy including Withdrawal Guidelines and the related Elimination of the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy

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SECTION IX – VOTING REQUIREMENTS

Voting requirements. The following defines the voting requirements for Board approval of funding requests.

- (a) The Board of Trustees with six (6) affirmative votes may authorize expenditures from the Fiscal Stabilization Fund, up to the maximum designation allowable under section V, Maximum withdrawals.
- (b) The Board of Trustees with eight (8) affirmative votes may approve in excess of the \$3,000,000 withdrawal limit, provided that the amount withdrawn shall not result in the Fiscal Stabilization Fund balance falling below zero.

SECTION X – REVIEW

Review. This Policy will be reviewed as recommended by the Chair of the RM Committee, but no less than every two (2) years. Any modification to this Policy shall require six (6) votes and two (2) readings at the Board of Trustees level with external review, consultation and advice being completed prior to any modifications.



OFFICE OF HAWAIIAN AFFAIRS

NATIVE HAWAIIAN TRUST FUND SPENDING POLICY, AS AMENDED

Adopted by the Board of Trustees, September 15, 2004

Amended and adopted by the Board of Trustees on July 6, 2006

Amended and adopted by the Board of Trustees on May 21, 2009

Reviewed with no modifications by the Board of Trustees on April 18, 2012

Amended and adopted by the Board of Trustees on February 27, 2014

**OFFICE OF HAWAIIAN AFFAIRS
NATIVE HAWAIIAN TRUST FUND SPENDING POLICY**

I. PURPOSE. The purpose of this policy is to ensure the continued viability of the Office of Hawaiian Affairs (OHA) Native Hawaiian Trust Funds (NHTF) by providing specific guidelines to balance the objectives of maintaining principal and producing large, stable and predictable spending. Decisions affecting management of the NHTF focus upon four conflicting objectives:

- A. Maximize long-term total return;
- B. Maximize annual spending from the Trust;
- C. Preserve the real value (purchasing power) of the Trust's principal and of its spending distributions over the long term;
- D. Maximize the stability and predictability of spending distributions. In other words, minimize the spending shortfall risk.

II. OBJECTIVE. The following spending policy reflects the objective of distributing as much total return as is consistent with the overall defined investment objectives while protecting the value of the principal.

III. DEFINITIONS. To further clarify the spending policy, the following definitions are used:

A. Native Hawaiian Trust Fund defined as all Public Land Trust revenue emanating from 5(f) funds that is subject to OHA's Native Hawaiian Trust Fund investment policy.

B. Spending Rate is the percentage (%) applied to the average market value to determine the spend amount.

C. Annual Spending Withdrawals defined as the maximum amount authorized to be budgeted from the Native Hawaiian Trust Fund in one fiscal year.

D. Moving Average Rule – to spend a fixed percentage of the average Native Hawaiian Trust Fund's average market value (e.g., spend 5.0% of the average market value of the previous 20 quarters).

E. Annual Ceded Land Revenues – shall be the \$15.1 million (fifteen million one hundred thousand dollars) annual revenues received from the state of Hawai'i as of fiscal year 2006-2007, or including any adjustments to annual ceded lands revenues in the future by the state of Hawai'i.

F. State of Hawai'i General Fund appropriations are determined by the Legislature during each Biennium and are spent for a specific purpose.

G. To Spend is the result of multiplying the moving average rule (Moving Average) by the spending rate.

H. Spent is when actual disbursement or encumbrances of funds is made. Trustees should never appropriate funds beyond the Spending Policy calculated amount.

I. Average Market Value – shall be computed quarterly based upon the monthly statements received from OHA's Custodian of Record, the average shall be computed from the most recent 20 quarter period ending as of March 31st, fifteen months prior to the start of the budget on July 1. If real estate is included in the Native Hawaiian Trust Fund then the real property market value shall be included to compute the average market value.

J. Public Land Trust Revenue – emanating from 5(f) funds that the State of Hawai'i remits to the Office of Hawaiian Affairs.

K. Real Property Market Value – shall be based upon the latest real estate appraisal. Such an appraisal should be conducted every five (5) years or upon the sale of any respective real estate property, whichever comes first.

L. Investment – an acquisition for future income or benefit.

M. 5(f) Funds – refers to Section 5(f) of the State of Hawai'i Admissions Act.

N. Total return is defined as the sum of earned interest and dividends and realized and unrealized gains or losses, less all investment management costs (e.g. *investment consultant, custodian, money manager fees*).

O. Native Hawaiian Self-Governance Spending Withdrawal defined as a maximum cumulative authorization not to exceed \$3,000,000 to be budgeted from the

Native Hawaiian Trust Fund for self-governing efforts of the Office of Hawaiian Affairs.

IV. POLICY/PROCEDURE. Consistent with the overall investment goals of the Native Hawaiian Trust Fund, the following spending rates and rules for distribution are set forward.

A. The formula for determining **annual spending withdrawals** and the mechanics of its implementation shall adopt the **Moving Average Rule**, whereby;

1. OHA will **spend** a fixed percentage of no more than five percent (5%) of the Native Hawaiian Trust Fund's **average market value**,

plus

2. **Ceded Land Revenues** received by OHA

plus

3. **State of Hawai'i General Funds** received by OHA

plus

4. Any funds available but not spent in previous fiscal years (Fiscal Reserve), held within the Native Hawaiian Trust Fund.

B. Regardless of the performance of the Native Hawaiian Trust Fund, OHA's spending policy will apply. The 5% spending rate shall be applied to investment portfolio and real property assets intended to be income or benefit producing.

C. Funds available from sources other than those defined in Section IV.A. of this policy are not limited by this annual spending withdrawal formula.

V. SPECIAL SPENDING WITHDRAWAL. Public Law 103-150 recognizes that the "...indigenous Hawaiian people never directly relinquished their claims to their inherent sovereignty as a people or over their national lands..." and urges the President of the United States to "...support reconciliation efforts between the United States and the Native Hawaiian people." Act 195 was signed into law on July 6, 2011 and recognized the Native Hawaiian people as the only indigenous, aboriginal, maoli people of Hawai'i. Act 195 encourages OHA to "...continue to support the self-determination process by Native Hawaiians in the formation of their chosen governmental entity" and notes that the State has designated OHA "...as a trust vehicle

to act on behalf of Native Hawaiians until a Native Hawaiian governing entity could be reestablished...". Balancing the opportunity for the formation of a governmental entity that would empower Native Hawaiians to exercise their un-relinquished inherent sovereignty with the objectives of maintaining principal and producing large, stable and predictable spending, a special cumulative spending withdrawal of no more than \$3,000,000 can be authorized to be budgeted from the Native Hawaiian Trust Fund for self-governing efforts of the Office of Hawaiian Affairs and will be known as a **Native Hawaiian Self-Governance Spending Withdrawal**. Authorizations of funds pursuant to Section V. will require a separate Action Item appropriation request pursuant to Section 1.4.b of OHA's Board of Trustees Executive Policy Manual. This Section V. specifically disallows transfer of funds or appropriations of any kind to the Native Hawaiian Roll Commission, as established by Act 195.

VI. REVIEW

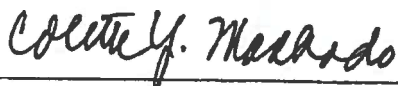
A. The Spending Policy will be reviewed at least every two years or as recommended by the Chair of the ARM Committee.

B. Modifications to the Spending Policy must meet requirements as provided by the then current By-Laws. Any modification or exceptions to OHA's Spending Policy shall require six (6) votes and two (2) readings at the Board of Trustees level and require external due diligence to be conducted.

VII. EFFECTIVE DATE. "The effective date of this policy is February 27, 2014 and this policy shall be deemed to pre-exist funds disbursed to OHA by the State pursuant to Act 178, SLH 2006."

Adopted on the 27th day of February, 2014

OFFICE OF HAWAIIAN AFFAIRS BOARD OF TRUSTEES



Colette Y. Machado, Chairperson

First Reading	2/20/2014
Second Reading	2/27/2014

OHA'S NATIVE HAWAIIAN TRUST FUND SPENDING POLICY'S FISCAL RESERVE WITHDRAWAL GUIDELINES

I. INTRODUCTION. The Office of Hawaiian Affairs two criteria for an effective Fiscal Reserve are the following: (1) the fund collects and dispenses appropriate amounts of money at appropriate times; and (2) it is simple to operate. Of the various alternatives studied by Administration, the fiscal reserve fund proposed here comes closest to satisfying these criteria. The purpose of this section is to describe the proposed operation of OHA's fiscal reserve as established by OHA's Spending Policy, which was initially adopted on October 31, 2000 and subsequently amended in September 2004, July 2006, and May 2009, respectively. These guidelines are not policy, rather it clarifies existing policy that exists on page 3, section IV of OHA's Native Hawaiian Trust Fund Spending Policy section entitled, "Policy/Procedure" and states "*plus*" A.3 "*Any funds available but not spent in previous fiscal years, held within the Native Hawaiian Trust Fund.*"

II. OHA'S NATIVE HAWAIIAN TRUST FUND SPENDING POLICY'S – FISCAL RESERVE. Following is a description of the fiscal reserve fund:

A. Objective. OHA's fiscal reserve fund is designed to provide money in certain situations.

B. Authorized uses. Money can be authorized under any of the 3 (three) permissible purposes as follows:

- 1. Budget Stabilization** – To address shortfalls in funding that directly translate into a significant spending decrease for a budget year. The shortfall can be the result of a downturn in the economy that negatively impacts the value of the NHTF investments, or can be the result of a reduction in general funding or ceded land revenue payments received from the state. Costs of programs can be funded through the fiscal reserve if it is determined that not providing the funding will have a severe negative impact on OHA's beneficiaries. The amount that can be utilized under this category in any given fiscal year, cannot exceed the previous year's spending limit subject to the limitations set forth in (E.) below. In other words, the budget stabilization can be used so that the fiscal reserve will supplement the current year budget to be at least equal to the prior year budget up to the limit set forth in (E.) below.
- 2. Unpredicted One-time Payments** – to address events or opportunities that are non-recurring in nature, have not been contemplated in the

budget process, and cannot wait to be included in the next budget cycle. This category would also include any expenditures needed to address legal issues as well as to remedy an emergency condition (which means a situation that creates a threat to public health, welfare, or safety that may arise by reason of major natural disaster, epidemic, riot, fire, or other reason.) The maximum designation amount under this category is subject to the limitations set forth in item (E.) below.

3. **Capital Acquisitions** – Major purchases of non-investment land or other capital assets that either have not been contemplated during the time of budget preparation, or cannot be addressed within the confines of the budget, and cannot wait to be included in the next budget cycle. The maximum withdrawal amount under this category is subject to the limitations set forth in item (E.) below.

C. Maximum Designations. The maximum designations allowable to be made in any given fiscal year, using any combination of items B.1. through B.3. above, are limited to no more than \$3,000,000 annually. The \$3,000,000 limitation is based on the fiscal year in which the designation is made, regardless of the year of funding specified in the designation. For example, if a \$2m designation is made in budget year 1, to be funded in budget year 2, the \$2m will count towards the limit in budget year 1, and only an additional \$1m can be designated in budget year 1. In budget year 2, the full \$3m of designations is still available.

D. Special Circumstances – There may be special circumstances that will require the use of funds in excess of the categories noted above. For example, the imminence of the passage of a federal recognition bill may trigger events for which OHA will be required to spend monies not otherwise available. In these special circumstances, the criteria set forth above can be waived by the BOT with a vote of the super majority plus 2 (8 affirmative votes). Since the “fiscal reserve” is a part of OHA’s Native Hawaiian Trust Fund and not an account established separately, if and when the fiscal reserve is utilized, the funds identified will merely serve as an additional means of financing.

E. Deposit Calculations. The source of data required to calculate the amount to be “restricted” as an OHA NHTF Spending Policy Fiscal Reserve shall be subject to audited financial statements for the respective fiscal year. Estimated year-end budget surpluses based upon unaudited records are not permissible.

F. Restrictions. The operation of the fiscal reserve fund is subject to two (2) restrictions:

1. no more than the current balance of the fiscal reserve in any year will be designated from the fund (e.g., the fund's balance cannot be negative after accounting for all designations; and
2. the total amount of money earmarked as a fiscal reserve does not have an upper threshold (*cap*) imposed upon it.

G. Operation

A. Pursuant to the OHA Spending Policy, Administration is tasked with calculating the spending policy limitation for the upcoming fiscal year utilizing a 20-quarter rolling average of the Native Hawaiian Trust Fund's market value, ending as of March 31st, fifteen months prior to the start of the budget on July 1. The respective 20-quarter rolling average along with a Board of Trustees determined spending rate (up to 5%) eventually determines the upper threshold for the development of a biennium budget, which is revisited during the supplemental year to correct any upward or downward adjustments in accordance to the actual spending policy formula. Note: during the development of a biennium budget, only the first fiscal year can utilize actual figures with the second year requiring Administration to "estimate" the market value of the upcoming four quarters based upon financial analysis techniques.

B. Only upon the close of OHA's fiscal year end financial records and the successful completion of a financial audit engagement can fiscal year "expenditure" figures be utilized, less any investment related expenses, and then deducted from OHA's calculated spending policy ceiling. As a part of OHA's adjusting fiscal year end journal entry, the difference is to be accumulated to any existing fund reserve account. Note: the funds are maintained within the Native Hawaiian Trust Fund, without the benefit of interest income and/or capital gains accrual, and are merely recognized as "reserved" funds within OHA's financial statements.

III. PROCEDURE. The procedure to be followed when requesting money via these guidelines for Board consideration shall be in the form of an Action Item and must include, at a minimum, the following information:

1. Identify the originator of the request;
2. Cite specific "Authorized Use" being requested as:
 - a. **B.1. Budget Stabilization,**
 - b. **B.2. Unpredicted One-time Payments, or**

c. **B.3. Capital Acquisitions**

3. Cite **D. Special Circumstances** if applicable.
4. Explain why the request cannot be accommodated with funds from the current Core Operating Budget.
5. State the urgency of the request and its impact on OHA if the request is denied or the decision is delayed.
6. Attach a letter or proposal detailing the request in sufficient detail to reasonably draw a conclusion of merit.


IV. VOTING REQUIREMENTS.

A. The Board of Trustees with six (6) affirmative votes may authorize expenditures from the fiscal reserve up to the maximum designation allowable under Budget Stabilization, Unpredicted One-time Payments, and Capital Acquisitions categories as set forth in Section II. B.1., B.2. and B.3., respectively, above.

B. The Board of Trustees with eight (8) affirmative votes may authorize expenditures from the fiscal reserves above the maximum designation allowable under the Special Circumstances category as set forth in Section II.D. above.

Adopted on the 27th day of February, 2014

OFFICE OF HAWAIIAN AFFAIRS BOARD OF TRUSTEES



Colette Y. Machado, Chairperson

First Reading	2/20/2014
Second Reading	2/27/2014

Committee on Resource ManagementTrustee John Waihe'e IV, *At-Large* - ChairTrustee 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*

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

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

DATE: Tuesday, September 27, 2022**TIME:** 10:00 a.m.**PLACE:** Virtual Meeting viewable at <https://www.oha.org/livestream> OR
Listen by phone: (213) 338-8477, Webinar ID: 870 8722 8555

This virtual meeting can be viewed and observed via livestream on OHA's website at www.oha.org/livestream or listened to by phone at: (213) 338-8477, Webinar ID: 870 8722 8555. A physical meeting location, open to members of the public who would like to provide oral testimony or view the virtual meeting, 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. Approval of Minutes**

A. August 30, 2022*

III. Unfinished Business – None**IV. New Business**

A. ACTION ITEM RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4*

B. ACTION ITEM RM #22-23B: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) –
Repurposing Previously Designated COVID-19 Reserve*C. ACTION ITEM RM #22-23C: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23),
Fiscal Stabilization Policy***V. Announcements****VI. Adjournment**

If you need an auxiliary aid/support or other accommodation due to a disability, please contact Everett Ohta at telephone number 594-1988 or by email to everetto@oha.org as soon as possible. Requests made as early as possible will allow adequate time to fulfill your request. Upon request, this notice is available in alternate formats such as large print, Braille, or electronic copy.

Meeting materials for this meeting will be available for the public to view 48 hours prior to this meeting at OHA's main office located at 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817. Meeting materials will also be available to view at OHA's neighbor island offices and will be posted to OHA's website at: www.oha.org/rm.

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 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.

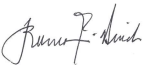



ACTION ITEM

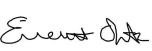
COMMITTEE ON RESOURCE MANAGEMENT September 27, 2022


RM #22-23C

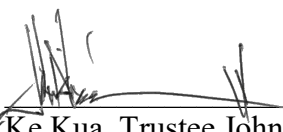
Action Item Issue: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy

Co-Prepared by:  9/22/2022
Date
Ramona G. Hinck
Pou Kāko‘o Ho‘opono Kūikawā, Interim Controller &
Ka Pou Kihi Kanaloa Wai, Chief Financial Officer

Reviewed by:  9/22/2022
Date
Casey K. Brown
Ka Pou Nui, Chief Operating Officer

Reviewed by:  9/22/2022
Date
Everett Ohta
Ka Paepae Puka Kūikawā, Interim General Counsel

Co-Prepared &
Reviewed by:  9/22/2022
Date
Sylvia M. Hussey, Ed.D.
Ka Pouhana, Chief Executive Officer

Reviewed by:  9/22/2022
Date
Ke Kua, Trustee John D. Waihee, IV
Luna Ho‘omalua o ke Kōmike Resource Management
Chair of the Committee on Resource Management

Action Item RM #22-23C: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy

I. PROPOSED ACTION

Reverse the Fiscal Stabilization Fund amount of \$3,000,000 previously approved to mitigate the impact of the conditioned FY21 appropriation via Act 37 (2019).

II. ISSUE

Whether or not the Board of Trustees (BOT) should reverse the Fiscal Stabilization Fund (FSF) amount of \$3,000,000 previously approved to mitigate the impact of the conditioned FY21 appropriation via Act 37 (2019).

III. BACKGROUND and FISCAL STABILIZATION FUND

A. State of Hawaii General Funds. Appropriations are determined by the legislature during each Biennium. The State Legislature passed as Act 37(2019) an appropriation of \$3,037,879 annually for FY 20 and FY 21¹. The State of Hawaii did not release the FY2021 appropriation as it was conditioned by the completion of an Act 37 financial and management audit; and was subsequently suspended by the State Auditor in December 2019. As a result of the suspended audit, the Board authorized the use of the Fiscal Stabilization Fund in the amount of \$3,000,000 (via Budget Realignment #2 action) to mitigate the impact of the conditioned FY21 appropriation via Action Item BOT #20-04: OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21) -Realignment #2, June 18, 2020.

HB204 SD2 CD1, OHA's Budget Bill for the FY22 and FY23 period, from the 2021 Legislative session, contained \$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 for the Act 37 financial and management audit allowing the release of the FY2021 appropriation extended to June 30, 2022. On April 21, 2021, prior to the end of the 2021 Legislative session, the State Auditor terminated the Act 37 audit. On May 28, 2021, the Governor signed HB204 SD2 CD1 as Act 29 (2021), see Attachment.

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¹ The FY21 General Fund appropriation is conditioned by an Act 37 audit that was suspended by the State Auditor in December 2019. On April 21, 2021, prior to the end of the 2021 Legislative session, the State Auditor terminated the Act 37 audit.

Action Item RM #22-23C: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy

B. Breakdown of FY21 General Funds by Function. Figure 1 below details the breakdown of OHA's \$3,037,879 General Funds appropriation.

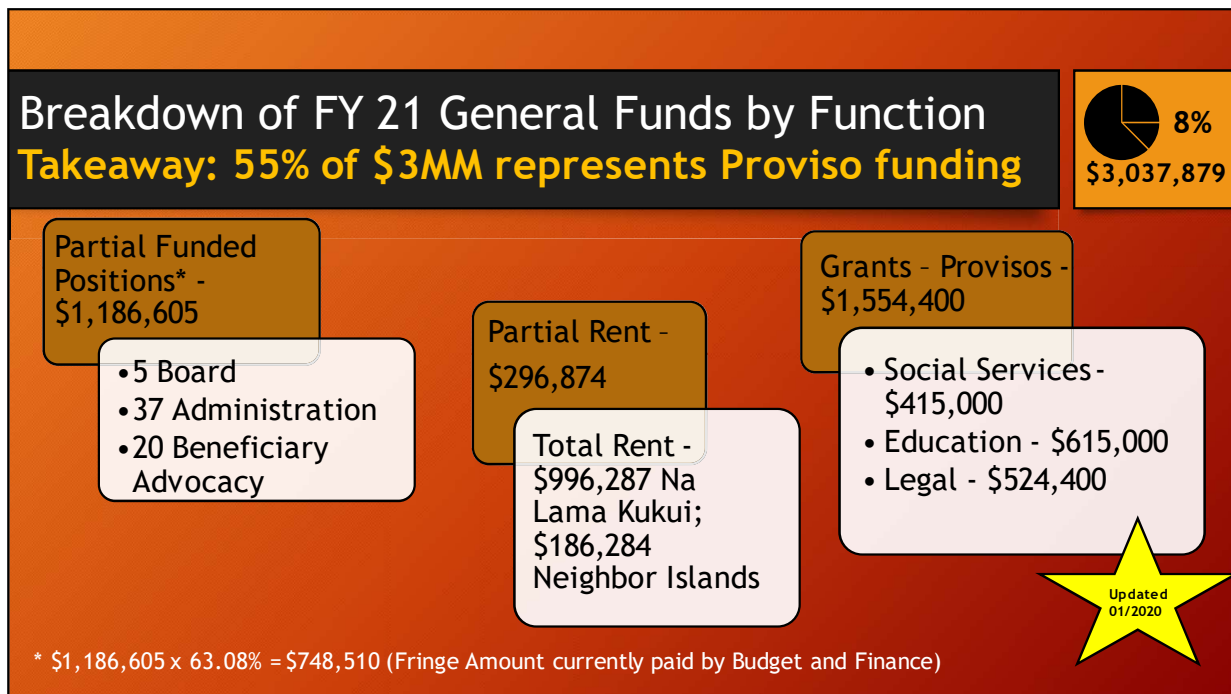


Figure 1 – Breakdown of FY21 General Funds by Function

C. Establishment of Fiscal Stabilization Fund - \$3,000,000. Via Action Item BOT #20-04: OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21) -Realignment #2, June 18, 2020, approved Motions #2 and #3, authorized the following:

Motion #2: *Authorize the additional funding of the Fiscal Stabilization Fund in the amount of \$1,500,000, noting the balance will be \$3,000,000; and*

Motion #3: *Approve the use of the Fiscal Stabilization Fund in the amount of \$3,000,000 in FY20 to be drawn in quarterly increments of \$750,000 in FY21, to replace the General Funds appropriation for FY21.*

D. Act 29 (2021) – Restoration of General Funds for FY21. GM1129 – HB204 SD2 CD1 RELATING TO THE BUDGET OF THE OFFICE of HAWAIIAN AFFAIRS, ACT 29 (2021) Act 29 (2021) is attached and Figure 2 below indicates the conditions for the release of the fiscal year 2020-2021 funds, approximately \$3,000,000 from Act 29 (2021):

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Action Item RM #22-23C: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy

8 ~~----- (b)]~~ Provided that the general funds appropriated for
9 fiscal year 2020-2021 pursuant to part II of this Act shall not
10 be released to the Office of Hawaiian Affairs until after the
11 ~~[audit report required by subsection (a)]~~ CLA - OHA & LLCs
12 Contract and Disbursement Review - Report, dated December 4,
13 2019, is received by the legislature."
14 SECTION 10. The general funds appropriated for fiscal year
15 2020-2021 pursuant to part II of Act 37, Session Laws of Hawaii
16 2019, shall not lapse at the end of the fiscal year for which
17 the appropriation is made; provided that all moneys from the
18 appropriation that are unencumbered as of June 30, 2022, shall
19 lapse as of that date.

Figure 2 – Excerpt from Section 9 of Act 29 (2021)

E. Administration Activities. Administration delivered the CLA – OHA & LLCs Contract and Disbursement Review – Report, dated December 4, 2019 to the Legislature and completed the following:

Table 1. Summary of Administration Actions

Amount	General Fund Purpose Description	Administration Activities
\$1,186,605	Partial Funded Positions	Submitted paid payroll ² information for reimbursement
\$296,874	Partial Rent	Submitted paid rent information for reimbursement
1,554,400	Grants Proviso	Ensured all Appropriation 100 for grants and contract (legal) encumbered
\$3,037,879	Total FY21 General Funds	

With the Administration actions completed above, the \$3,000,000 FSF amount, authorized by Action Item BOT #20-04 (refer to section B above), and is no longer needed and recommended to be reversed.

² Note that when General Funds are used to fund positions (via payroll), Budget & Finance “picks up” the benefits “load” of 52%. However, with the ‘reimbursement’, OHA could not recover the benefits “load” for the positions and absorbed it into operations.

Action Item RM #22-23C: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy

IV. SUMMARY OF ACTIONS RELATED TO THE FISCAL STABILIZATION FUND

Table 2 below summarizes actions impacting the Fiscal Stabilization Policy and Fiscal Stabilization Fund with the related fiscal year of action and action item references.

Table 2. Summary of Actions Impacting the Fiscal Stabilization Policy and Fiscal Stabilization Fund

Fiscal Year Action and Action Item	Action	Impact to Fiscal Stabilization Policy & Fund
FY 2020 Actions		
FY 2020 Action Item RM #19-16 Action Regarding a Fiscal Stabilization Policy including Withdrawal Guidelines and the related Elimination of the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy September 4, 2019 September 5, 2019 (1st reading BOT); September 19, 2019 (2nd reading BOT)	Approve the new Fiscal Stabilization Policy, including Withdrawal Guidelines; and Eliminate the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy.	Action Classification: Establishment, Inception & Funding The Fiscal Stabilization Fund (FSF) is established by an initial, one-time appropriation of \$1,500,000 ³ into a separate fund account ⁴ outside the Native Hawaiian Trust Fund (NHTF) upon adoption of this policy. This appropriation shall be counted toward maximum withdrawal limitation in the BOT Spending Policy. FY2020 - \$1,500,000
FY 2020 Action Item RM #19-17 Realignment #1 of the OHA Biennium Budget for the Fiscal Biennium Periods	Designate⁵ \$1,445,000 in unspent, unencumbered funds (fka Fiscal Reserve) from FY 2018, for the purposes noted below: \$500,000 to support Disaster Recovery;	Action Classification: Designation Designation of uses for the initial established fund amount FY2020 - \$1,500,000

³ The amount of the initial deposit will be dependent on the current size of the fiscal reserve fund.

⁴ Such fund should be a part of the OHA's overall cash management policy

⁵ Designate=specifically identify, plan for, reserve; Trustee authorization and approval still needed to activate the designated or specified funds.

Action Item RM #22-23C: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy

Fiscal Year Action and Action Item	Action	Impact to Fiscal Stabilization Policy & Fund
<p>2019-2020 (FY 20) and 2020-2021 (FY 21)</p> <p>September 25, 2019</p>	<p>\$500,000 in support of funding the audit by the State Auditor as required by State of Hawaii's Act 37/HB172;</p> <p>\$100,000 for the purposes of repatriation (e.g., iwi kupuna, moe pu, funerary items), beyond current fiscal biennium project;</p> <p>\$120,000 for litigation contingencies; and</p> <p>\$225,000 for possible fringe rate increases beyond current FY 2020 budgeted 63% fringe rate.</p>	
<p>FY 2020</p> <p>Action Item BOT #20-04</p> <p>OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21) – Realignment #2</p> <p>June 18, 2020</p>	<p>Based on the above policy analysis, Administration recommends the following actions as it relates to the Fiscal Stabilization Policy and Fiscal Stabilization Fund:</p> <p>Undesignate⁶ \$1,445,000 in unspent, unencumbered funds (fka Fiscal Reserve) from FY 2018, for the purposes noted below:</p> <ol style="list-style-type: none"> \$500,000 to support Disaster Recovery; \$500,000 to support the audit by the State Auditor as required by State of Hawaii's Act 37/HB172; \$100,000 for the purposes of repatriation (e.g., iwi kupuna, moe pu, funerary items), beyond current fiscal biennium project; \$120,000 for litigation contingencies; and \$225,000 for possible fringe rate increases beyond current FY 2020 budgeted 63% fringe rate, to enable the BOT to re-designate funds. 	<p>Action Classification: Funding & (Un)Designation</p> <p>FY2020 - \$1,500,000 + \$1,500,000 = \$3,000,000 designated for the loss of FY2021 General Funds Appropriation</p>

⁶ Designate=specifically identify, plan for, reserve; Trustee authorization and approval still needed to activate the designated or specified funds.

Action Item RM #22-23C: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy

Fiscal Year Action and Action Item	Action	Impact to Fiscal Stabilization Policy & Fund
	<p>Authorize the additional funding of the Fiscal Stabilization Fund in the amount of \$1,500,000, noting the balance will be \$3,000,000⁷.</p> <p>Approve the use of the Fiscal Stabilization Fund in the amount of \$3,000,000 in FY20, to be drawn in quarterly increments of \$750,000 in FY21, to replace the General Funds appropriation for FY21.</p>	
<p>Action Item BOT #20-04 OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21) – Realignment #2 June 18, 2020</p>	<p>Authorize the additional funding of the Fiscal Stabilization Fund in the amount of \$1,000,000.</p> <p>Approve the use of the Fiscal Stabilization Fund in the amount of \$1,000,000 for COVID-19 related purposes in FY21.</p> <p>Refer to Attachment of the OHA Budget Bill and its related implications to the previous \$3,000,000 Fiscal Stabilization Fund 2020 reservation.</p>	<p>Action Classification: Funding & Designation</p> <p>FY2020 - \$1,500,000 + \$1,500,000 = \$3,000,000 designated for the loss of FY2021 General Funds Appropriation</p> <p>FY2021 - \$1,000,000 = COVID-19 related purposes⁸</p>
FY 2021 Actions		
<p>2021 Action Item RM #21-05</p>	<p>To expand the Executive Policy Manual (EPM) section described in Attachment A: (1) New section 3045 Budget Management; (2) New section 3046 Fiscal Stabilization Policy; (3) Relocate</p>	<p>Action Classification: Policy Related</p> <p>N/A – aggregation and incorporation of budget management policies,</p>

⁷ As approved via Action Item RM #19-17 – Realignment #1 of the OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY20) and 2020-2021 (FY21) in September 2019, the Fiscal Stabilization Fund (FSF) is established by an initial, one-time appropriation of \$1,500,000 into a separate fund account outside the Native Hawaiian Trust Fund (NHTF), upon adoption of the policy, understanding the appropriation shall be counted toward maximum withdrawal limitation in the BOT Spending Policy. The monies in the FSF may be carried over from year to year, provided that the total amount in the FSF shall not exceed \$10,000,000. Funds above and beyond the \$10,000,000 cap shall be redeposited into the NHTF.

⁸ Board approved \$500,000 for COVID-19 grants and \$500,000 for operations to address work site and operational needs (e.g., Maui Ola configuration, equipment, sound, video capabilities, personal protective equipment, social distancing, increase frequency and intensity of cleaning, telework enhancements, laptops, mifis, masks), balance as of June 30, 2022 is approximately \$321,000.

Action Item RM #22-23C: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy

Fiscal Year Action and Action Item	Action	Impact to Fiscal Stabilization Policy & Fund
Amendment to Executive Policy Manual Section, Budget Management Policy April 20, 2021	and renumber two sections currently located in <i>section 3050 Fiscal</i> to section <i>3040 Planning, Programming, Budget</i> ; and (4) Relocate and renumber five sections currently located in section <i>3040 Planning, Programming, Budget</i> to new section <i>3045 Budget Management</i> .	including the Fiscal Stabilization Policy

V. FISCAL STABILIZATION FUND RELATED ACTIVITIES

A. **Balance as of June 30, 2022.** Based on the Table 2 policy actions, the balance of the Fiscal Stabilization Fund as of June 30, 2022 is summarized (Table 3) and detailed (Table 4) below.

Table 3. Summary of Projected Balances as of 6/30/2022

Authorization Purposes	Amount	Balances at 6/30/2022
FY20 Designation for the FY21 loss of General Funds Appropriation	\$1,500,000 + \$1,500,000	\$3,000,000
FY21 Designation for the FY21 use of COVID-19 related	\$500,000 COVID-19 Grants (awarding completed at the Joint BAE-RM Committees meeting on June 23, 2021 and ratified by the Board on June 24, 2021)	\$500,000
	\$500,000 COVID-19 Operations Approximately \$179,000 in costs have either been spent, committed (PR) or encumbered (PO) for additional laptops and other equipment to sustain teleworkforce since March 2020 as well as complete Boardroom	\$321,000

Action Item RM #22-23C: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy

	configurations to return to in person Board meetings. ⁹	
--	--	--

Table 4. Details of FY2020 and FY2021 Actions re: Fiscal Stabilization Fund

Action Item	Description	Amount
FY 2020 Actions		
FY 2020 Action Item BOT #20-04 OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21) – Realignment #2 June 18, 2020	Based on the above policy analysis, Administration recommends the following actions as it relates to the Fiscal Stabilization Policy and Fiscal Stabilization Fund: funds. Approve the use of the Fiscal Stabilization Fund in the amount of \$3,000,000 in FY20, to be drawn in quarterly increments of \$750,000 in FY21, to replace the General Funds appropriation for FY21.	Action Classification: Funding & Designation FY2020 - \$1,500,000 + \$1,500,000 = \$3,000,000 designated for the loss of FY2021 General Funds Appropriation
FY 2021 Actions		
	Authorize the additional funding of the Fiscal Stabilization Fund in the amount of \$1,000,000. Approve the use of the Fiscal Stabilization Fund in the amount of \$1,000,000 for COVID-19 related purposes in FY21.	Action Classification: Funding & Designation FY2021 General Funds Appropriation FY2021 - \$1,000,000 = COVID-19 related purposes ¹⁰ As of 6/30/2022, approximately \$321K (of \$500K) is unspent and available to address other operational needs.

⁹ Board approved \$500,000 for COVID-19 grants and \$500,000 for operations to address work site and operational needs (e.g., Maui Ola configuration, equipment, sound, video capabilities, personal protective equipment, beneficiary services, social distancing, increase frequency and intensity of cleaning, telework enhancements, laptops, mifis, masks)

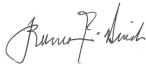
¹⁰ Board approved \$500,000 for COVID-19 grants and \$500,000 for operations to address work site and operational needs (e.g., Maui Ola configuration, equipment, sound, video capabilities, personal protective equipment, beneficiary services, social distancing, increase frequency and intensity of cleaning, telework enhancements, laptops, mifis, masks)

Action Item RM #22-23C: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy

Action Item	Description	Amount
2021 <i>Action Item RM #21-08B</i>	Authorized the carryover of the projected balance of \$321,000, as of June 30, 2021, of the previously authorized FY2021 Fiscal Stabilization Fund amount of \$500,000 (established by the Fiscal Stabilization Policy), to address continuing operational changes needed, due to the impacts of COVID-19.	<i>Action Classification: Carryforward Authorization to FY2022</i>

VI. CHIEF FINANCIAL OFFICER CERTIFICATION

The following is the certification by the Chief Financial Officer that the above Administration activities were effected consistent with Act 29 (2021):



Ramona G Hinck
Chief Financial Officer
Date: 9/22/2022

VII. RECOMMENDED ACTION

Reverse the Fiscal Stabilization Fund amount of \$3,000,000 previously approved to mitigate the impact of the conditioned FY21 appropriation via Act 37 (2019).

VIII. ALTERNATIVE ACTIONS

- A. Amend the recommended action; or
- B. Do not approve the recommended action.

IX. REFERENCE DOCUMENTS

- a. **Action Item RM #22-23A:** OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4, September 27, 2022;
- b. **Action Item RM #22-23B:** OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) – Repurposing Previously Designated COVID-19 Reserve, September 27, 2022;
- c. **Action Item RM #21-08A:** OHA Biennium Budget for the Fiscal Biennium Period 2021-2022 (FY 22) and 2022-2023 (FY 23), June 30, 2021;

Action Item RM #22-23C: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy

- d. **Action Item RM #21-08B:** Action Item RM #21-08B: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy, June 30, 2021;
- e. **Action Item RM #21-06:** Approval of FY21 Budget Realignment #3 – Core (Personnel and Non-Personnel) and Non-Core Budgets, May 25, 2021
- f. **Action Item RM #21-05:** Amendment to Executive Policy Manual Section, Budget Management Policy, April 20, 2021
- g. **Action Item BOT #20-04:** OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21) – Realignment #2, June 18, 2020
- h. **Action Item RM #19-17:** Realignment #1 of the OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY 20) and 2020-2021 (FY 21), September 25, 2019
- i. **Action Item RM #19-16:** Action Regarding a Fiscal Stabilization Policy including Withdrawal Guidelines and the related Elimination of the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy, September 4, 2019, September 5, 2019 (1st reading BOT); September 19, 2019 (2nd reading BOT)

X. ATTACHMENT

- 1 - GM1129 – HB204 SD2 CD1 RELATING TO THE BUDGET OF THE OFFICE of HAWAIIAN AFFAIRS, ACT 29 (2021)
- 2 – GM1138 – HB172 HD1 SD2 D1 RELATING TO THE BUDGET OF THE OFFICE of HAWAIIAN AFFAIRS, ACT 37 (2019)



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

Approved by the Governor

MAY 20 2021

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



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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.



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C.D. 1

PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID.	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS			
				FISCAL YEAR 2021-2022	M O F	FISCAL YEAR 2022-2023	M O F
1		Hawaiian Affairs					
2	1.	OHA150 - OFFICE OF THE TRUSTEES					
3				0.47*		0.47*	
4		OPERATING	OHA	0A		0A	
5				4.53*		4.53*	
6			OHA	275,687T		275,687T	
7							
8	2.	OHA160 - ADMINISTRATION					
9				5.03*		5.03*	
10		OPERATING	OHA	0A		0A	
11				31.97*		31.97*	
12			OHA	2,861,727T		2,861,727T	
13							
14	3.	OHA175 - BENEFICIARY ADVOCACY					
15				1.47*		1.47*	
16		OPERATING	OHA	2,254,400A		2,254,400A	
17				18.53*		18.53*	
18			OHA	3,292,290T		3,292,290T	
19							



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C.D. 1

1 **PART III. PROGRAM PROVISIONS**

2 SECTION 4. Provided that the general fund appropriations
3 in part II of this Act shall be expended by the Office of
4 Hawaiian Affairs.

5 SECTION 5. Provided that of the funds appropriated for
6 beneficiary advocacy (OHA175), the sum of \$500,000 in general
7 funds and \$500,000 in trust funds for fiscal year 2021-2022 and
8 the same sums for fiscal year 2022-2023 shall be expended for
9 office of Hawaiian affairs beneficiaries for occupancy ready
10 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~~



~~1 auditor to conduct or contract for a financial and management~~
~~2 audit of the Office of Hawaiian Affairs.~~
~~3 The auditor shall submit a report of the findings and~~
~~4 recommendations of the audit to the legislature, governor, and~~
~~5 the chairperson of the board of trustees of the office of~~
~~6 Hawaiian affairs no later than twenty days prior to the~~
~~7 convening of the regular session of 2020.~~

~~8 (b)]~~ Provided that the general funds appropriated for
9 fiscal year 2020-2021 pursuant to part II of this Act shall not
10 be released to the Office of Hawaiian Affairs until after the
11 ~~[audit report required by subsection (a)]~~ CLA - OHA & LLCs
12 Contract and Disbursement Review - Report, dated December 4,
13 2019, is received by the legislature."

14 SECTION 10. The general funds appropriated for fiscal year
15 2020-2021 pursuant to part II of Act 37, Session Laws of Hawaii
16 2019, shall not lapse at the end of the fiscal year for which
17 the appropriation is made; provided that all moneys from the
18 appropriation that are unencumbered as of June 30, 2022, shall
19 lapse as of that date.

20 SECTION 11. Provided that of the general funds
21 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



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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 28 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



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 7, 2019

GOV. MSG. NO. 1138

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirtieth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirtieth 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 June 7, 2019, the following bill was signed into law:

HB172 HD1 SD2 CD1

RELATING TO THE BUDGET OF THE OFFICE
OF HAWAIIAN AFFAIRS.
ACT 037 (19)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

HOUSE OF REPRESENTATIVES
THIRTIETH LEGISLATURE, 2019
STATE OF HAWAII

H.B. NO.

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H.D. 1
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:

PART I. GENERAL PROVISIONS

SECTION 1. SHORT TITLE. This Act shall be known and may be cited as the Office of Hawaiian Affairs Appropriations Act of 2019.

SECTION 2. DEFINITIONS. As used in this Act, unless the context otherwise requires:

"Means of financing" or "MOF" means the source from which funds are appropriated or authorized to be expended for the programs and projects specified in this Act. All appropriations are followed by letter symbols. These letter symbols, where used, shall mean the following:

A General funds

T Trust funds

"Position ceiling" means the maximum number of permanent and temporary full-time equivalent positions authorized for a particular program during a specified period or periods, as denoted by an asterisk (*) for permanent full-time equivalent



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, 2019, and
13 ending June 30, 2021. 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.



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PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID.	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS			
				FISCAL YEAR 2019-2020	M O F	FISCAL YEAR 2020-2021	M O F
1		Hawaiian Affairs					
2	1.	OHA150 - OFFICE OF THE TRUSTEES					
3				0.47*		0.47*	
4		OPERATING	OHA	58,323A		58,323A	
5				4.53*		4.53*	
6			OHA	275,687T		275,687T	
7							
8	2.	OHA160 - ADMINISTRATION					
9				5.03*		5.03*	
10		OPERATING	OHA	1,124,042A		1,124,042A	
11				31.97*		31.97*	
12			OHA	2,861,727T		2,861,727T	
13							
14	3.	OHA175 - BENEFICIARY ADVOCACY					
15				1.47*		1.47*	
16		OPERATING	OHA	1,855,514A		1,855,514A	
17				18.53*		18.53*	
18			OHA	3,292,290T		3,292,290T	
19							



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C.D. 1

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 \$415,000 in general funds and \$415,000 in trust funds for fiscal year 2019-2020 and the same sums for fiscal year 2020-2021 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 funds expended for the purposes of this section shall be in accordance with chapter 103D or 103F, Hawaii Revised Statutes, or a competitive grants process, as appropriate.

SECTION 6. Provided that of the funds appropriated for beneficiary advocacy (OHA175), the sum of \$615,000 in general funds and \$615,000 in trust funds for fiscal year 2019-2020 and



1 the same sums for fiscal year 2020-2021 shall be expended to
2 provide for educational improvement programs for native Hawaiian
3 students; provided further that program activities shall be
4 designed to help native Hawaiian students succeed academically;
5 and provided further that notwithstanding section 10-17(e),
6 Hawaii Revised Statutes, any expenditures for the purposes of
7 this section shall be in accordance with chapter 103D or 103F,
8 Hawaii Revised Statutes, or a competitive grants process, as
9 appropriate.

10 SECTION 7. Provided that of the funds appropriated for
11 beneficiary advocacy (OHA175), the sum of \$524,400 in general
12 funds and \$524,400 in trust funds for fiscal year 2019-2020 and
13 the same sums for fiscal year 2020-2021 shall be expended to
14 provide for legal services and legal representation to Office of
15 Hawaiian Affairs beneficiaries for:

- 16 (1) The assertion and defense of quiet title actions;
17 (2) Assistance with ahupuaa and kuleana tenant rights,
18 including rights of access and rights to water;
19 (3) Land title assistance, including review of title
20 and genealogy;



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1 (4) Preservation of traditional and customary
2 practices;
3 (5) Protection of culturally significant places;
4 (6) Preservation of native Hawaiian land trust
5 entitlements; and
6 provided further that notwithstanding section 10-17(e), Hawaii
7 Revised Statutes, any funds expended for the purposes of this
8 section shall be made in accordance with chapter 103D or 103F,
9 Hawaii Revised Statutes, as appropriate.

10 SECTION 8. (a) Provided that of the trust funds
11 appropriated in part II of this Act, the sum of \$500,000 for
12 fiscal year 2019-2020 shall be expended for the costs for the
13 auditor to conduct or contract for a financial and management
14 audit of the Office of Hawaiian Affairs.

15 The auditor shall submit a report of the findings and
16 recommendations of the audit to the legislature, governor, and
17 the chairperson of the board of trustees of the office of
18 Hawaiian affairs no later than twenty days prior to the
19 convening of the regular session of 2020.

20 (b) Provided that the general funds appropriated for
21 fiscal year 2020-2021 pursuant to part II of this Act shall not



1 be released to the Office of Hawaiian Affairs until after the
2 audit report required by subsection (a) is received by the
3 legislature.

4 **PART IV. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE**

5 **SECTION 9.** Provided that whenever necessary, the board of
6 trustees of the Office of Hawaiian Affairs or the board's
7 designee may transfer sufficient funds and positions between
8 programs for operating purposes; provided further that these
9 transfers shall be consistent with legislative intent; and
10 provided further that the Office of Hawaiian Affairs shall
11 submit a report to the legislature of all uses of this authority
12 for the previous twelve month period from December 1 to November
13 30, no later than twenty days prior to the convening of the
14 regular sessions of 2020 and 2021.

15 **SECTION 10.** If any provision of this Act, or the
16 application thereto to any person or circumstance, is held
17 invalid, the invalidity does not affect other provisions or
18 applications of the Act that can be given effect without the
19 invalid provision or application, and to this end the provisions
20 of this Act are severable. If any portion of a specific
21 appropriation is held to be invalid for any reason, the



1 remaining portion shall be expended to fulfill the objective of
2 that appropriation to the extent possible.

3 SECTION 11. If manifest clerical, typographical, or other
4 mechanical errors are found in this Act, the board of trustees
5 of the Office of Hawaiian Affairs may correct these errors. All
6 changes made pursuant to this section shall be reported to the
7 legislature at its next session.

8 SECTION 12. This Act shall take effect on July 1, 2019.

APPROVED this 7 day of JUN, 2019

David Y. Ige

GOVERNOR OF THE STATE OF HAWAII



HB No. 172, HD 1, SD 2, CD 1

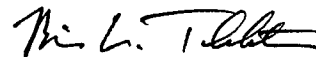
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2019
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2019.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives

H.B. No. 172, H.D. 1, S.D. 2, C.D. 1

THE SENATE OF THE STATE OF HAWAI'I

Date: April 30, 2019
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the
Senate of the Thirtieth Legislature of the State of Hawai'i, Regular Session of 2019.



President of the Senate



Clerk of the Senate