

Committee on Resource ManagementTrustee John Waihe'e IV, *At-Large - Chair*Trustee Luana Alapa, *Moloka'i / Lāna'i - Vice Chair**Members*Trustee Dan Ahuna, *Kaua'i / Niihau*Trustee Kaleihikina Akaka, *O'ahu*Trustee Keli'i Akina, *At-Large*Trustee Brickwood Galuteria, *At-Large*Trustee Carmen Hulu Lindsey, *Maui*Trustee J. Keoni Souza, *At-Large*Trustee Mililani Trask, *Hawai'i Island*

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

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

DATE: Wednesday January 31, 2024**TIME:** 1:30 p.m.**PLACE:** Virtual Meeting

560 N. Nimitz Hwy., Honolulu, HI 96817

viewable at <https://www.oha.org/livestream> OR

Listen by phone: (213) 338-8477, Webinar ID: 894 5940 9035

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: 894 5940 9035. 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.

AGENDA**I. Call to Order****II. Approval of Minutes**

A. December 6, 2023

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

A. Consequent Capital Management Introduction

1. Presentation: Pantheon (Private Markets), Iain Jones

B. **Action Item RM #24-01:** Approve the designation of Stacy Kealohalani Ferreira as the Office of Hawaiian Affairs' Authorized Organizational Representative for the Administration for Native Americans, American Rescue Plan Act, Emergency Native Language Funding Opportunity for Native Hawaiians and Pacific Islanders Grant Award, supporting OHA's Native Hawaiian Language Preservation and Maintenance: Community-Based Research Project

C. **Action Item RM #24-02:** Approve OHA funding of the 13th Festival of Pacific Arts & Culture, Hawai'i 2024, Ho'oulu Lāhui: Regenerating Oceania

D. **Action Item RM #24-03:** Approve OHA funding of Fiscal Year 2024 Third Quarter Sponsorships

E. **Action Item RM #24-04:** OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25) – Realignment #1 - Core and Non-Core Realignments

V. Announcements**VI. Adjournment**

If you need an auxiliary aid/service or other accommodation due to a disability, please contact Everett Ohta at (808) 594-1988 or by email at everetto@oha.org as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled. Upon request, this notice is available in alternate/accessible formats.

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.



**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

In the event that the livestream or the audiovisual connection is interrupted and cannot be restored, the meeting may continue as an audio-only meeting through the phone and Webinar ID listed at the beginning of this agenda. Meeting recordings and written meeting minutes are posted to OHA's website.

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

Public Testimony 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_RfuPXwImSve7oU7itCpyzg

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

01/25/2024

Date

January 31, 2024 - Continued

Committee on Resource ManagementTrustee John Waihe'e IV, *At-Large* - ChairTrustee Luana Alapa, *Moloka'i / Lāna'i* - Vice Chair**Members**Trustee Dan Ahuna, *Kaua'i / Ni'ihau*Trustee Kaleihikina Akaka, *O'ahu*Trustee Keli'i Akina, *At-Large*Trustee Brickwood Galuteria, *At-Large*Trustee Carmen Hulu Lindsey, *Maui*Trustee J. Keoni Souza, *At-Large*Trustee Mililani Trask, *Hawai'i Island*

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AGENDA

I. Call to Order**II. Approval of Minutes****A. December 6, 2023****III. Unfinished Business – None****IV. New Business****A. Consequent Capital Management Introduction****1. Presentation: Pantheon (Private Markets), Iain Jones**

B. Action Item RM #24-01: Approve the designation of Stacy Kealohalani Ferreira as the Office of Hawaiian Affairs' Authorized Organizational Representative for the Administration for Native Americans, American Rescue Plan Act, Emergency Native Language Funding Opportunity for Native Hawaiians and Pacific Islanders Grant Award, supporting OHA's Native Hawaiian Language Preservation and Maintenance: Community-Based Research Project

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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**

December 6, 2023 1:30 p.m.

ATTENDANCE:

Chairperson John Waihe'e, IV
Vice-Chairperson Luana Alapa
Trustee Kaleihikina Akaka
Trustee Keli'i Akina
Trustee Brickwood Galuteria
Trustee C. Hulu Lindsey
Trustee J. Keoni Souza
Trustee Mililani Trask

EXCUSED:

Trustee Dan Ahuna

BOT STAFF:

Crayn Akina
Kanani Iaea
Kyla Hee
Lei Ann Durant
Melissa Wennihan

BOT STAFF (cont.):

Morgan Kauai Robello
Ruben Sierra

ADMINISTRATION STAFF:

Stacy Ferreira, CEO / Ka Pouhana
Casey Brown, COO / Ka Pou Nui
Daniel Santos, IT
Everett Ohta, Interim General Counsel
Grace Chen, Financial Analyst
Kevin Chak, IT
Nietzsche Ozawa, Interim Senior Legal Counsel
Ramona Hinck, CFO
Ryan Lee, Director of Treasury

GUESTS

Brad Kelly, Global Governance Advisors
Christian Fern, EUTF
Peter Landers, Global Governance Advisors
Vijoy Chattergy, Consequent Capital Management

I. CALL TO ORDER

Chair Waihe'e calls the Committee on Resource Management meeting for Wednesday, December 6, 2023 to order at **1:30 p.m.**

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

MEMBERS			AT CALL TO ORDER (1:30 p.m.)	TIME ARRIVED
CHAIR	JOHN	WAIHE'E, IV	PRESENT	
VICE-CHAIR	LUANA	ALAPA	PRESENT	
TRUSTEE	KALEIHIKINA	AKAKA	PRESENT	
TRUSTEE	KELI'I	AKINA	PRESENT	
TRUSTEE	BRICKWOOD	GALUTERIA	PRESENT	
TRUSTEE	C. HULU	LINDSEY	PRESENT	
TRUSTEE	J. KEONI	SOUZA	PRESENT	
TRUSTEE	MILILANI	TRASK	PRESENT	

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

EXCUSED from the RM Meeting are:

MEMBERS			COMMENT
TRUSTEE	DAN	AHUNA	MEMO – REQUESTING TO BE EXCUSED

II. APPROVAL OF MINUTES

A. November 8, 2023

Trustee Lindsey moves to approve the minutes of November 8, 2023.

Trustee Akina 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**.

MOTION							1:33 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA		2	X			
VICE-CHAIR LUANA	ALAPA			X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY	1		X			
J. KEONI	SOUZA			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**.

III. UNFINISHED BUSINESS

None

IV. NEW BUSINESS

A. Action Item RM #23-26: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) – Realignment #8 – Non-Core and Core Realignments

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

RM Staffer Akina: No one has signed-up to testify on this agenda item nor on any of today's agenda items.

Chair Waihe'e turns it over to Ka Pouhana Stacy Ferreira.

Pouhana Ferreira: Mahalo, Chair. I'm going to have CFO Ramona Hinck provide information on this particular Action Item.

CFO Hinck: Good Afternoon, Chair Waihe'e, Vice Chair Alapa, Trustees and esteemed colleagues. Grace Chen is attending this meeting with me, she's the Financial and Reporting Analyst and OHA's Budget Authority. Her work in this area is invaluable to the agency, and I could not manage the Budget without her. *Grace, could you please turn your camera on.*

Financial Analyst Chen: *Aloha, Trustees.*

CFO Hinck: The first on this docket is the OHA Biennium Budget for the Fiscal Biennium periods, Fiscal Year 22 and Fiscal Year 23, Realignment 8, Core and Non-Core Realignments. In layman's terms, this is budget realignment #8 for the fiscal year 2023. This budget realignment is needed to adjust the fiscal year '23 budget knowing what we know now, which means after the finance team has closed the fiscal year, ended June 30th, 2023, Administration is recommending these budget realignments to fiscal '23.

Number one is adding \$40,000 for leasing commissions to the Nā Lama Kukui budget.

Two, decreasing the debt service of \$1,000,000 for a loan pay down that was budgeted in FY23 but was executed in July of FY24.

Adding \$22,000 for interest expense due to a GASB 87, the Lease accounting pronouncement that became effective in fiscal year 23.

And adding \$312,000 to the budget for a Federal Grant approved by the BOT.

If you have any questions regarding this realignment - Grace and I are here to answer them. Mahalo.

Chair Waihe'e: Thank you, Ramona.

Chair Waihe'e asks if there are any questions.

There are no questions.

Trustee Lindsey moves to approve the fiscal biennium budget realignment #8 Non-core and Core for the fiscal biennium periods 2021-2022 (FY2022) and 2022-2023 (FY2023) as summarized at Attachment #1.

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**.

MOTION							1:36 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY	1		X			
J. KEONI	SOUZA			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

B. Consequent Capital Management: Review and Update on Investment Education and Portfolio Structure Review

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

RM Staffer Akina: No one has signed-up to testify on this agenda item nor on any of today's agenda items.

Chair Waihe'e turns it over to Vijoy Chattergy.

Independent Board Investment Advisor Vijoy Chattergy: Aloha kakou. Thank you very much, Chair Waihe'e, for the introduction and for the time today. Trustees, aides, staff, thank you all for your interest in the education component of the Board's advisory work. As you know, Consequent Capital Management is the Independent Board Advisor regarding the Native Hawaiian Trust Fund, and as part of our mandate we are going to often be at the RM meetings providing background and education.

Investment Advisor Chattergy: We'll have speakers come in, like today, to help everyone to get a better handle on the portfolio and to discuss different types of opportunities. So, thank you for that.

I'll note that a number of the Consequent staff are listening in today, including our CEO Ken Simon, CFO Scott Cha-Choe and also some of the investment analysts that we have like Tashawn, Kathy, and Michael Mitchell. You mostly see the team; myself, I'm Vijoy Chattergy and I'm your Hawai'i-based consultant for the mandate. As I've been meeting with the majority of the trustees and staff since our last meeting, I'm always available for conversations or emails, and some of you have reached out. So, I appreciate that.

There is a presentation document, with Consequent Capital Management on the front, and I just want to start there before I bring in some of our invited speakers, including Global Governance Advisors and Christian Fern, whom we'll hear from a little bit later.

If you turn to the second page of that document, the meeting agenda as I have it described, there's a little bit of background information. We won't spend really any time on that, I want to update you a little bit on the activities that we've been up to and give you a preview for 2024. What we're hoping to accomplish, and then we'll hear from Global Governance Advisors (GGA), and then EUTF Trustee Christian Fern. I do want to note, in this document, there are some appendix items, and there's a glossary, and I'll touch on that in a second.

If you turn to page 3, there's a few pages here that talk about Consequent Capital Management, and I wanted to leave that in for your reference, because I think that not everyone who was actively participating in the RFP knows a little bit about our background. So, here's some information just for your benefit.

Investment Advisor Chattergy: Unless there's specific questions on that. I would jump ahead to page 6, which is kind of a review on the activities we've been doing and sort of preview of where we are. As I mentioned, in addition to these RM Meetings, we are happy to reach out and spend time individually both with the administrative staff as well as Trustees to make sure that there are strong lines of communication, and that we're all coming up to speed in terms of the opportunities for the investments and portfolio going forward.

Investment Advisor Chattergy: I'm happy that we are able to do that, and like I said, I think I've had a meeting since the last RM Meeting with the majority of Trustees. So, just to review a little bit from last time.

The first set of bullet points on page 6, we talked about looking at investment returns and performance, and I noted that you do want to understand numbers in context; so no single number will give you insight into the performance or the health of the portfolio. We have to understand it like we have to understand most things in life, in terms of a context. So, I wanted to make sure that we continue to emphasize that and talk about that going forward. All of these items are along those lines.

The second bullet point is about intentionality. So, when we look at the investments and we look at the performance reports, we want to go in having an idea of what is it that you want to get out of those performance reports, and so I had given an example of previously when I managed a multi-billion dollar portfolio. I knew that the overall portfolio correlated fairly closely with the S&P 500, and so when the S&P 500 was up, I expected the portfolio to be up to some extent, or if it was down the same way, and if for some reason it behaved not like what I expected, then that was the source of questioning, and wondering what's going on in the portfolio.

Investment Advisor Chattergy: Similarly, over time, I think if you approach the reports as you start to read them carefully, then we will have an idea of what you expect to see every quarter when you look at a report, and that will make your reviews more deliberate, and also, I think, more efficient, so that you can get through the material. Along those lines of intentionality, we talked a little bit about return drivers, and I gave the example of things that I look for in terms of what drives returns with specific managers. So that's a little bit different than a portfolio, but I mentioned, managers who are putting up superior numbers, outperforming their benchmark are going to have either, a better source of information, or they're going to interpret that information in a model better. They're going to have superior operations, or they're going to have very sound risk management practices, and I am happy to go into more details about why I think those are important drivers for manager returns.

But, we also want to focus as a group, as the trustees with your fiduciary responsibility on portfolio design, asset allocation, and ultimately hold accountable the managers that are selected to be in the portfolio, and so you may not have to go and look at the drivers the way I just described them, the way I would, but, you want to make sure that your policies, the level of risk, and the results are what you expect them to be as trustees. So that's what we're working to and we'll continue to give examples and provide ways to better understand the portfolio in that respect.

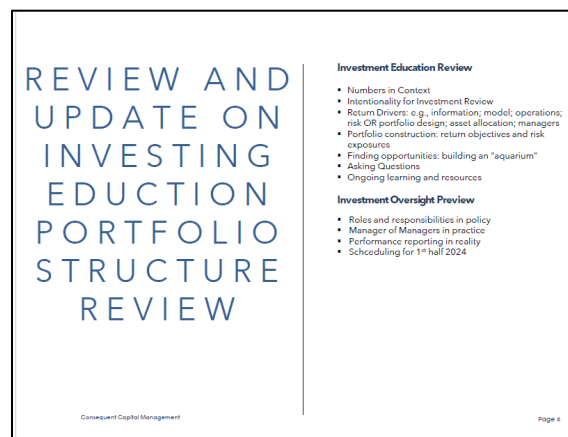
Investment Advisor Chattergy: Along those lines: portfolio construction, return objectives, risk exposure - those are areas that I had mentioned that we want to continue to focus in on as trustees, and I gave the example of building a portfolio as like building an aquarium. So, if the opportunity set in the world is the ocean, and if you wanted to invest in everything in the world, you would own the ocean. But, since we can't own the ocean, we have to build a portfolio, a subset of that. So, the example is, we build an aquarium, so if you have a big aquarium, a small aquarium, you can put different types of fish and species in that aquarium that represent the ocean. So those fish and things in the aquarium, in this example, are the opportunities; the hedge funds, the equity managers, the fixed income that represent all the opportunities in the world that we could invest in to generate the returns that you want. These kinds of analogies are helpful to think about what we're trying to do. We can never own the ocean, but you can own an aquarium that provides what you're interested in achieving in terms of getting exposure to those opportunity sets.

Investment Advisor Chattergy: Because you're creating a portfolio that models the world, models the way you think the world works, and the opportunities that should be available to you as investors - you want to be really good at asking questions.

The example we gave in terms of asking questions was, remember, there was that page that we looked at your target allocation and your range of exposures, and what sorts of questions can you ask around whether you're achieving those targets, and you're within range. We gave an example of how private markets operate a little bit differently, so they're not always right online with your target and even your ranges sometimes, but that was a source of questions, and so we'll continue to go through the portfolio and find ways to better look at those insights and ask the questions of your consultants, fund managers, other service providers, in order for you to understand and be able to make good decisions on how to manage these assets going forward. And that's really one of the roles and responsibilities of trustees.

That will involve what we're doing here now, this ongoing learning and resources. Everybody, it doesn't matter how brilliant they are. Charlie Munger, one of the great investors, passed away just recently of Berkshire Hathaway fame, he was always learning, at 99 years old he still was learning and trying to understand how markets work, what the opportunities are. So, for all of us, everyone included, that is an important, not just aspect, but really an attitude and outlook.

Investment Advisor Chattergy: I think in the schools today they talk about having a growth mindset very similar, ongoing learning, so that's what we do together. The markets are always bigger and smarter than us, so we approach it with some humility and recognize that, we're just trying to always get better at it.

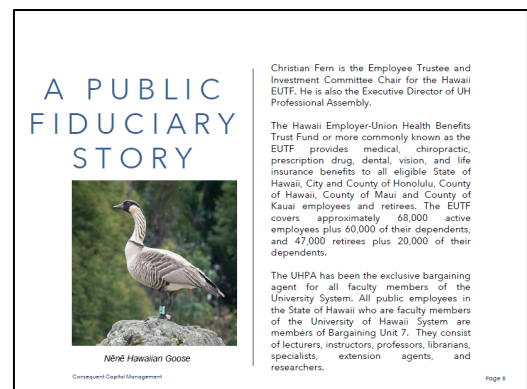
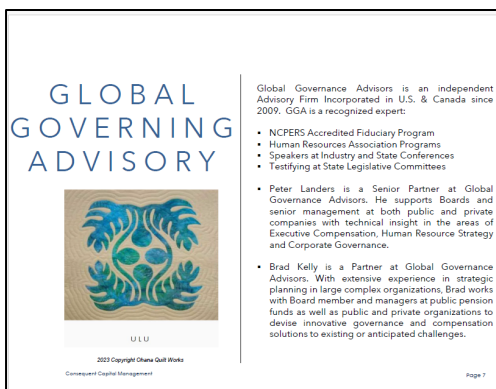


Investment Advisor Chattergy: Now, in terms of the bottom half of page 6 there, a preview of 2024, we are continuing to look at roles and responsibilities of the trustees, of the staff, and how that is articulated in policy, and we'll come to you with reports and recommendations, as the months go by. We will also take a look at the Manager of Manager structure, which is what your portfolio is currently designed as, and that has been around for over 10 years, so we'll ask, what's working there, what should continue, what maybe needs to change, what are ways that you could change it, if that's the will of the trustees going forward. But the Manager of Manager structure is something we'll take a deeper dive into.

Investment Advisor Chattergy: We'll also look at the performance reports, and that's a reality and a report card in terms of how the assets are being managed, and trustees should be able to have an opinion and review - and decide is this the way you'd like it to continue to be managed, or should it be changed. We've spent some time looking at the performance reports, and we'll continue to do that.

Pouhana had a great suggestion along those lines of using dashboards, a kind of an abbreviated executive summary for trustees to get a quick understanding of what's in the portfolio, and then you can dig deeper, and so we'll be going to your service provider with Administration to look at how can we better get the right information at the right time in front of trustees. That was a suggestion that we appreciated.

I'll also mention that the scheduling for the first half of 2024, in addition to the kinds of speakers you're going to hear today, I will ask all of the Manager of Managers and your financial service providers, such as Northern Trust to come and speak at this RM Meeting at some point, so you'll have the chance to hear about what they do, their mandate, how they've performed, and what they see as their outlook. I think that's very important, because before you do a comprehensive review and make recommendations about anything you want to do, going forward, you need to understand why and how things are done today. My understanding is that we haven't heard from the some of these groups in a while. I know some of them you hear from every year like Commonfund, but others maybe not so recently, so we'd like to make sure we know them and engage them in a dialogue and communication.



Investment Advisor Chattergy: So the next page here, page 7, this is Global Governance Advisors, we're going to hear from them in a little bit, but you have a little bit of the background here, including our speakers, Peter Lander and Brad Kelly. I think I saw Brad on the screen, I don't know if I saw Peter, but we'll hear from them in a little more detail, in a few minutes.

Investment Advisor Chattergy: Next on page 8 is the background on the organizations that Christian Fern works with, and we're going to hear from Christian Fern as well - and kind of an interview, Q and A presentation. Some of the groups he works for, including the EUTF and the UHPA, there's a short description there about those organizations.

HAWAII FOCUSED TEAM

CHIEF EXECUTIVE OFFICER & CHIEF COMPLIANCE OFFICER



Kenneth Simon, Esq. is Chief Executive Officer and Chief Compliance Officer of Consequent Capital Management LLC and has more than 40 years' experience as a judge, litigator, and mediator. Ken worked for several years in the U.S. Securities and Exchange Commission's Division of Enforcement in Washington, D.C., where he was an Assistant Director of Enforcement as well as Branch Chief. He is a member of Best Lawyers in America, the National Academy of Distinguished Neutrals, Alabama Super Lawyers, MidSouth Super Lawyers, the Academy of Court-Appointed Masters, and is a Fellow of the Alabama Law Foundation and the Birmingham Bar Foundation. His law firm, Ken Simon Law, is recognized in Best Law Firms in Alabama. In 2017, he received the MUX Dream Keepers Award for Social Justice, as presented by the Southern Christian Leadership Conference.

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HAWAII FOCUSED TEAM

CHIEF INVESTMENT OFFICER



Vijay Chattergy, CMA is Chief Investment Officer at Consequent Capital Management LLC and has over 25 years of experience in financial markets with stints in the United States, Asia, and Europe. He has served in leadership positions with public, private, and nonprofit sector financial services entities, covering major asset classes such as equities, fixed income, foreign exchange, and alternatives. He is the founder and president of NMLM, LLC, a consulting firm for global institutional investors. He also started Sakala Portfolio Solutions, LLC to assist with the development of portfolio construction capacities for clients. He is often invited to speak at financial management conferences and invited to comment on industry trends by the financial media and expert networks. Vijay was previously the Chief Investment Officer at the multi-billion-dollar Employees' Retirement System of the State of Hawaii (HRS). He was awarded the 2017 Industry Innovation Award for Public Defined Benefit Plans Between \$15 Billion and \$100 Billion.

Consequent Capital Management Page 11

HAWAII FOCUSED TEAM

CHIEF OPERATIONS OFFICER & CHIEF FINANCIAL OFFICER



Scott Chu-Chao is Chief Operations Officer and Chief Financial Officer of Consequent Capital Management LLC and joined Consequent during the post-asset purchase period to assist the Board of Directors with Organizational Transformation and Business Development. He is a graduate of the University of Southern California Marshall School of Business. Mr. Chu-Chao has over 30 years of experience in Finance from University Grants Administration, Governmental relations and private sector experience at AXA Advisors, Morgan Stanley, JPMorgan Chase, and HSBC Bank. In 2021, Mr. Chu-Chao served as interim CEO during the leadership transition period as well as was appointed to the Board of Directors of Consequent Capital Holdings.

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HAWAII FOCUSED TEAM

ALTERNATIVES INVESTMENT CONSULTANT



Gerry Finholt, CMA is an Alternatives Investment Consultant at Consequent Capital Management and possesses 30+ years of experience as an alternative investments and private equity portfolio manager and consultant. Previously a Director, Alternative Investments with FirstBridge Investments, a \$72 billion multi-asset manager, he advised clients on portfolio design and construction that included developed and emerging market private equity, private credit and hedge fund seeding. He previously served as an Investment Officer at Los Angeles County Employees Retirement Association (LACERA), a leading \$50 billion US public pension fund, where he managed an \$8 billion private equity portfolio, successfully negotiated separately managed accounts, and assisted investment colleagues with hedge fund and real estate portfolios. Recently, he served as a Board Member of HandLumens Inc., whose experiential LED displays exceed the imaginations of global clients in retail, transportation, corporate, gaming, higher education, sports arenas, and houses of worship. He earned an MBA from Columbia Business School and a BA in Economics from UCLA. Gerry holds a Series 7 and 66 license from Financial Industry Regulatory Authority (FINRA).

Consequent Capital Management Page 13

Investment Advisor Chattergy: Finally, I'll just point on page 9, that that starts the appendix - the first few pages there provide some bio of the Hawai'i team at Consequent. Some of you, I think may know us better than others, so I wanted to make sure everybody had a chance to see the team and their background that you're working with, so that can be just sort of a reference material.

Investment Advisor Chattergy: If you go to page 14, you'll see there's a glossary, borrowed from JP Morgan, one of your investment groups, that alphabetically goes through a number of investment terms, that we wanted to provide. I'll note, though, that this isn't necessarily the last glossary you'll see. This is one glossary out there that has some general terms, but as we find other glossaries that are relevant, or on a particular aspect, area asset class of investing, we may put additional glossaries in front of you, maybe we can combine them all so you have it one place.

When it comes to investment education and investment terms, there are just so many out there we don't necessarily want or need for the trustees to do your job well, to become experts on all the investment jargon, you need to see the big picture. You need to have the insights, and you need to drive the direction of the organization, including the investment portfolio, but we'll make sure that you have the jargon available, because some of it is necessary when it comes to talking about the portfolio.

Investment Advisor Chattergy: But certainly if you or anyone who comes to speak to you, including your investment consultants, is just talking in sort of jargon, and inside speak when it comes, and not using plain English, then that can be an issue, and that's something that you can ask a question about, and you should call people on and say, *Hey, explain to me, explain this concept in in plain English, in a way that I can understand.* I do that all the time when I'm with the investors, because, sometimes you talk to very sophisticated people who are used to talking to other sophisticated people with expertise in their field, and maybe you don't have that expertise. I don't always have that expertise, so I'm more than happy to call people out and say, *explain this in a way that I can understand.*

Investment Advisor Chattergy: So, that concludes the overall presentation in terms of what we want to accomplish today, and a little bit of what we're hoping to move forward with in 2024. I'm happy to take any initial questions there, otherwise I'd like to move on to have Global Governance Advisors present.

IV. NEW BUSINESS

C. Board Governance and Fiduciary Education Session with Global Governance Advisors (Brad Kelly, Peter Landers)

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

RM Staffer Akina: No one has signed-up to testify on this agenda item nor on any of today's agenda items.

Chair Waihe'e turns it over to Vijoy Chattergy.

Independent Board Investment Advisor Vijoy Chattergy: Thank you, Chair Waihe'e. Okay, great, as I said, there's a short description in terms of the material that I just showed you of Global Governance Advisors (GGA), including the two speakers. There's also a more extended description at the end of their presentation, which is another separate document that you should have all received.

What I'd like to do is, we have both Brad and Peter on the screen, presenting virtually, and I would like to invite them to make their presentation. They're going to go through the first 10 or so slides fairly quickly, but feel free to jump in with questions, and then I'll do a little Q&A, to break it up a little bit, but I think it'll essentially follow the rest of their presentation.

Global Governance Advisors is a highly respected and one of the top advisory groups when it comes to governance, public sector, private sector. Also, I understand, compensation issues, they also take expertise, and they have clients in Canada and in the United States. Some of the largest asset owners in the United States rely on Brad and Peter to help them understand better ways to run their organization.

Investment Officer Vijoy Chattergy: We're very fortunate to have you both here to present today, thank you very much. *Is it okay then, Peter and Brad, I'll turn it over to you?*

Brad Kelly, GGA: Excellent! Thank you very much, Vijoy, absolutely. I'll share my screen so everyone can see what we're presenting.



Brad Kelly, GGA: Thank you very much for that Vijoy and just to expand on our background, Peter and I currently work with dozens of public pensions and public funds throughout North America. It's significantly colder where we are, we're both participating in the meeting from Toronto, Ontario, Canada, but that is to say, the work that we did with the transformed funds in Canada led to a lot of interest throughout North America, which led us to working with quite substantial amount of funds.

Some of which are the largest, most complex funds in North America, CalSTRS and CalPERS are two of the large funds that that we work with, but then also small funds that really want to improve like the American Samoa Government Employees' Retirement Fund. So we work with a wide range of funds, but what we can say is that on the governance side there's certain things that are universal, regardless of what size or how complex your fund is. There are certain things that hold true, and that led us to teaching our accredited fiduciary program, which we do through NCPERS, the National Conference on Public Employee Retirement Systems. Through that program we've educated hundreds of public trustees throughout North America.

So that being said, with our deck here, we'll start going through, one of the key things for boards to really focus on is the fact that you're there to really focus on the big picture, to make sure that the overall mission and vision of your organization is being met, not to do the day to day work, and a great quote that we love to use is from Pearl Zhu, she wrote, *Digitizing Boardroom*.

The quote is - ***"The Board's role is to pull management out of the trees to see the forest"***. Again, it's stepping back and saying, this is the big picture that we need to stay focused on, and that we need to all stay directed towards.

When you look at the overall governance best practices, every organization starts with what's called a working board, because there's ostensibly the first people that helped come together to make that organization. But once you hire that first person, that first staff member, you can provide what's called delegated authority to that person, and now you can start structuring yourself as what we would call a policy driven board.

Policy Board Governance Models

Carver Model

- Places its focus on the "ends" of the organization's purpose.
- The organization actively works towards what it needs to achieve or what it needs to do to realize its vision.
- The board gives the top executive the bulk of the responsibility for using the means to get to the "ends".

Noses In, Fingers Out



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Policy Board Governance Models

Cortex Model

- Focuses on the value that the organization brings to the community.
- The board defines the standards, expectations, and performance outcomes according to the aspiration of the organization.
- Clarifying and setting outcomes to achieve success become the primary duties of the board under this model.

Noses In, Fingers on the Pulse



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Brad Kelly, GGA: One of the key theoretical structures around this is called the Carver Model, where you're really focusing on the ends of the organization, the vision, the mission, making sure that you have a policy and process framework in place that you can govern within that, and then you provide that delegated authority to that top manager or that management team, so that they can do that day-to-day heavy lifting, that day-to-day work that needs to get done.

Then, once you have that in place, the next phase would be moving away from what we would call *Noses in, Fingers out*, again, focusing on the big picture, not meddling in in the weeds, as we would normally say, but focusing on more of a performance driven model, which is a new emerging model that organizations have been embracing for the last 10 years or so. Basically, this is where you have Noses and Fingers on the pulse, where you have that policy and process framework in place, you're governing through that, but you're also governing through a performance framework.


So you're helping to establish what are the performance expectations for the organization, and you're monitoring through that lens, and that allows you to set back and allow things to continue on and not get involved or not meddle in the weeds, as we would say, until that performance goes off the rails.

If there's a deviation outside of the performance goalposts that you've established now that provides justification for your board members, as Vijoy mentioned earlier, to start asking good questions and start really getting in to the issues, to understand why it is that the performance is suffering.

Expected Duties of Board Members

Basic Fiduciary Duties

- Loyalty**
(No Self-Dealing)
- Prudence**
(Detailed Process)
- Impartiality**
(Members' Benefit)



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When we teach our fiduciary program, there's different ways you can read a ton of things on - what are your core fiduciary duties. They're subdivided in many different ways, but really, they can be grouped in three main areas. One is the duty of Loyalty, and we'll get into details around this later. The duty of Prudence, and the duty of Impartiality. If you can understand your role in fulfilling all three of these duties, you can navigate pretty much any issue that gets thrown your way.

Brad Kelly, GGA: We're talking about ESG issues, where a lot of funds are struggling with the environmental, social and governance investment principles or diversity issues. If you can focus on these three core fiduciary duties, you should be able to successfully navigate it, and hold true to your fund, making sure that your fund still stays focused on its primary role and focus. I'm going to pass it over to Peter now.

What is a Fiduciary?

Someone who:

- Exercises discretionary authority or control over management of the plan or assets
- Has discretionary authority or responsibility over administration of the plan
- Renders investment advice for a fee with respect to plan monies or property of the plan



Who is a Fiduciary?

Includes:

- Trustees
- Plan Administrators
- Investment Managers
- Other roles designated by plan documents
 - Internal Management – CFO, Legal Counsel, auditor, plan administrator, etc.

Does Not Include:

- In general, external third-party attorneys, accountants and actuaries acting solely in professional capacities
- Those performing ministerial tasks (e.g., secretaries)



Peter Landers, GGA: So, we said, there's three core fiduciary duties; but ultimately, *who is a fiduciary?* *what is fiduciary?* It's defined as someone who exercises discretionary authority or control over management of the plan or its assets. It's someone who has discretionary authority or responsibility over administration of the plan, or someone that renders investment advice for a fee with respect to plan monies.

If we break this down into the types of individuals, who are fiduciaries. This usually becomes trustees such as yourselves, plan administrators, this tends to be people like your CEO, your investment managers, because they are again to provide that investment advice for a fee, and then other roles that are designating your plan documents. Typically, other internal members of management like your CFO, Legal Counsel, Auditor, Plan Administrator, those types of roles internally.

It typically does not include external third-party attorneys, or accountants, or actuaries, or other consultants that are acting solely in professional capacities. So, when you're thinking of the lens of who is a fiduciary, these are the types of rules that are broken down, that fall under this cap classification.

Expected Duties of Board Members

Loyalty

- **Exclusive Benefit Rule** – The plan must be operated for the exclusive benefit of plan beneficiaries (IRC § 401(a)(2)); parallel state/local laws
- **No Self Dealing** – Fiduciaries must not:
 - Deal with plan assets in their own interest
 - Act on behalf of a party whose interests are adverse to the interests of the plan or beneficiaries
 - Receive anything of value in connection with a transaction involving the assets of the plan



Peter Landers, GGA: We talked about the three fiduciary duties, to go into a little bit more detail at a high level; there's the duty of loyalty, which means there's language such as the exclusive benefit rule, saying that a plan must be operated for the exclusive benefit of planned beneficiaries. That there's no self-dealing, so a fiduciary must not deal with plan assets in which they own an interest, act on behalf of a party whose interests are adverse to the interest of the plan or beneficiaries, or receive anything of value in connection with a plan transaction involving the assets of the plan.

Peter Landers, GGA: So, basically, at a high level, this means, not getting involved in things where you may have a financial interest or a family member or so may have a financial interest, and if that is the case, the way to you get away from this, of course, is to recuse yourself, not get involved in any of this discussions or in any of the final voting outcomes of these things. So, think of it from that perspective in terms of practical things to look for.

Expected Duties of Board Members

Prudence

- **Trustee Duty** – must act with the “care, skill, prudence, and diligence” that a prudent person acting in a like capacity and familiar with such matters would use
 - Have the duty to follow and operate in accordance with plan documents
- **Delegation** – can hire and delegate where fiduciaries lack necessary expertise or experience
- **Investment** – use the same care used to invest your own assets
 - Obligation to diversify investments and take all factors and information into account

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Expected Duties of Board Members

Impartiality

- **Trustee Duty** – after they reasonably investigate all the options before them, trustees have the responsibility to choose the option they believe best serves the interests of the Plan
 - Cannot favor one beneficiary over another and must balance the interest between current and future beneficiaries

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Peter Landers, GGA: In terms of the second duty, there's a Duty of Prudence. This is acting with the care, skill, prudence, and diligence, that a prudent person, acting in a like capacity and familiar with such matters would use. This allows you to provide delegation; to hire and delegate where you lack expertise or experience. So, that's where you are delegating authority to outside managers, maybe your CIO, your CEO, other external parties like actuaries, things like that.

Then on the investment side, using the same care that you use to invest your own assets. I think the big thing here that really follows the duty of prudence is always focusing on process, so at the end of the day you can't be successfully sued for making a decision, but where you can be successfully sued is where you haven't followed a proper process in arriving at that decision.

So, doing things like making sure you have appropriate meeting minutes, asking good questions, things like that. Making sure you have everything documented, putting in as much processes and things like that, around how you make investment decisions, how you make other operational decisions - that all goes towards fulfilling that duty of prudence, to act with that care, skill, prudence, diligence of a prudent person.

Then, lastly, the third one, the Duty of Impartiality. So basically, after reasonably investigating all the options before them, you have the responsibility to choose the option that you believe best serves the interest of the plan, and it means not favoring one beneficiary over another, and balancing the interest between current and future beneficiaries. So, again, acting impartially, thinking about the plan as a whole, and not any individual constituency that you may be representing on the Board, and really acting in the best long-term interest of the fund as a whole.

So, if you can do these three things in a line with these fiduciary duties, you're ultimately aligning with the role and responsibilities and expectations of yourself as fiduciaries of the fund.

Brad Kelly, GGA: *Vijoy, you wanted us to pause here? Are there any questions with regard to these core fiduciary areas?*

Investment Advisor Chattergy: Great, yeah, we're not seeing questions right now, but let me jump in with a couple of questions. Also, you can see on page 11, there's a great big question there, so it's kind of the start of our Q&A. I am going to ask you that question and allow you to make some important points there, but I do want the trustees to understand that you don't have to have any sympathy for Brad and Peter being there in that cold weather in Canada. I invited them to present in person, and they turned me down.



Investment Advisor Chattergy: But, before I go into the questions that you have here, just as you were speaking, I thought it might be a nice example, and I don't mean to be gossipy, and you don't have to name names, but for these points you just made - *can you give an example that you've seen with a plan that's very well governed that you work with, and maybe give some examples?*

Again, you don't have to name names of where plans are a challenge and examples of actually where you find groups that you work with that are either falling down or trying to deal with these very real issues, maybe that will speak to us.

Brad Kelly, GGA: We could talk all day and share a lot with you, maybe one day we'll write a book, who knows. I think one of the key things that we noticed is that a lot of trustees are not properly prepared or trained in terms of what their true role is coming in, and so there tends to be a lot of confusion between their role as fiduciaries of overseers of the funds, strategic governors as opposed to the daily management that needs to take place. So that tends to kind of muddy the waters between the board and management, and then complacency is a real problem, too, where especially a lot of funds that we deal with are over a half a century old. So, you tend to have a lot of board members who'll just say, *well, this is the way it's always been done, this is the way my predecessors did it, and their predecessors did it, so why should we change?*

Well, we drive cars now, we fly in airplanes, we use cell phones. The world evolves. So public funds need to continue to evolve, too. Especially in troubling times, we went through COVID, which was a huge shock, and now, with the economic situation we're in - it's really hard to navigate. So, I would say the best funds are the ones that know they don't know it all, and are constantly trying to continue to educate themselves to shore up that framework to make sure that it's easier for them to govern within that framework and to continue to improve, to assess themselves, to assess their funds, and to assess their ability to continue to progress and evolve as a fund - that's doing public good.

Investment Advisor Chattergy: Brad, I'm going to push you a little bit. So, for the best funds, like *who are the best? Why are they so good?*

Brad Kelly, GGA: I would love to say, because they're clients of ours. I would say there are a lot of funds out there that realize that there are new ways to do things and that there are ways to streamline their activities, to cut their costs, to get better impact of their funds. I would say, not every fund is perfect, but I would say that the funds that are most open to change and improvement are the ones that are doing the best. Because they want to change, they want to improve, and that helps to create a more collegial environment; helps them to work better together.

There are a lot of funds like, I would say CalPERS, a very public fund, you can go online and watch all the meetings that we've had with them. *Do they fully have their act together?* Absolutely not. *Do they all genuinely want to do the right thing and improve?* Absolutely. That's what helps to keep them to further advance and to fulfill their role, which is to provide, fair benefits for their members.

Peter Landers, GGA: I would say, one of the funds, and they're not one of the largest funds, or maybe even one of the more well known funds out there, but to Brad's point, has really progressive view, about always making sure that they're staying on top of their governance needs and things like that. That would be a group in the city of Austin's Employee Retirement System. They have a really progressive Executive Director that really stays on top of things, makes sure that their board members stay on top of things.

Peter Landers, GGA: As NACD, type of prescriptions, National Association of Corporate Directors, brings in external third parties where needed, challenges the board to think a little differently about how they govern themselves, and really it's been progressive in putting in things like board skills, matrices and setting up specific governance committee charters and things like that to really push the needle.

This is a fund that's not a multi 100 billion dollar fund we're talking about, it's a relatively small single digit, I think in the billions of dollars, but is really doing some progressive things, even though they are in a red state like Texas, that in some ways is pushing back on some of these more progressive ideas. So just an example of a smaller regional fund that I think is doing a lot of progressive things.

Poor Governance Costs ... A Lot!

(2007) The State Of Global Public Fund Governance

- Poor Governance can cost funds 1 to 2% annually

1. Financial oversight
2. Board composition and skills
3. Board evaluations
4. Clarity in board and management roles
5. High-performance cultures with competitive compensation

Ambachtsheer, Capelle, and Lum
The State Of Global Pension Fund Governance Today:
Board Competency Still a Problem

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Good Governance Helps Generate ... A Lot!

(2019) Public Fund Board Composition & Returns

- Good Governance can gain funds 24 bps on 10-yr returns

1. Structure
2. Size
3. Stakeholder Representation
4. Financial/Actuarial Expertise
5. Tenure

Jean- Pierre Aubry, and Caroline Crawford
Does Public Pension Board Composition Impact Returns?

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Investment Advisor Chattergy: Okay, that's great, and I like the examples that you gave because you gave examples of large and small funds and also funds with trustees that are elected officials and ones that are not, and sort of blue state, red state, that's great. I think that helps put context and perspective for us. Let me ask you a little bit, then, about what trustees need to know, *what's the impact of good governance?* And I'm kind of moving on to the next slide on page 12 and 13. *Can you talk a little bit about the actual impact of good governance that can have on an investment portfolio?*

Brad Kelly, GGA: Absolutely. Thanks, Vijoy. One of the things that a lot of trustees don't actually see is that their activities, their success, and their effectiveness in their role, actually has a material impact on their funds. It's interesting, because when we normally engage with clients, most trustees will say the most important thing they do is their investment committee and working on all their investment portfolio and everything, and I'm sure Vijoy wouldn't disagree with you. But that being said, just the overall governance activities and structure and capability has been proven objectively to have a material impact; a significant impact.

Brad Kelly, GGA: This was a global study that was done in 2007 by Keith Ambachtsheer, he's a globally recognized expert in public funds and public fund management, and what they discovered was that poor governance can cost public funds upwards of one to two percent, or 100 to 200 basis points annually. When you think about the compound effect of that, poor governance can have a significantly negative material impact on funds, and that is within the grasp and the purview of your board. It's low hanging fruit in our mind. It's not navigating difficult markets - it's about dealing with how you're conducting yourselves and governing your fund.

Brad Kelly, GGA: From this study that was done in 2007, the five key things were noted in terms of what helps mitigate poor governance and the negative impact that it can have:

1. Having some sort of financial oversight, some financial capability on your board -

That doesn't mean that all your board members have to have their CFA or have their accounting degree, or anything like that. It's just knowing enough to ask good questions, and to make sure that everything passes that proverbial smell test; that noses-in fingers-out concept. So constantly educating yourself and better understanding what is the financial activities of your fund and how are they impacted, going forward.

2. Board composition and skills –

This is another one, where, a lot of our funds have public appointees, elected members, and when we talk about proactively managing the skill set and the membership of their board, they put their hands up, and they say that's out of our hands. But we say you never know what you don't ask, and you never get what you don't ask for. So really progressive boards are the ones that say, here are the skills we need to properly oversee this fund, and here's the skills that we have. So, as Peter mentioned before, what's called the skills matrices, having some sort of inventory of the skills that you have on your board and saying, *here's what we have. here's what we need, is there a disconnect?*

If there is a disconnect –

- *How can we fill that void?*
- *Do we get education for everyone? Do we get education for specific members? ;or*
- *Do we proactively try and recruit someone on our board who is a professional in this area?*

That can help guide and direct our Board in dealing with some of these issues.

3. Having ongoing Board evaluations –

This means a Board that's serious about the way they're governing and finding ways to improve any sort of deficiencies or any sort of problems that they're having. So, these are Boards that are constantly evaluating themselves as a whole or as individuals, to say, *are there ways that we can do this better?* And by doing that, or at least having that conversation on a regular basis allows them to constantly improve.

4. Having clarity in board and management rules –

As I mentioned to you before, there are a lot of funds where you have management members who are getting into the strategy side, and then you have board members who are getting into the management side. It's not necessarily the best use of your time, talent, and capabilities. So, really, having clarity between the board and management roles is really important. Oftentimes we're asked to come in and work with our clients to do sessions on what are typical board rules and management rules – and - having them all in the same room at the same time, so that they're hearing the same message together. This really helps to go a long way.

5. Then finally, having a high-performance culture where performance is actually, applauded and constantly discussed -

This helps to create a really proactive environment where people want to constantly maintain improvements. They want to constantly strive to improve the overall funds position; it's impact in your community - all of these things.

Brad Kelly, GGA: Having a complacent management team and a complacent board is nothing; you'll die through 1,000 cuts. So, you never want this and having a performance culture really in this assessment showed that it had a definite impact in mitigating that negative one to two percent annually.

Investment Advisor Chattergy: Brad, let me jump in there, because I want to be aware of time, to translate that one to two percent impact for the OHA portfolio.

If I got the math right, you're kind of implying, this study is saying that better governance, good governance, ongoing development as you've discussed it, could have an impact of improving performance in dollar terms, maybe two-and-a-half to five million dollars per annum going forward, which quickly, with compounding, could become tens of millions of additional assets for OHA to have in its portfolio going forward into perpetuity.

I think that's very impactful and interesting, and I know you want to say more about this other study, but can I just move you on to the last few pages here, because I think from page 17 until 19, you have some good points there. You don't have to make every point on your slide, but you're talking about communication and practices of the board and staff and working together. Maybe you could conclude with that, and you've given us a lot to think of, so that would be terrific.

Brad Kelly, GGA: Absolutely.

Investment Advisor Chattergy: Thanks, Brad. *Trustee Akina would like to ask your question also?*

Trustee Akina: Thanks, Brad and Peter, also Vijoy. I think that the one to two percent factor there is rather generous, that's less than what we lose through inflation, as a matter of fact, and it's probably not so much just bad governance overall, but a measure of how efficient we are about that. But if you look at one other factor, the losses that come from opportunity cost, like having 30 acres at the doorstep of Honolulu, and for 10 years not developing it, or not dealing with legacy lands and so forth. If you take a look at the cost of that, that's even higher, and so I think that we need to do everything we can to operate as a Board that understands our fiduciary duty to our actual financial trust.

Investment Advisor Chattergy: The point is well taken, Trustee Akina and opportunity cost, as many of us know, particularly those of us who were crazy enough to study economics in college or something is sort of the cost of not doing it's the next best alternative. So, if your first alternative is to go to the movies; the cost of going to movies, is maybe going to your friend's house, that's the way economists think in their strange way. But it's a very important concept in the way to think about managing assets and opportunities in the world.

I think that's a very relevant point, the example you gave is outside of the investment portfolio, but still impactful in ways that if you're thinking about opportunity costs. It sort of prods you to say - *hey we need to do a good job with what we're doing*, because the next best alternative is what you're giving up. So that point is taken, and if it's all right, Trustee Akina, I'll just let them conclude so that we can hear from Christian Fern as well.

Trustee Akina: Please, absolutely.

Investment Advisor Chattergy: Thank you so much.


Brad Kelly, GGA: Thank you, and just quickly on that, one of the key things that a lot of public funds are dealing with is, how do they turn their attention towards local opportunities that not just benefit their fund, but also benefit the community itself.

A great example of this is CalPERS, 460 billion dollars, and roughly, about 53 million dollars is invested locally. That's it. That's a huge opportunity loss in our minds, and we're trying to turn their attention towards how they can have more of a local impact, similar to the structure of your fund, focusing on local benefits.

A Strong Board is Essential

Board members normally:

- Advise the top executive
- Maintain accountability
 - i.e., Ask good questions
- Lead on strategy and succession
- Are fully committed and engaged
 - in the right areas
- Act only when necessary
- Appropriately collaborate with management
- Build positive relationships with senior management



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Strong Management is Also Essential

Members of management normally:

- Build relationships with the board
- Are strong communicators
- Seek input outside of meetings
- Provide exposure for Executive team
- Support an "independent board"
- Are open and flexible
- Understand the power of complementary skills



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Brad Kelly, GGA: When we look at having an essentially strong board, these are boards where they are not necessarily managing, but they're:

- Advising that top executive on a regular basis.
- They're maintaining accountability through their actions about asking good questions, having that framework and context, that work within.
- They lead on strategy and succession. When we say succession, we mean making sure that that top executive or top executive positions are consistently filled. We always say, if your CEO was to win Powerball tomorrow - *are you prepared?* Because that could be a lost opportunity, lost productivity and have a material impact on your fund.
- These are boards that are fully committed and engaged in the right areas. Not getting into the weeds, not getting in management issues, but focusing on the bigger issues, the strategic focus.
- They act only when necessary. Again, Noses-in, Fingers-out or Noses-in, Fingers on the pulse, not necessarily getting in and meddling with things when it's not necessary.
- Appropriately collaborating with management, working with management, working as a team, because that's what a true governance structure is. It's a board working with management, and management working with the Board; and
- Building positive relationships, between the board and management. So that there is trust and teamwork there.

Brad Kelly, GGA: In terms of strong management, basically, these members:

- Build relationships with the board. They're actively trying to make sure that you're getting what you need to fulfill your role.
- They're strong communicators, so you can truly understand what is happening and you can trust what's happening now.
- They seek input outside of meetings, so they're trying to get your views, your opinions, your input so that you're never caught off guard when walking into a meeting.
- They'd like to provide exposure for other team members so that they're not basically *hogging the mic*, sort of say, but what they're doing is they're trying to provide exposure with other team members so they can build their board acumen, their skill sets, and help fulfill their role in terms of succession development as well.
- Management members are open and flexible, and are trying to work with you; and
- They understand the power of complementary skills, and that they need to leverage you as much as possible. Your knowledge, your insight, your connections, to make sure that the fund is truly fulfilling its mission.

Collective Direction is Important

All parties are expected to:

- Act in the best interest of the organization
- Maintain effective relationships
- Maintain their distinct roles and responsibilities
- Act with humility and be self-aware
- Be honest and trustworthy



19

A Relationship Prescription

Good relationships require:

- Constructive partnerships
- Clear expectations
- Strategic thinking
- Candor
- Trust

**"Coming together is a beginning.
Keeping together is progress.
Working together is success."
Henry Ford**



20

Brad Kelly, GGA: Then when we look at the collective direction, you have to work together.

- So, everyone, both board and management need to work in the best interest of your organization.
- They need to maintain effective relationships both inside the fund and outside the fund.
- They need to maintain their distinct roles and responsibilities - and understanding what those roles are is a key factor around that.
- They need to act with humility and be self-aware; and
- Be honest and trustworthy, at the very least.

It's sad that we have to say those last two, but it is important. If Vijoy, asked us to talk about horror stories, we could talk just on those last two bullets. But again, it's very important for board members to be self-aware and to make sure that they are acting in a very honest and trustworthy way.

Then, finally, when we're looking at the team, we always love to talk about the importance of teams. In the private sector, there's a lot of research around teams and the impact of teams. But we say, developing good relationships is about having:

- Good constructive partnerships.
- Clear expectations between all parties.
- There's strategic thinking involved on all sides.
- You need to act with Candor and Trust.

Brad Kelly, GGA: A quote that we love, which is from Henry Ford, “*Coming together is a beginning. Keeping together is progress. Working together is success*”.

If you can actually follow this on a daily basis and work collaboratively with your team, you can really set your fund up for significant impacts and success, not just for the current generation, but generations to come.

With that, we'll open up to other questions, if there are any.

Investment Advisor Chattergy: If there are questions, please feel free to ask them, but otherwise Brad, Peter, thank you so much. That was very informative, and thought provoking, and has given us some things to think about. I hope we can continue the dialogue with all of you, and you're certainly welcome to stay on, but if there are no questions, I'd like to invite Christian Fern up for a conversation.

Trustee Lindsey: Vijoy, I just want to say on behalf of the board, you're involved with us because our structure felt that we needed your advice to increase our knowledge so that we can make right decisions as a board for OHA, so I think we've made a strong move towards the structure of our governance as trustees by having your company involved in teaching us more and advising our staff, and advising us as well.

Investment Advisor Chattergy: Thank you. Chair. I appreciate that, and of course, my focus is on the investment portfolio; the overall governance. I think you guys manage that quite effectively, as you need to. Okay, I don't think there are any questions, so if it's alright we'll move on to the next presentation.

IV. NEW BUSINESS

D. Interview of Christian Fern, Employee-Beneficiary Trustee and Investment Committee Chair, EUTF, on the Role and Possibilities of Public Trustees

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

RM Staffer Akina: No one has signed-up to testify on this agenda item nor on any of today's agenda items.

Chair Waihe'e turns it over to Vijoy Chattergy.

Independent Board Investment Advisor Vijoy Chattergy: I'll invite Christian Fern up for the next presentation. I've known Christian for a number of years now.

Some time is taken to set up.

Trustee Lindsey: I'd just like to add that this part of your presentation is important to us, because I think we as trustees are all on this EUTF health program, so it affects us directly.

Investment Advisor Chattergy: Absolutely, if you have EUTF questions that you want to ask, I think it's fair game, since you've got Christian here at the moment. But, thank you very much, Trustees. I appreciate Christian for coming in. Christian, like all of you here is a prominent leader in our community, overseeing important organizations like yourselves.

So, I kind of feel it's like a peer-to-peer conversation, even though I'm going to be asking Christian some questions, and hopefully it resonates with the activities that you're doing, and the journey you're on. It will be in some ways parallel to what Christian has done and achieved. Really, I kind of see it as a little bit of *he's not an elected official, but he's like I said a leader of important organization in the community*, so you can think of it as kind of a peer-to-peer conversation, not me, but between yourselves and Christian.

Investment Advisor Chattergy: Christian, thank you again for being here. The organizations that you help lead are described in some of the material that was handed out, but I was wondering if maybe you could give a little bit of a description of those organizations, and also share a little more about your own career trajectory and how you came to serve in those places, especially the EUTF.

Christian Fern, EUTF: Thank you, Vijoy, and again, thank you to the trustees. It's an honor to be here to answer some of these questions. Just for some background on myself, I am born and raised in Hawai'i. After graduating from the University of Hawai'i with my bachelor's in political science, I started working at the State Capitol, for the Senate Judiciary Committee, which was very interesting at the time. I interned there during my time as a student. From there I went on to a 17-year career in healthcare, I worked at both HMSA and Kaiser Permanente. It was in 2010 that I took over the EUTF account working at HMSA, where I met some of the Union leaders in the State, Randi Perreira, Bobby Lee and J.N. Musto, who took a particular liking to me and thought that there were relatable competencies that I had, representing member interests at HMSA with Union interests. So, I was offered a position in 2015 to be the Associate Executive Director at UHPA.

When I started working at UHPA, the union leaders in their meetings got together and said, *Hey, when there's an opening on the EUTF, we should get somebody with a healthcare background on there*. So back in October of 2017 Governor Ige appointed me to the EUTF as a trustee. In the next year there was an opening for the Investment Committee Chair, and as an investment committee member, I was elected to that role. So, I've been a trustee on the EUTF now for six years. Again, quite different, I am appointed but that's kind of how I ended up at the position I am in today. Since 2019, in December I actually took over as Executive Director of UHPA, so I am the head of the Faculty Union.

Investment Advisor Chattergy: That's great. Thank you, Christian. I'm older than Christian, so whenever he goes through a long list of his accomplishments over such a long time, it makes me feel so much older. So, thanks for that Christian, let me ask you, we heard from GGA about governance and fiduciary responsibilities of a board. At EUTF you guys oversee the program as well, as a very large portfolio, you've gone from 0 to 6 billion under management. *Can you talk a little bit about in the context of how EUTF is structured to handle governance and fiduciary responsibilities, and especially in terms of the investment portfolio?*

Christian Fern, EUTF: Yeah, so at the EUTF we do have an investment staff, we have a Chief Investment Officer, and we also have two staff members, which is probably not big enough. We're trying to get more positions because we've grown so quickly. The structure is such that if we want to deploy some money to an investment manager, they work with our consultant and our CIO, who do their due diligence, and then they bring that recommendation to the investment committee. After the investment committee vets the investment manager, then we will either make a recommendation to the full Board, or not. It needs to be a unanimous decision from the Investment Committee for it to be a recommendation to the Board. The Board then makes the final determination on whether-or-not to hire this new investment manager.

Since we have grown so quickly and because of the nuances of the roles, we have allowed the CIO to make more decisions without board final approval, within discretionary areas, because we simply don't meet enough in order to make those decisions on a regular basis.

Investment Advisor Chattergy: That's great.

- *Could you just maybe expand a little bit in terms of the discretion you're giving to a CIO staff, and even the consultant?*
- *To what extent do you put boundaries around that, or what's the accountability back?*
- *Is it to you as the investment chair or is it to the entire board? ; and*
- *How does that work?*

Christian Fern, EUTF: So generally, we give them a financial threshold. I think it could be up to 50 million dollars and it's because, if there's an opportunity that comes from the benefits consultant that's brought to the EUTF, sometimes the time frames don't fit for a board meeting, so they need to get back and if they want to take advantage of this opportunity. Then within those thresholds, they're able to make those decisions. We do limit those thresholds, and we limit what opportunities they can go after, but as we get into more complex investing because we are becoming, you know, we're at 6 billion dollars, I can see us, possibly providing the CIO and the consultant more discretion but, that's going to be a board decision.

Chair Waihe'e recognizes Trustee Lindsey.

Trustee Lindsey: Before you go further, I'm just interested in knowing who sits on the investment committee, because that will tell the Board if they can have more discretionary powers depending how they're trusted.

Christian Fern, EUTF: The current Investment Committee is comprised of myself as the Chair. Just for some background, the EUTF board consists of 10 trustees, 5 are considered employer trustees, and 5 are considered employee trustees. So, the committees are set up, that if you have a chair, who is on the one side, then the vice chair is on the other side, etc. That's similar to how the Board is set up as well.

So, I'm the Chair of the Investment Committee, the Vice-Chair is Robert Yu, he's an employee Trustee. Then Wes Machida is on the Committee, Sabrina Nasir, who's the deputy director at Budget and Finance. Jamie Wataru is on the Investment Committee on the Employee side, along with Jacqueline Ferguson-Miyamoto and I'm sorry, I think there's 8 trustees out of the 10 that are on the Investment Committee. So, it's the vast majority. So, when we come to the board those who are not on the investment committee tend to trust the judgment of the investment committee because it's a majority of the Board members.

Investment Advisor Chattergy: I think also a little bit following on Chair Hulu's question. Obviously, the EUTF investment portfolio has grown from nothing a few years ago to now like 6 billion dollars under management, that's quite a lot of growth. So, in order to go to managing that, there was a need for additional resources. You've talked about a consultant, you've talked about staff, you've talked about the way the trustees work. *How has that evolved or grown in terms of your need for support and the level of communication, the accountability?* Because managing zero assets is very different from managing 6 billion in assets, I assume.

Christian Fern, EUTF: Yes, so for some background, when I started on the EUTF board back in October of 2017, I believe we were roughly a 1.7 or 1.8 billion dollar Trust, but because of Act 268, Session Laws, 2013, the State is prefunding the OPEB Liability for the EUTF, the OPEB liabilities, the Other Post-Employment Benefits liability. I think we're one of very few states that actually prefunds it. Every year the EUTF gets a check from the legislature, around 400 to 500 million dollars to deploy and invest.

Christian Fern, EUTF: So that's how we've grown so quickly, and we continue to grow, and investment managers are well aware of it now, so they're often coming to us when we go to conferences, because they want to engage and have an opportunity to manage some of our money. In Fiscal Year 2019, the Annual Required Contribution amount or ARC from the legislature went to a hundred percent. So, at that time I went to the Administrator for the Trust and said, *we don't have a Chief Investment Officer.*

In my discussions, and what I've learned from attending conferences, by the time you're at a billion dollars you should have a Chief Investment Officer. At the time we had an Investment Officer, and *I asked would it make sense for us to go out and hire one.* The Administrator said, I would recommend that we elevate our Investment Officer, because for all intents and purposes, he was acting in that role already. So, we did, and then we started adding staff, I think that was a great opportunity for the Investment Officer at the time, because we were building from within but also it was good for the EUTF, because it gave us more standing out in the community and in the investment community, the fact that we had a CIO who could go out there, build relationships and work alongside our Benefits Consultant.

Investment Advisor Chattergy: That's great, so as your internal staff sort of matured and grew and learned what was it like to manage a large portfolio. I think you kind of followed a similar path, *right?* I don't know exactly your financial knowledge in the background in terms of where you came from, but you have certainly made an effort on your own, like you mentioned conferences and meeting with managers, to learn and to grow, and then to be able to be the Investment Chair and oversee a very large and visible portfolio in the industry as well as in our community.

- *Can you share with the trustees a little bit about how you developed your own skill and confidence to not only oversee an investment portfolio of billions of dollars, but oversee a staff that maybe all came from an investment management background?*
- *Can you talk a little bit about that and share that experience?*

Christian Fern, EUTF: Sure, for me, the only financial background I had was - I was the Chair of the HMSA Federal Credit Union, but we're a 70-million-dollar Credit Union. So, when I was asked if I would take over as Chair of the Investment Committee, honestly, I took a deep breath, I wasn't sure if that was the right thing to do. But, I took it on, and I immediately called Vijoy, and I know some investment managers at Kamehameha Schools who I called, and I was trying to just learn more about, what does it mean to be an investment committee chair, and how do I better understand the investments that we want to consider.

I quickly learned, and I also worked very closely with our investment officer, who then became the CIO, to learn what it meant to be - a trustee and as an investment committee chair. I learned quickly I didn't need to know everything, there's a reason why you hire a CIO and why you hire a Benefits Consultant. You don't have to know everything, but you need to know enough to ensure that you're following your fiduciary responsibilities and making a sound decision on behalf of the beneficiaries that you represent.

So that's the pathway that I took, I think it was helpful that I didn't have a strong financial background, because I think some other trustees who do, they're more in tune and they ask more specific questions which, in my opinion, should be left to the CIO or to the investment consultants. That's the approach I took, because I know it's rather overwhelming as a trustee without that background to understand what's being presented. I've taken advantage of attending conferences, like the International Foundation of Benefit Plans. I've also attended The NCPERS Conference, and I've just sat down and tried to talk story with people like Vijoy and others who know this inside and out and do it for a living. I was a lot more confident when I realized I didn't need to know everything, but I think that was the first thing I was afraid of was - *what am I taking on?* But I soon learned you don't need to be the expert, that's why you hire experts.

Pouhana Ferreira: I have a question from the administrative side. *When you're building your team, how do you recruit and retain good talent?* Because in the investment space, on the private side, compensation is really high, and being on the State side, it's very difficult to match that kind of compensation. *So, how are you addressing that?*

Christian Fern, EUTF: We were fortunate as far as the EUTF is concerned. We're able, and I think the ERS is the same way; we're able to go outside the financial salaries of most employees, and that's something that we were allowed to do. I think our most recent CIO that we just hired fell under that structure. So, it was challenging at first, and with the investment analysts or the investment officers, it is quite challenging with the State salaries, but we've been fortunate because we picked up some very solid young talent who have wanted to learn, it's just whether-or-not, we can retain them.

I think that's the longer-term issue that we'll face, at least at the CIO level. I think we'll be able to be at least competitive in the public space. I just don't know how competitive we can be, with the private sector out there that can offer so much more.

Investment Advisor Chattergy: Christian, I appreciate the way you've grown and also the idea that *okay, I don't have to know everything in order to be able to provide good judgment and oversee portfolio.* I have to admit, also, I don't know everything, and I have to always rely on people who have expertise and are smarter than me to have conversations and to teach me. So, I think the markets are always bigger, and you're always learning. I think if you approach it with that, ideas like *I can leverage the knowledge and the goodwill of the people around me, and the people who will talk to me,* it helps me to then become a better investor, and to provide better guidance. So, even for someone who tries to follow the market, daily there's always things that you are kind of scratching your head about, and it helps to have conversations or to know whom to go to, that you can trust their advice.

So, I applaud what you've done for yourself, because not everyone would approach it that way, and I think you did a great job. Before I open it up for questions, why don't I just ask a general question again for you, Christian. *Is there anything more that you would like to say or communicate with the trustees of OHA today? Is there anything I didn't ask you that you wished I'd ask you so that you could make a point about; hey, this is my experience, or this is what I've learned, or how can it be helpful?*

Christian Fern, EUTF: I would just say, you have a new CEO, and I just think building that relationship; I'm very close with the Administrator, I can call him and we can talk about a number of issues. We just hired the CIO, I took them out to lunch, just wanted to say, *Hey, whatever you need, that's what I'm here for.* I think the communication is very important between you as trustees and the staff, building that rapport, that confidence in one another.

That's what I've done personally, and I think that's been helpful for me, because I know when they're coming with a recommendation, I can feel confident in what they're coming with. I think one thing that we did, once we had the CIO position; the CIO started putting together a separate recommendation report from the consultant, which I thought was helpful, because it demonstrated to me that the staff is doing their due diligence alongside the consultant, and sometimes they see things from different points of view. The staff might see something that's specific to the trust, which is something that I don't necessarily recommend, because it's a lot of work, but that was something that I saw was beneficial as a trustee. Because you saw a recommendation and a perspective from a consultant, but then something more specific to your trust, coming from the staff that you could compare and contrast and that was beneficial. I think the new CIO, at the time just wanted to demonstrate that he had the skill set, and I that was very helpful for us.

Investment Advisor Chattergy: *Does that cause any confusion, like who do you rely on, is it the consultant, is it the staff, is it your own...?*

Christian Fern, EUTF: I think that also demonstrated to me that the consultant and the CIO were on the same page, because it was always the same recommendation, it was just more of the details about why this is a good fit, and I really appreciated the personal touch, for our own beneficiaries that came from the staff's review.

Investment Advisor Chattergy: Okay, I'd like to open it up for questions. I see Trustee Akina has a question.

Trustee Akina: Thank you very much. Christian, thank you so much for coming down here, really appreciate it. I loved when you shared that you don't have to be experts in investments in order to make good decisions and do good governance. I think that's very encouraging for us to hear, and that's one of the reasons that, as Chair pointed out, we hired Vijoy, and I'm in a mode where I want to learn as much as I can. *In your participation with the EUTF, have you seen any struggles as to how to manage what earlier today, Brad referred to as ESG, Environmental, Social and Governance issues?* We have seen a lot of controversy in the news and investment firms have had to look at that, and I'm just wondering if that has become an issue at all over at the EUTF, and whether there are any lessons that can be learned.

For some of us who may not be familiar with those initials, your glossary, Vijoy that you gave us, has ESG there, and gives a very good definition. It pretty much is taking a look at environmental or social or governance human behavior factors in your investments. We look at ESG all the time at OHA with the outcome and use of our money program. It's all about mālama the environment, take care of people, and so forth. But when it comes to our investment portfolio, as much as possible, I think we've done a good job of the principal of making sure that we have the best return, so that we can fuel our social decisions on the other side. So, as far as I observe, we haven't really mixed the two, but I know that a lot of organizations have mixed it and have had mixed results and conversations and had to learn. *Could you tell us about the EUTF?*

Christian Fern, EUTF: Yeah, thank you for the question, Trustee Akina. I actually had a number of conversations with our former CIO on this specific topic. I think his approach was always about, *okay, are you going to divest and then risk potential substantial losses to the trust? Or are you going to be conscious of it as you continue investing, moving forward?*

So, I think that's kind of the approach we've taken. I'll be honest with you, I think the EUTF has appreciated it, being the quote/unquote smaller of the two trusts, because we're not in the front page of the paper like the ERS, and so we aren't asked that question as much. Trustees do ask that question when we have investment managers, that is a question that's often asked.

I think it's holding the investment managers accountable for it, but I think at least the former CIO has always taken the approach of *how do you invest-moving forward*, as opposed to trying to divest what you currently have, with the possibility of tremendous losses. If it's always on a go-forward-basis and ensuring that you're trying to do what's best moving forward, then you're doing the right thing for the beneficiaries.

Trustee Akina: Thank you and I'll call on you if I get confused on how to think that through, becoming such a hot topic. Thank you for being here.

Chair Waihe'e recognizes Trustee Galuteria.

Trustee Galuteria: Thank you, Chair. When investing - *is it antiseptic, or is there a possibility to insert an indigenous perspective?* We work for the Hawaiians, should we look at it any differently.

Christian Fern, EUTF: That's a great point, being Hawaiian myself, I've often asked our CIO, or at least our former CIO, the current one is so new I haven't had this conversation - *should we as the EUTF representing almost 200,000 beneficiaries, consider investing locally, whether it's some sort of project?*

I was thinking, look at the University of Hawai'i, look at some of the buildings, infrastructure. *Would that be something that we would want to do?*

I remember his response being, if we limit the opportunities to only what's available here, then we aren't doing what's in the best interests of the beneficiaries, because you want this bowl of money to grow. The EUTF Trust, and I know there's always a struggle between the employer and the employee Trustees, since the law kind of bifurcates the responsibility both to the Trust and to the beneficiaries - I view it like this needs to be around in perpetuity, because it's always going to be providing benefits, whether to active or retired beneficiaries. So, I think the focus, at least from the CIO's perspective at the time was, let's not limit it to what's available here, and let's try and grow it as quickly as possible.

The CIO left because I think he felt like his job was accomplished, he got the EUTF into a glide path, where he felt comfortable, walking away, knowing that it was going in the right direction. So, I did have that thought in my mind, again being Hawaiian, being somebody who's born and raised here - *why don't we invest locally?* When he gave me that response, that really opened my eyes as to what we want to do for the beneficiaries in building this pool of money.

Investment Advisor Chattergy: *Are there any more questions?*

There are none.

Investment Advisor Chattergy: Okay, Christian, thank you very much for spending time with us today to talk story. I think, in addition to all the insights you've provided, I think we all feel very good about having you at EUTF and providing leadership there, since many of the people in this room depend on the EUTF going forward in their lives. I certainly experienced it with my own family. So, thank you very much, appreciate that.

Christian Fern, EUTF: Thank you. I will leave my business cards with Vijoy, so please don't hesitate to shoot me an email or call me, I'm happy to talk story about any of this. I know how important it is, the work that you do, because we do the work ourselves, and this is only a part time job for me, because I have to take care of the faculty of UH as my primary job. So, thank you very much and happy holidays.

Chair Waihe'e: Thank you, Christian. Thank you for spending time with us and for the work you do. I also want to thank Peter and Brad for their presentation, and of course, Vijoy. Thank you so much.

V. ANNOUNCEMENTS

None

VI. ADJOURNMENT

Trustee Lindsey moves to adjourn the RM meeting.

Trustee Souza 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**.

							2:57 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA						<i>Departed prior to adjournment</i>
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY	1		X			
J. KEONI	SOUZA		2	X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				7	0	0	2

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

Chair Waihe'e adjourns the RM meeting at 2:57 p.m.

Respectfully submitted,

Melissa Wennihan
Trustee Aide
Committee on Resource Management

As approved by the Committee on Resource Management (RM) on January 31, 2024

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

Committee on Resource ManagementTrustee John Waihe'e IV, *At-Large* - ChairTrustee Luana Alapa, *Moloka'i / Lāna'i* - Vice Chair**Members**Trustee Dan Ahuna, *Kaua'i / Ni'ihau*Trustee Kaleihikina Akaka, *O'ahu*Trustee Keli'i Akina, *At-Large*Trustee Brickwood Galuteria, *At-Large*Trustee Carmen Hulu Lindsey, *Maui*Trustee J. Keoni Souza, *At-Large*Trustee Mililani Trask, *Hawai'i Island*

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

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

DATE: Wednesday January 31, 2024**TIME:** 1:30 p.m.**PLACE:** Virtual Meeting

560 N. Nimitz Hwy., Honolulu, HI 96817

viewable at <https://www.oha.org/livestream> OR

Listen by phone: (213) 338-8477, Webinar ID: 894 5940 9035

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: 894 5940 9035. 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.

AGENDA

I. Call to Order**II. Approval of Minutes**

A. December 6, 2023

III. Unfinished Business – None**IV. New Business****A. Consequent Capital Management Introduction**

1. Presentation: Pantheon (Private Markets), Iain Jones

B. Action Item RM #24-01: Approve the designation of Stacy Kealohalani Ferreira as the Office of Hawaiian Affairs' Authorized Organizational Representative for the Administration for Native Americans, American Rescue Plan Act, Emergency Native Language Funding Opportunity for Native Hawaiians and Pacific Islanders Grant Award, supporting OHA's Native Hawaiian Language Preservation and Maintenance: Community-Based Research Project

C. Action Item RM #24-02: Approve OHA funding of the 13th Festival of Pacific Arts & Culture, Hawai'i 2024, Ho'oulu Lāhui: Regenerating Oceania

D. Action Item RM #24-03: Approve OHA funding of Fiscal Year 2024 Third Quarter Sponsorships

E. Action Item RM #24-04: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25) – Realignment #1 - Core and Non-Core Realignments

V. Announcements**VI. Adjournment**

If you need an auxiliary aid/service or other accommodation due to a disability, please contact Everett Ohta at (808) 594-1988 or by email at everetto@oha.org as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled. Upon request, this notice is available in alternate/accessible formats.

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.



Independent Board Investment
Consultant for the Office of Hawaiian
Affairs' Native Hawaiian Trust Fund

Activities Update and Education

Wednesday, January 31, 2024
1:30 p.m. HST

MEETING AGENDA

1. BACKGROUND INFORMATION
2. UPDATE ACTIVITIES
3. Pantheon PRESENTATION
4. APPENDIX
5. GLOSSARY TERMS

ABOUT US



- Independent investment advisory firm registered with the Securities & Exchange Commission
- Established in 2016 from the acquired assets of Gray & Company, an institutional consulting firm founded in 1991
- Office in Honolulu, HI, and corporate headquarters located in Atlanta, GA
- Full-service minority owned investment advisor serving institutional investor clients, including cities, labor unions, hospital systems, universities, and mission-specific non-profit organizations
- Comprehensive and holistic approach to investment advisory services including support of underrepresented and underutilized investment managers to provide diversity to our clients' portfolios.

TEAM MEMBERS



Kenneth Simon, Esq.
Chief Executive Officer
& Chief Compliance Officer

Vijoy Chattergy, CAIA
Primary Consultant - Honolulu-based
Chief Investment Officer

Scott Cha-Choe
Secondary Consultant
Chief Operations Officer
& Chief Financial Officer

Gerrard Grant, Esq., CPA
General Counsel

Gerry Flintoft
Senior Consultant
Alternative Markets

Ta'Shawne Cathey
Senior Analyst

Michael Mitchell
Analyst, Performance Measurement

REVIEW AND UPDATE ON INVESTING EDUCATION

Investment Education Review

- Fiduciary: Prudence, Loyalty, Impartiality
- Governance: Can Cost 1-2% annually
- Decision making for Board, staff, service providers
- Ongoing education
- Strategic long-term objectives

Investment Oversight Preview

- Scheduling for 1st half 2024
- Education sessions
- Policy reviews

Pantheon



U L U

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Pantheon has more than 40 years of experience investing in private markets, including in secondaries, co-investments and primary fund investments, as well as direct customized solutions.

- Offices: 12 across 3 continents
 - Investment Professionals: 130+
 - Discretionary AUM: \$62 Billion
 - OHA Portfolio: Primary; Co-investments; Infrastructure
-
- Iain is a Managing Director and Head of U.S. Institutional Investor Relations focusing on existing relationships and business development in North America. Previously, Iain provided client service and fundraising support across the UK market, as well Asia and Australia, from Pantheon's London office. Prior to joining Pantheon, he worked for Preqin in the Infrastructure research team in London. He has a BSc in economics from the University of Bristol. Iain is based in San Francisco..

APPENDIX

HAWAII FOCUSED TEAM

CHIEF EXECUTIVE OFFICER &
CHIEF COMPLIANCE OFFICER



Kenneth Simon, Esq. is Chief Executive Officer and Chief Compliance Officer of Consequent Capital Management LLC and has more than 40 years' experience as a judge, litigator, and mediator. Ken worked for several years in the U.S. Securities and Exchange Commission's Division of Enforcement in Washington, D.C., where he was an Assistant Director of Enforcement as well as Branch Chief. He is a member of Best Lawyers in America, the National Academy of Distinguished Neutrals, Alabama Super Lawyers, Mid-South Super Lawyers, the Academy of Court-Appointed Masters, and is a Fellow of the Alabama Law Foundation and the Birmingham Bar Foundation. His law firm, Ken Simon Law, is recognized in Best Law Firms in Alabama. In 2017, he received the MLK Dream Keepers Award for Social Justice, as presented by the Southern Christian Leadership Conference.

HAWAII FOCUSED TEAM

CHIEF INVESTMENT OFFICER



Vijoy Chattergy, CAIA is Chief Investment Officer at Consequent Capital Management LLC and has over 25 years of experience in financial markets with stints in the United States, Asia, and Europe. He has served in leadership positions with public, private, and nonprofit sector financial services entities, covering major asset classes such as equities, fixed income, foreign exchange, and alternatives. He is the founder and president of VMLH, LLC, a consulting firm for global institutional investors. He also started Sakala Portfolio Solutions, LLC to assist with the development of portfolio construction capacities for clients. He is often invited to speak at financial management conferences and invited to comment on industry trends by the financial media and expert networks. Vijoy was previously the Chief Investment Officer at the multi-billion-dollar Employees' Retirement System of the State of Hawai'i (HIERS). He was awarded the 2017 Industry Innovation Award for Public Defined Benefit Plans Between \$15 Billion and \$100 Billion.

HAWAII FOCUSED TEAM

CHIEF OPERATIONS OFFICER
& CHIEF FINANCIAL OFFICER



Scott Cha-Choe is Chief Operations Officer and Chief Financial Officer of Consequent Capital Management LLC and joined Consequent during the post-asset purchase period to assist the Board of Directors with Organizational Transformation and Business Development. He is a graduate of the University of Southern California, Marshall School of Business. Mr. Cha-Choe has over 30 years of experience in Finance from University Grants Administration, Governmental relations and private sector experience at AXA Advisors, Morgan Stanley, JPMorgan Chase, and HSBC Bank. In 2021, Mr. Cha-Choe served as Interim CEO during the leadership transition period as well as was appointed to the Board of Directors of Consequent Capital Holdings.

HAWAII FOCUSED TEAM

ALTERNATIVES INVESTMENT CONSULTANT



Gerry Flintoft, CAIA is an Alternatives Investment Consultant of Consequent Capital Management and possesses 30+ years of experience as an alternative investments and private equity portfolio manager and consultant. Previously a Director, Alternative Investments with PineBridge Investments, a \$72 billion multi-asset manager, he advised clients on portfolio design and construction that included developed and emerging market private equity, private credit, and hedge fund seeding. He previously served as an Investment Officer at Los Angeles County Employees Retirement Association (LACERA), a leading \$50 billion US public pension fund, where he managed an \$8 billion private equity portfolio, successfully negotiated separately managed accounts, and assisted investment colleagues with hedge fund and real estate portfolios. Recently, he served as a Board Member of NanoLumens Inc., whose experiential LED displays exceed the imaginations of global clients in retail, transportation, corporate, gaming, higher education, sports arenas, and houses of worship. He earned an MBA from Columbia Business School and a BA in Economics from UCLA. Gerry holds a Series 7 and 66 license from Financial Industry Regulatory Authority (FINRA).

SELECT PRIVATE MARKETS INVESTMENT GLOSSARY

- A -

Add-on - When a venture capital-backed company acquires another smaller company, or the assets of another company. This is typically to consolidate their market position, or acquire proprietary technologies from competitors, and often involves acquiring smaller rivals.

Angel - An initial stage of funding provided by angel investors, typically friends, relatives, or individual entrepreneurs.

Average Net IRR % - Average IRR is simply the mathematical mean. Average IRRs may be strongly affected by outlier IRR values.

- B -

Balanced - Invests in companies at all stages of development, from early stage to buyout.

Buyout - Invests in established companies, often with the intention of improving operations and/or financials. Investment often involves the use of leverage

Bite Size - A range of money which an investor looks to commit to each vehicle it invests in. In some cases, it is taken as an investor's average commitment to funds it has committed to in the past and can vary with different fund types.

- C -

Called up % - The proportion of the LP's aggregate commitments to the partnership that have been contributed to the partnership.

Calls (Capital Calls) - A capital call occurs when a private equity fund manager (also known as the General Partner or GP) notifies the investors (known as Limited Partners or LPs) that the LPs must provide a portion of their capital commitment to the fund. The payment by the LP to the fund (called a capital contribution) is usually due 10 business days after the date of the notice

Co-investment - Direct investment made by a limited partner in a company also backed by the private equity fund. The limited partner therefore acquires two separate stakes in the company - one indirectly through the fund and one directly in the company.

Commitment - The specified sum of capital an LP has agreed to contribute to a private equity fund. The sum of commitments to a private equity fund equals the total size of the fund.

Current Allocation to PE - The total amount invested by an asset owner in private equity funds as a percentage of total assets.

SELECT PRIVATE MARKETS INVESTMENT GLOSSARY

- D -

Deal-by-Deal vs. Whole Fund Distribution of Proceeds - 'Whole fund': the GP only starts to earn carry once the LPs have received distributions equaling their total contributions to the fund (plus any specified preferred return). The total amount of carry should be the same as under the 'deal-by-deal' method, but under this method the GP will have to wait longer to earn its share of the profits.

Deal-by-deal - The GP earns carry related to the specific deal for which distributions are being made, if LPs have received back their contributions made with respect to investments realized up to that point in time, and commonly also contributions made with respect to any write down amounts on unrealized investments, as well as expenses attributable to both (plus any specified preferred return).

Distressed Debt - Buys corporate bonds of companies that have either filed for bankruptcy or appear likely to do so. As part of the company reorganizations, distressed debt firms often forgive the debt obligations of the company, in return for enough equity in the company to compensate

Discretionary Investment Consultant - Makes all investment decisions on behalf of an institution but within the institution's specific guidelines.

Distributed (DPI – Distributions to Paid-in) % - The proportion of the called-up capital that has been distributed or returned back to LPs. This will include cash and stock distributions, with the latter being valued as at the date of distribution and treated in the same way as a cash distribution. Distributed % is one measure of the cash performance of the partnership that is not subject to judgmental factors (as for value and IRR).

Distribution (Distributed Capital) - A "distribution" is cash and/or stock paid to an investor (limited partner) from a fund. A "cash distribution" is just that, a distribution paid in cash. An "in-kind distribution" is a distribution of securities in a portfolio company, usually stock.

Distribution Yield - Distribution yield is the calculation of cash flow for an investment vehicle such as an ETF, private equity fund (based on starting NAV), or Real Estate Investment Trust (REIT). They provide a snapshot of yield available to investors from the given financial instrument.

SELECT PRIVATE MARKETS

INVESTMENT GLOSSARY

Drawdown - The actual act of transferring capital into the fund's portfolio companies; when a fund manager/general partner has decided where it would like to invest the private equity fund capital, it will approach its limited partners in order to draw down some of the capital that is already committed to the fund

Dry Powder - "Dry powder" refers to cash reserves available for use in executing timely future investments or kept on hand to cover future obligations. Calculated as the amount of capital that has been committed to a private equity fund minus the amount that has been called by the GP for investment.

- E -

Early Stage -Type of venture fund that invests only in the early stage of a company life. Can be either Seed or Start-up.

Early Stage: Seed - Allows a business concept to be developed, perhaps involving the production of a business plan, prototypes and additional research, prior to bringing a product to market and commencing large-scale manufacturing.

Early Stage: Start-up - Supports a non-commercial company's product development and marketing.

EBITDA and EBITDA Multiple - Earnings Before Interest Taxes Depreciation and Amortization (EBITDA). EBITDA is an approximation of a company's cash flow. EBITDA is a common metric used to value buyout valuations - a multiple of EBITDA is often used to describe the sale price of a company.

Expansion/Late Stage - Invests in companies towards the end of the venture stage cycle. Provides capital injections for expansion into a position of stable profit streams. Typical with venture deals, expansion/late-stage funds take short- to mid-term, minority positions.

- F -

Fee Rebates to LPs - It is common practice for the managers of private equity funds to provide corporate finance and other services to the portfolio companies that they own, and to charge for these services. These transaction fees can be very significant, often amounting to 1.0 to 1.5% of the value of companies acquired. In addition, the firms will charge monitoring fees and directors' fees to the companies in the portfolio. It used to be common practice for managers to retain these fees, but now all or a significant proportion of them are rebated to the investors in the fund, often through offsetting against the management fee.

SELECT PRIVATE MARKETS

INVESTMENT GLOSSARY

First-Close Investor - An investor that will commit to a fund before it has held a first close. The investor is usually given an incentive by the fund manager to make a commitment before the first close, such as reduced fees.

First-Time Fund - A vehicle which is the first to be raised by a particular private equity firm. Usually, a firm or fund management team which has not previously raised any private equity funds.

Foreign Exchange / FX / FX Movements - Foreign exchange refers to exchanging the currency of one country for another at prevailing exchange rates. FX Movements are changes in accounts between periods that are caused by changes in exchange rates and can result in monetary gains or losses.

Fund of Funds - Invests in several private equity partnerships through a single fund.

Fundraising Outlook - Announced - fund has been announced but has not yet entered the fund-raising stage; **Estimated** - On average it takes about four years for a fund to invest all commitments raised. In general, once a fund is over 70% invested, fund managers can start fundraising another fund. It is therefore possible to estimate when a private equity firm will start fundraising their next fund in a series (i.e. they raise multiple funds of different types at different times).

- G -

General Consultant - Provides advice on the overall investment strategy of an institution.

General Partner (GP) - The partner in a limited partnership responsible for all management decisions of the partnership. The GP has a fiduciary responsibility to act for the benefit of the limited partners (LPs) and is fully liable for its actions.

GP Catch-Up Rate - Once the hurdle rate has been met, the GP catch-up rate is the proportion of subsequent gains that are allocated to the GP until the GP has caught up to its predetermined share of overall profits. For example, a GP catch-up rate of 100% would mean that after investors had received all the returns up to the hurdle rate, the GP would then receive all gains thereafter until its overall share of all gains reached the stated rate of carry.

GP Commitments - It is normal practice for the GP managing a private equity fund to also make a financial commitment to the fund on the same basis as the LPs in the fund, and this is seen as an important factor driving the alignment of GP and LP interests.

Growth / Growth Equity - Typically takes significant minority positions in companies without the use of leverage. Targets profitable, but still maturing, investee companies with significant scope for growth. Investment horizons are mid to long term, similar to those seen with buyout funds.

SELECT PRIVATE MARKETS INVESTMENT GLOSSARY

- H -

Hurdle Rate / Preferred Return - The level of return that must be achieved by the GP before they are able to claim carry.

- I -

Infrastructure - Typically invests in large-scale infrastructure projects in transportation, regulated industries such as power and water, telecom, and social infrastructure.

IPO (Initial Public Offering) - A company is listed on the stock exchange. Otherwise known as a flotation.

Interim Closes - While the fund is in market it may have interim closes. These closes are named in the sequence they occur. The first interim close is termed “first close”, the second close “second close”. Once the fund has had a first close, it can begin to make investments.

Investment Consultant - An institution/firm that provides advisory services for a fee. Investors can use advisory services to different extents. Institutions can also have different consultants for different parts of their investment portfolios and/or strategies.

- K -

Key-Man Provisions - An important non-economic governance factor for private equity funds, concerning the number of the original principals of the managing firm continuing to devote all or the majority of their professional time to the management of the fund.

- L -

LP Advisory Committee - Private equity funds often have LP advisory committees, which include provisions for investors to be appointed to the board by the GP, investors being independent of the fund manager.

Limited Partner (LP) - Institutions or high-net-worth individuals/sophisticated investors that contribute capital to a private equity fund.

Limited Partnership - Consists of the general partner that makes investments from the private equity fund and the limited partners which have committed capital to the fund. The partnership generally has a 10-year life span, although the capital is usually invested after three to five years, before the general partner exits the underlying companies for a return on behalf of the limited partners.

SELECT PRIVATE MARKETS INVESTMENT GLOSSARY

- M -

Management Fee during the Investment Period - Management fees during the investment period are almost invariably calculated as a percentage fee applied to the commitments made by the LP to the fund. The logic behind this is that the primary determinant of the workload for the GP is the search for potential investments, and this is driven by the size of total commitments to the fund, and not the actual amount invested at this stage in the fund's lifetime.

Management Fee Reduction after the Investment Period - Almost all private equity funds base their management fees during the investment period on a percentage fee rate multiplied by the LP's commitment to the fund. The investment period is generally the costliest period for managing the fund, due to the workload of finding and acquiring investments, and the management fees reflect this. Fees for most funds are reduced after the investment period, and the reduction can be affected through a range of mechanisms including a step-change in the percentage rate charged, an annual reduction in the rate charged, and / or changing the asset base for fee charging from commitments to the cost basis of the unrealized portfolio.

Median Net IRR % - The middle IRR in a series of funds ranked by IRRs, above and below which lie an equal number of IRR values. Median IRR represents the typical or the more likely IRR for a specific vintage year. It is one of the commonly used measures to benchmark individual fund performance for a particular type, geography and vintage of fund.

Mezzanine - Debts that incorporate equity-based options, such as warrants, with a lower-priority debt, often used to finance acquisitions and buyouts.

Merger - Venture capital firm sells a stake in the portfolio company to another company as part of a merger of operations.

Merger - Where a venture capital-backed company merges with another company to form a new entity.

- N -

NAV - Net Asset Value is calculated as the sum of all of the fund's assets less all liabilities. If the fund is publicly-traded, this amount is divided by the fund's outstanding shares to obtain a NAV per share.

SELECT PRIVATE MARKETS

INVESTMENT GLOSSARY

Net Multiple - The ratio between the total value that the LP has derived from its interest in the partnership - i.e. distributed cash and securities plus the value of the LP's remaining interest in the partnership – and its total cash investment in the partnership, expressed as a multiple. It is important to note that this measure does not reflect the time value of money, and therefore will not show whether one partnership has returned value to LPs more quickly or more slowly than another. However, it is one measure of “profit” or “loss” for the LP.

Net IRR % - The net IRR earned by an LP to date after fees & carry. The internal rate of return is based upon the realized cash flows and the valuation of the remaining interest in the partnership. IRR is an estimated figure, given that it relies upon not only cash flows but also the valuation of unrealized assets. The IRR estimates shown are both those as reported by the LP and / or GP, and those that Preqin has calculated internally, based upon cash flows and valuations, provided for individual partnerships.

Non-Discretionary Investment Consultant - Recommends fund investments to an institution but the decision whether to invest lies with the institution.

- P -

PIPE. (Private Investment in Public Equity) An investment made by a venture capital firm into a public company, which remains public post-investment.

Pooled Net IRR % - This is calculated by combining multiple funds' cash flows and calculating an IRR using all funds' contributions, distributions and remaining values as if they were from a single fund. Pooled IRRs take into account the timing of each cash flow and the size of each fund. Larger funds will have more influence than the smaller funds and the timing of the distributions will affect performance.

Public Market Equivalent (PME). A "Public Market Equivalent" is a methodology to compare the return from a private equity fund to the return from a public market index, using the same or modified cash flows from the fund to invest in the public market index.

Pre-IPO Pricing - An investment into a company that is set to complete its IPO, often at a discounted price relative to expected IPO price.

Primaries / Primary Fund Commitment / Primary Market - A primary fund investment (primary / primaries) is an investment in a venture, buyout, credit, or other private markets fund at the time it is being raised (first offered). The primary market is where securities are created, while the secondary market is where those securities are traded by investors. A Primary often refers to an investment purchased in the Primary market.

SELECT PRIVATE MARKETS

INVESTMENT GLOSSARY

Private Credit / Private Debt - Non-listed debt issues. May take the form of bonds, notes or loans. Includes all non-bank lending.

Private Placement - Venture capital firm sells shares in a public portfolio company.

- Q -

Quartile Ranking - This shows which quartile of the relevant peer group the fund falls into. When calculating the quartile ranking, we put equal weight on IRR and multiple. We have specific benchmarks for buyout, venture, early stage, fund of funds, real estate and mezzanine funds. Funds of a different type are benchmarked against "All Private Equity". Top quartile funds are funds with an IRR or multiple equal to or above the upper quartile benchmark; second quartile funds are funds with an IRR or multiple equal to or above the median quartile figures but under the upper quartile figures.

- R -

Remaining Value (RVPI- Residual Value to Paid-in) % - The value of the LPs' remaining interest in the partnership, as derived from the GP's valuation of the unrealized portfolio and its allocation of this to the LP.

Real Estate LP - Closed-ended private real estate funds that invest in property.

Recapitalization - When a portfolio company is sold as part of a recapitalization process - change in the capital structure of the company.

Restructuring - A company restructures its debt, often leading to the investors ceding control of the company to the debt providers.

Return Dispersion - In finance, return dispersion is the range of possible returns on an investment. It's a way to measure the riskiness of an investment. Return dispersion of private equity funds is immense and second only to the return dispersion of venture capital funds.

However, private equity funds of funds have historically shown a relatively lower dispersion of returns compared to the individual buyout, growth equity and venture funds that they typically comprise.

- S -

Sale to GP. A venture capital-backed company is sold to another private equity/venture capital firm. Also referred to as Secondary Buyout.

Sale to Management. The management of the portfolio company buy it from the venture capital firm.

SELECT PRIVATE MARKETS

INVESTMENT GLOSSARY

Secondary Stock Purchase. Where part or all of an investor's stake in a venture capital-backed company is acquired directly from a shareholder/ investor, rather than purchasing stock from the company.

Seed. The first stage of venture capital financing by a professional VC firm, typically a small investment in a very early-stage company that has usually not yet established commercial operations

Secondaries / Secondary Market / Secondary - Acquires stakes in private equity funds from existing limited partners. A secondary market is where securities or primary fund commitments are traded by investors. A Secondary often refers to an investment purchased in the secondary market.

Separate Accounts - Customized private equity investment accounts held with a private equity fund manager, financed by one institutional investor (limited partner). The fund manager makes multiple investments from the account to meet the strategic and other portfolio management needs of the institutional investor.

Series A. Series A Preferred Stock leads on from the Angel/Seed Stages and is the first significant round of venture capital funding where Series A preferred stock is offered by a portfolio company to the venture capitalist. Series A preferred stock is convertible into common stock in certain cases such as an IPO or the sale of the company.

Special Situation - Focuses on complex situations, such as project finance or one-time opportunities resulting from government regulations, with the goal of resolving the situation in an attempt to restore a company's value.

SELECT PRIVATE MARKETS INVESTMENT GLOSSARY

- T -

Target Allocation to PE - Pre-determined proportion of total assets to be invested in private equity funds. Often given as a percentage, the investor will invest to reach or maintain this target in the long term.

Timber - Invests in forestry and timber land and products.

Total Value to Paid-in (TVPI) % - Sum of distribution to paid-in and residual value to paid-in. i.e., distributed cash and securities plus the value of the LP's remaining interest in the partnership.

Trade Sale - The company is sold to another company.

Turnaround - Aims to revitalize companies with poor performance or experiencing trading difficulties.

- V -

Venture (General). Provides capital to new or growing businesses with perceived, long-term growth potential.

Venture Debt - A type of debt financing provided to venture capital-backed companies by a specialized financier to fund working capital or capital expenses. Venture debt providers combine their loans with warrants or rights to purchase equity, to compensate for the higher risk of lending.

Vintage / Vintage Year - The vintage year represents the year in which the fund made its first capital call to LPs.

- W -

Write Off - The portfolio company discontinues operations and goes into liquidation, with the result that the private equity firm no longer has a stake in an operating entity.

DISCLOSURE STATEMENT

Consequent Capital Management, LLC (“Consequent”) is located at 1050 Queen Street, Suite 100, Honolulu, HI 96814 and our headquarters is located at 3344 Peachtree Road NE, Suite 800, Atlanta, GA 30326. This presentation is for informational purposes only and does not constitute a complete description of Consequent’s investment services or performance. This presentation is in no way a solicitation or offer to sell investment advisory services except, where applicable, in states where we are registered or where an exemption or exclusion from such registration exists. Information throughout this site, whether stock quotes, charts, articles, or any other statement or statements regarding market or other financial information, is obtained from sources which providers shall be liable for any errors or inaccuracies, regardless of cause, or the lack of timeliness of, or for any delay or interruption in the transmission thereof to the user. THERE ARE NO WARRANTIES, EXPRESSED OR IMPLIED, AS TO ACCURACY, COMPLETENESS, OR RESULTS OBTAINED FROM ANY INFORMATION POSTED ON THIS OR ANY “LINKED” presentation. Moreover, no client or prospective client should assume that any such discussion serves as the receipt of, or a substitute for, personalized advice from an investment professional. Consequent is not a law or accounting firm, and no portion of the presentation content should be interpreted as legal, accounting or tax advice. Please remember that different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment or investment strategy will be profitable or equal any historical performance level(s). Please call Consequent Capital Management, LLC at 404-883-2500 if you have any questions about this presentation or if you would like a free copy of Consequent’s most recent Form ADV.

THANK YOU!





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Committee on Resource ManagementTrustee John Waihe'e IV, *At-Large - Chair*Trustee Luana Alapa, *Moloka'i / Lāna'i - Vice Chair****Members***Trustee Dan Ahuna, *Kaua'i / Ni'ihau*Trustee Kaleihikina Akaka, *O'ahu*Trustee Keli'i Akina, *At-Large*Trustee Brickwood Galuteria, *At-Large*Trustee Carmen Hulu Lindsey, *Maui*Trustee J. Keoni Souza, *At-Large*Trustee Mililani Trask, *Hawai'i Island*

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

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

DATE: Wednesday January 31, 2024**TIME:** 1:30 p.m.**PLACE:** Virtual Meeting

560 N. Nimitz Hwy., Honolulu, HI 96817

viewable at <https://www.oha.org/livestream> OR

Listen by phone: (213) 338-8477, Webinar ID: 894 5940 9035

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: 894 5940 9035. 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.

AGENDA

I. Call to Order**II. Approval of Minutes**

A. December 6, 2023

III. Unfinished Business – None**IV. New Business****A. Consequent Capital Management Introduction****1. Presentation: Pantheon (Private Markets), Iain Jones**

B. Action Item RM #24-01: Approve the designation of Stacy Kealohalani Ferreira as the Office of Hawaiian Affairs' Authorized Organizational Representative for the Administration for Native Americans, American Rescue Plan Act, Emergency Native Language Funding Opportunity for Native Hawaiians and Pacific Islanders Grant Award, supporting OHA's Native Hawaiian Language Preservation and Maintenance: Community-Based Research Project

C. Action Item RM #24-02: Approve OHA funding of the 13th Festival of Pacific Arts & Culture, Hawai'i 2024, Ho'oulu Lāhui: Regenerating Oceania

D. Action Item RM #24-03: Approve OHA funding of Fiscal Year 2024 Third Quarter Sponsorships

E. Action Item RM #24-04: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25) – Realignment #1 - Core and Non-Core Realignments

V. Announcements**VI. Adjournment**

If you need an auxiliary aid/service or other accommodation due to a disability, please contact Everett Ohta at (808) 594-1988 or by email at everetto@oha.org as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled. Upon request, this notice is available in alternate/accessible formats.

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.

PRIVATE & CONFIDENTIAL

PANTHEON

JANUARY 31ST, 2024

OFFICE OF HAWAIIAN AFFAIRS BOARD MEETING: PANTHEON PROGRAM UPDATE



Contents

1. **Pantheon Update**
2. **Private Equity Market Backdrop**
3. **OHA Portfolio**

Pantheon presenter



Iain Jones, Managing Director (joined 2012, 13 years of private markets experience)

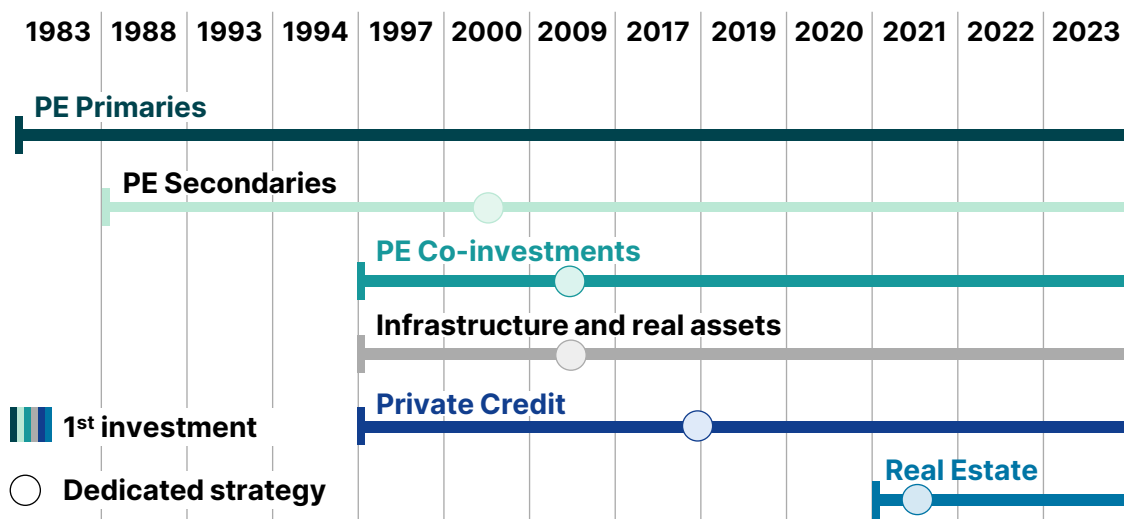
Iain is a Managing Director and Head of U.S. Institutional Investor Relations focusing on existing relationships and business development in North America. Previously, Iain provided client service and fundraising support across the UK market, as well Asia and Australia, from Pantheon's London office. Prior to joining Pantheon, he worked for Preqin in the Infrastructure research team in London. He has a BSc in economics from the University of Bristol. Iain is based in San Francisco.

Iain.Jones@Pantheon.com

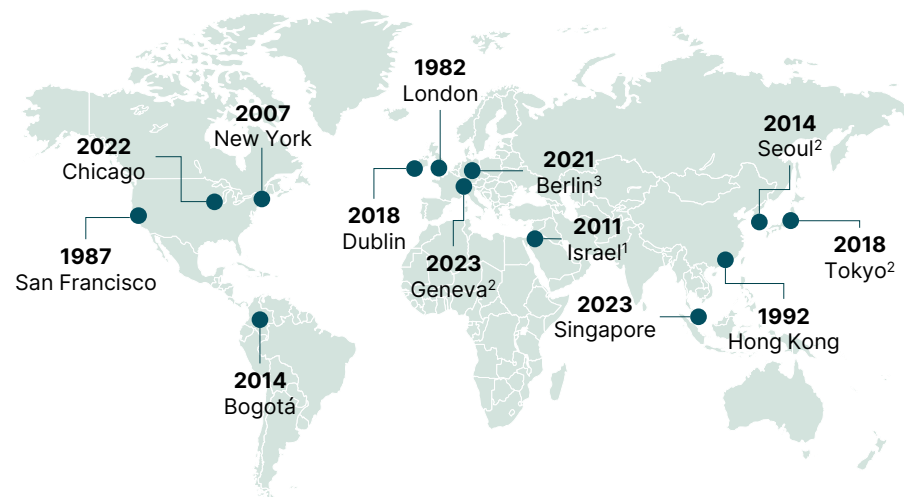
PANTHEON UPDATE



Investing in private markets for 40+ years



Pantheon Offices















454	136	\$94.6bn	40 / 60	>1,000	615	~10,000	~2,000	2007
Global staff ⁴	Investment professionals ⁴	<div> <div>\$61.7bn</div> <div>AUM</div> </div> <div> <div>\$32.9bn</div> <div>AUA</div> </div> <div>Assets under management and advice⁵</div>	% of AUM in commingled / customized accounts ⁵	Institutional investors globally ⁵	Advisory board seats ⁶	GPs in pantheon's database ⁶	Funds invested in	Became a signatory to UNPRI

¹A location from which executives of the Pantheon Group perform client service activities but does not imply an office. ²A location from which executives of the Pantheon Group perform client service activities. ³Pantheon has had a presence in Berlin since 2011 and opened an office in 2021. ⁴As of September 30, 2023. Please note this includes 34 professionals who support the deal teams through investment structuring, portfolio strategy, research and treasury. ⁵As of June 30, 2023. ⁶As of September 30, 2023.

A global team

International Investment Committee¹

											
Andrea Echberg Partner	Amya Hassanally Partner	Rakesh Jain Partner	Kathryn Leaf Partner, Co-Head of Investments	Brian Lim Partner	Elly Livingstone Partner	Jeff Miller Partner, Co-Head of Investments	Susan Long McAndrews Partner	Dennis McCrary Partner	Eimear Palmer Partner	Rudy Scarpa Partner	Helen Steers Partner

Investment Committees

Regional PE Primaries			Global PE Secondaries	Global PE Co-Investment	Global Infrastructure & Real Assets	Real Estate	Global Credit
US	Europe	Asia					
Brian Buenneke Susan Long McAndrews Dennis McCrary Jeff Miller Cecile Ross	Victor Mayer Imogen Richards ⁴ Helen Steers Francesco di Valmarana Erik Wong	Jie Gong Brian Lim Kunal Sood Alex Wilmerding	Petra Bukovec Kevin Dunwoodie Amya Hassanally Elly Livingstone Dennis McCrary Jeff Miller ⁵ Charlotte Morris Rudy Scarpa	Matt Cashion Jie Gong Dennis McCrary Jeff Miller Helen Steers Francesco di Valmarana Erik Wong	Paul Barr Evan Corley Jérôme Duthu-Bengtson Andrea Echberg Kathryn Leaf Dinesh Ramasamy Richard Sem	Roman Braslavsky David Elliott Kathryn Leaf Dinesh Ramasamy	Rick Jain Dennis McCrary Jeff Miller Toni Vainio Francesco di Valmarana

136²

Overall Investment professionals covering the following regions:

The Americas

55

Europe

74

Asia

7

23

Legal and Compliance

29

Finance and Tax

42

Technology

9

Risk

95³

Operations

67

Global Investor Relations

11

Global Marketing

24

Team Administrators

¹ Please note the IIC delegates the review of investment recommendations to a committee comprising investment professionals that may or may not be members of the IIC, subject to the oversight and supervision by the IIC. ² As of September 30, 2023. Please note this includes 34 professionals who support the deal teams through investment structuring, portfolio strategy, research and treasury. Numbers denote number of professionals. Please note some investment professionals are a shared resource across primaries, secondaries and co-investments. ³ Pantheon's operations team is supported by more than 70 staff at our third-party administrator. ⁴ Imogen Richards is a Partner in Pantheon's European Private Equity team and an observer on Pantheon's EIC. ⁵ Jeffrey Miller is Pantheon's Global Head of Private Equity and an observer on Pantheon's SIC.

Trusted partner to over >1000 investors across the globe over four decades¹

Americas²

>460	Investors
\$52.4bn	Client assets under management and advice
55	Investment professionals
16	Investor Relations professionals



Europe

>380	Investors
\$25.9bn	Client assets under management and advice
74	Investment professionals
40	Investor Relations professionals



APAC & RoW

>200	Investors
\$16.3bn	Client assets under management and advice
7	Investment professionals
12	Investor Relations professionals



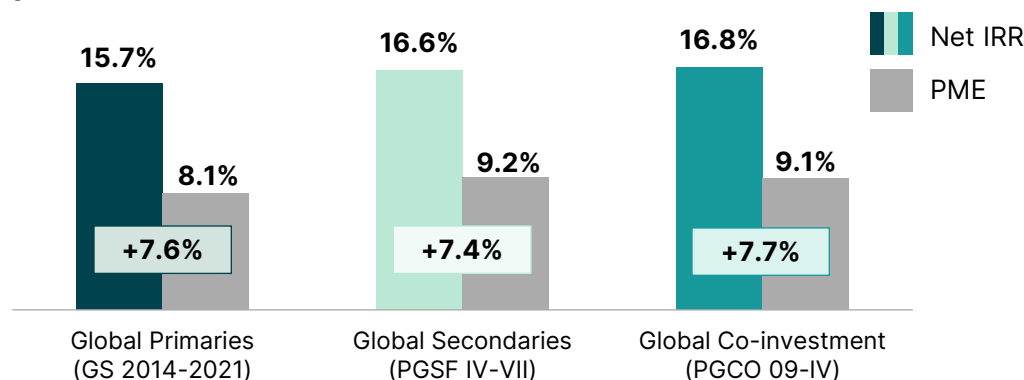
Note all figures related to Investment and IR professionals are as of September 30, 2023. Please note Investment professionals includes 34 professionals who support the deal teams through investment structuring, portfolio strategy, research and treasury. Assets under management and advice as of June 30, 2023. ¹Investors listed are an illustrative sample set and were selected in order to demonstrate the global nature of Pantheon's investor base and diverse types of institutions. Investors were not compensated for appearing in this presentation. Inclusion on this list does not indicate a client's approval of Pantheon or its services. ²Note figures for Americas Investment and IR professionals both include 3 Bogota team members who perform Investment and IR functions.

Pantheon's private equity platform

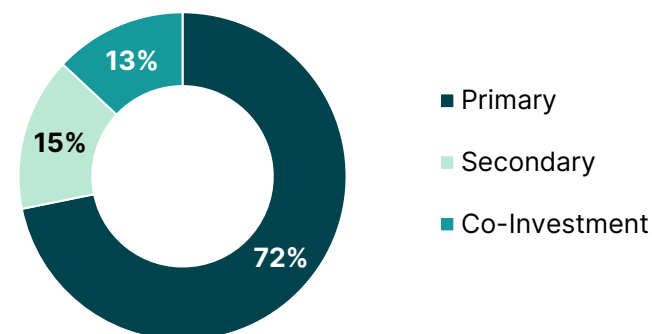
Pantheon's Edge in Private Equity¹

Strong track-record	Delivered 40+ years of compelling returns ²
Scale of platform	\$66.1bn private equity assets under management and advice ³
Robust deployment	Annual commitment pace of ~\$4bn to PE ⁴
Experienced team	85 PE professionals globally ⁵
Influential investor	Maintain >485 advisory board seats ⁶

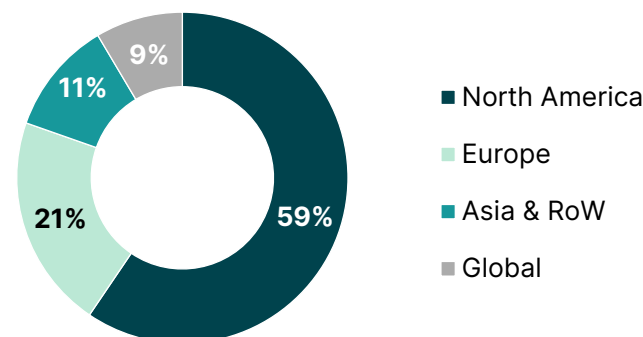
Recent Benchmark Outperformance^{7,8}



Private Equity AUM, by Stage³



Private Equity AUM, by Geography³



Past performance is not indicative of future results. Future performance is not guaranteed, and a loss of principal may occur. ¹Pantheon opinion. ²Full track record available upon request. ³As of June 30, 2023. This figure includes assets subject to discretionary or non-discretionary management or advice. ⁴There is no guarantee that this will persist. ⁵As of September 30, 2023. Please note this includes 34 professionals who support the deal teams through investment structuring, portfolio strategy, research and treasury. Excludes Infrastructure & Real Assets investment professionals. ⁶As of Q3 2023. ⁷Performance data as of June 30, 2023. Global Select VII will seek to invest in Primaries, Secondaries and Co-investments. Global Select performance represents aggregate performance of Global Select 2014, 2016, 2017, 2018, 2019 & 2021. PGSF performance represents aggregate performance of PGSF IV, PGSF V, PGSF VI and PGSF VII, excluding Energy deals. PGCO performance reflects aggregate PGCO 09, PGCO II, PGCO III, PGCO IV and PGCO V excluding Energy deals. An Energy deal is classified as an investment in a business involved in the production, or direct oilfield services to enable the production, of upstream oil and gas where this makes up 25% or more of the NAV. Global Select 2021 performance may be materially different to the Global private equity strategies. Hypothetical performance inclusive of realized and unrealized transactions, unrealized performance subject to change and may be materially lower when investments are realized. In considering the performance included above and throughout this presentation, prospective investors should bear in mind that past or expected performance is not indicative of future results and there can be no assurance that Global Select 2021 will achieve similar returns or that expected returns will actually be achieved. Please refer to the slide titled '*Pantheon Private Equity performance by strategy*' towards the back of this presentation for complete track record notes and disclosures. ⁸ Benchmark quoted is MSCI AC World Index (net). The notional IRRs for the MSCI AC World Index were calculated using the Public Market Equivalent (PME) methodology, whereby the Pantheon net cash flows are hypothetically invested in the index, assuming no fund level expenses. The MSCI AC World Index assumes reinvestment of all dividends after tax and is supplied by Bloomberg/MSCI.

PRIVATE EQUITY MARKET BACKDROP

Key themes

Increased focus on manager selection as pressure of financing costs continue

Interest rates hikes are likely over, resulting in less macro uncertainty and supporting existing trends in private markets – but rates expected to remain higher for longer

Dealmaking potential to be unlocked across asset classes

Private market activity **tailwinds in 2023 indicate a likely uptick in deal flow in 2024**, fueled by factors such as record levels of dry powder and adjustments in pricing expectations

Compelling secondaries opportunity remains as liquidity demand persists

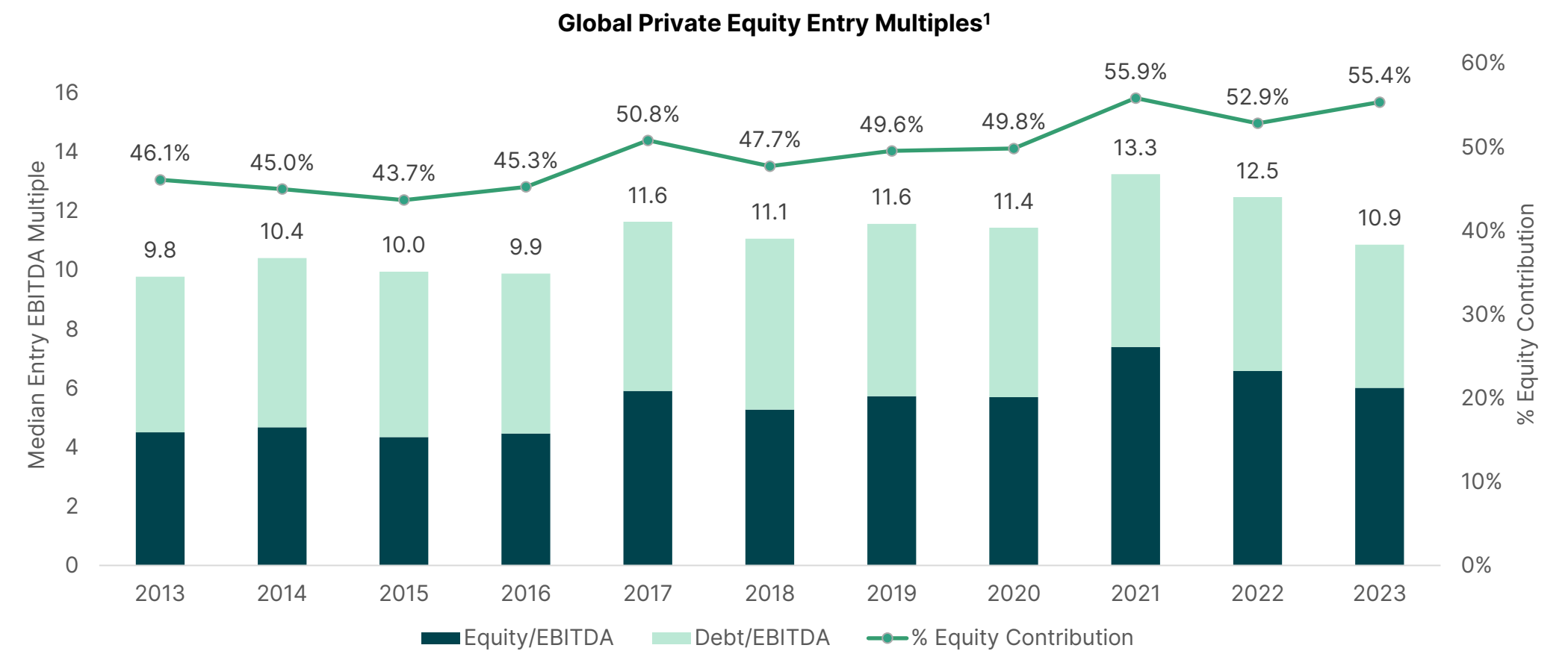
Recent activity in exits and pent-up liquidity demand points toward **an uptick in exit activity with increased reliance on the secondaries market**

Entry multiples moderated in 2023, reflecting financing market dynamics

Private Equity

>>>

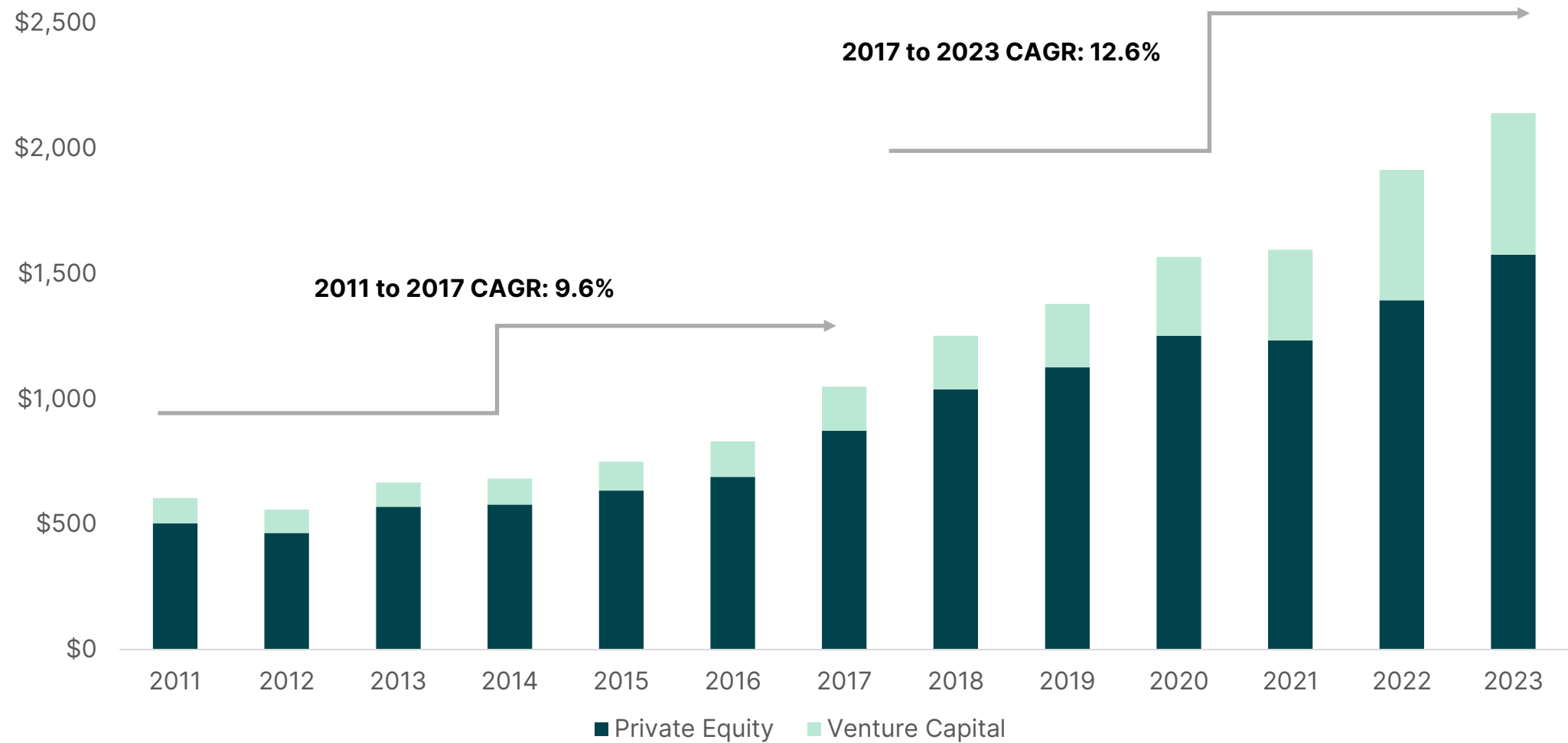
Entry multiples for private equity deals have moderated, reducing price expectations for investors



Source: ¹PitchBook 2023 Annual PE (North America and Europe). Deals as of December 31, 2023. ²PitchBook / LCD as of December 31, 2023. Count of LBO transactions covered

Accumulated dry powder have driving need to put capital to work

| Record levels of dry powder have accrued resulting in an increased need to put capital to work

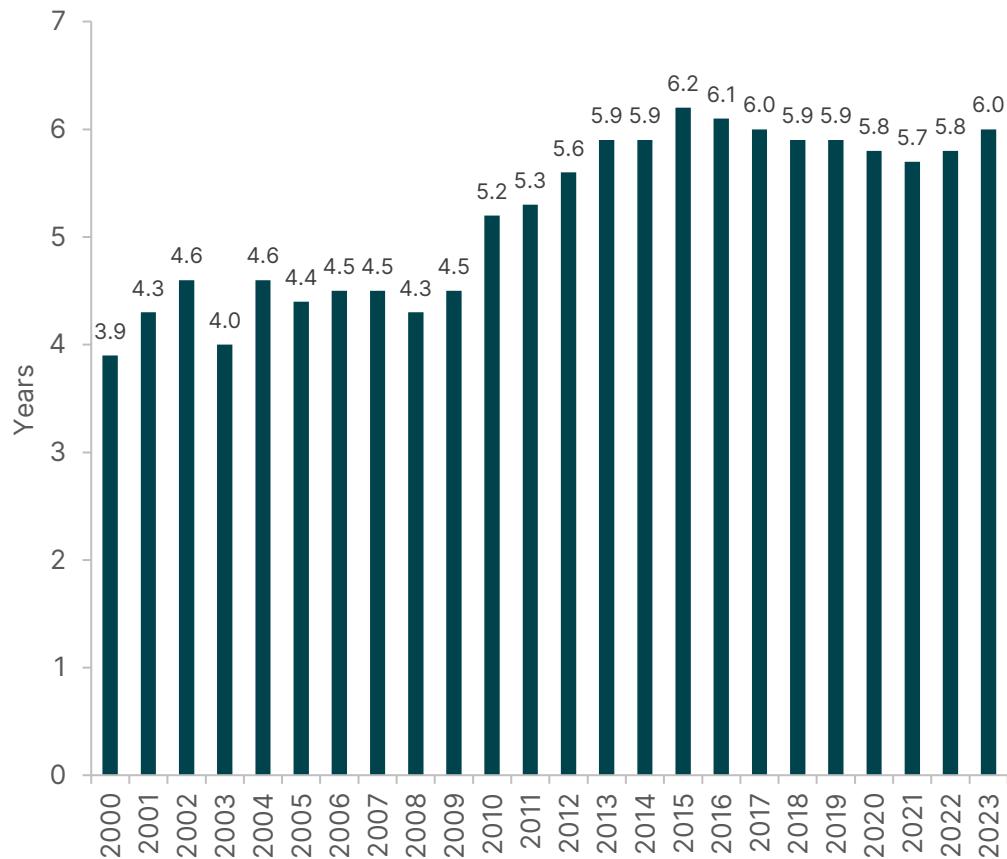


Source: Preqin as of December 2023

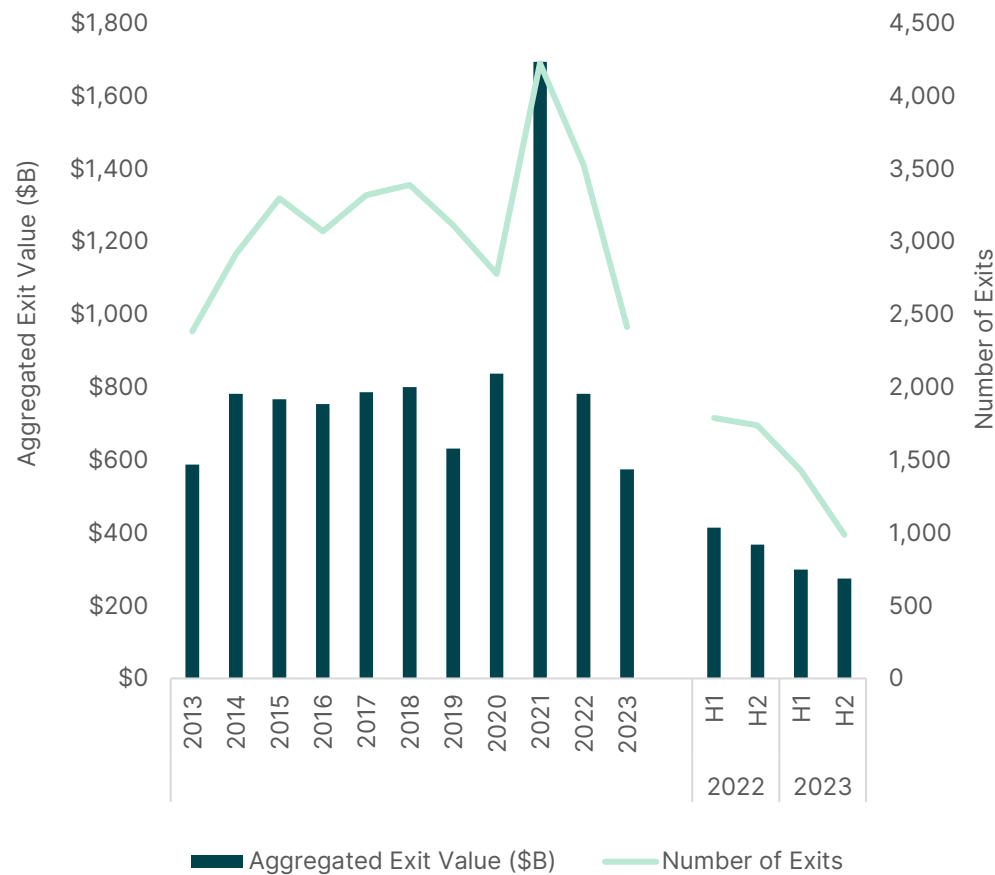


Reduction in exit activity and increased hold periods...

Average holding period for PE buyout deals is nearing its highest period, creating pressure for an increase in exit activity¹



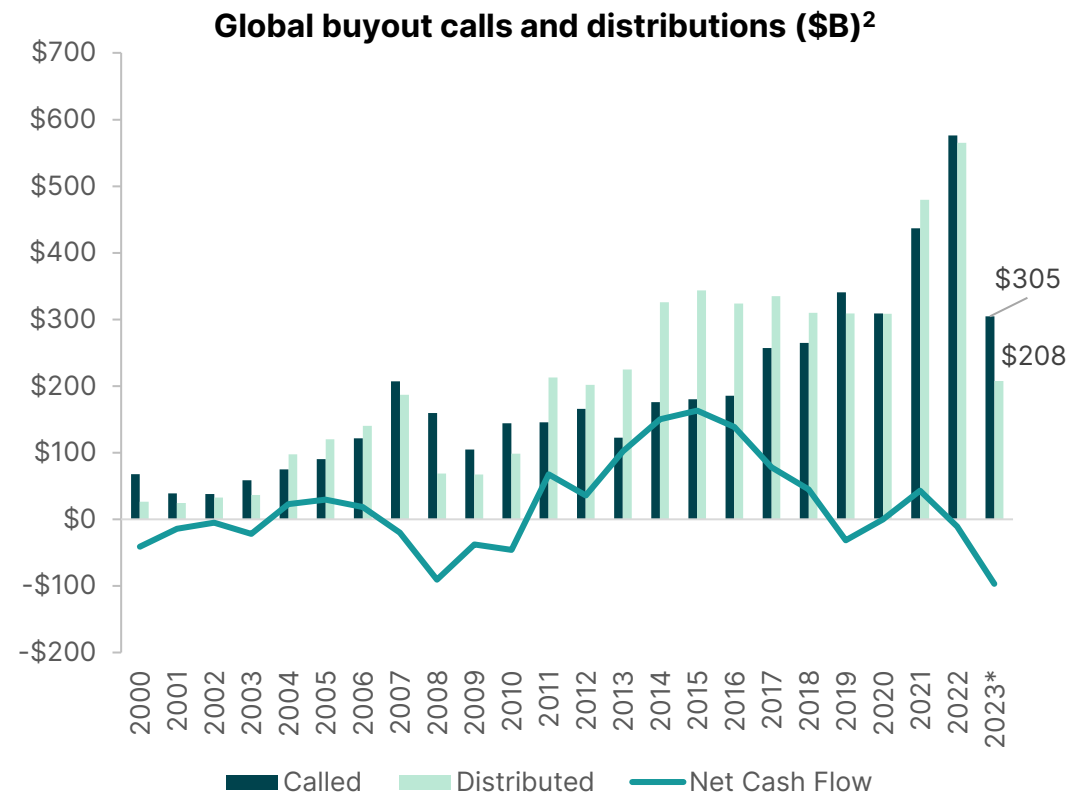
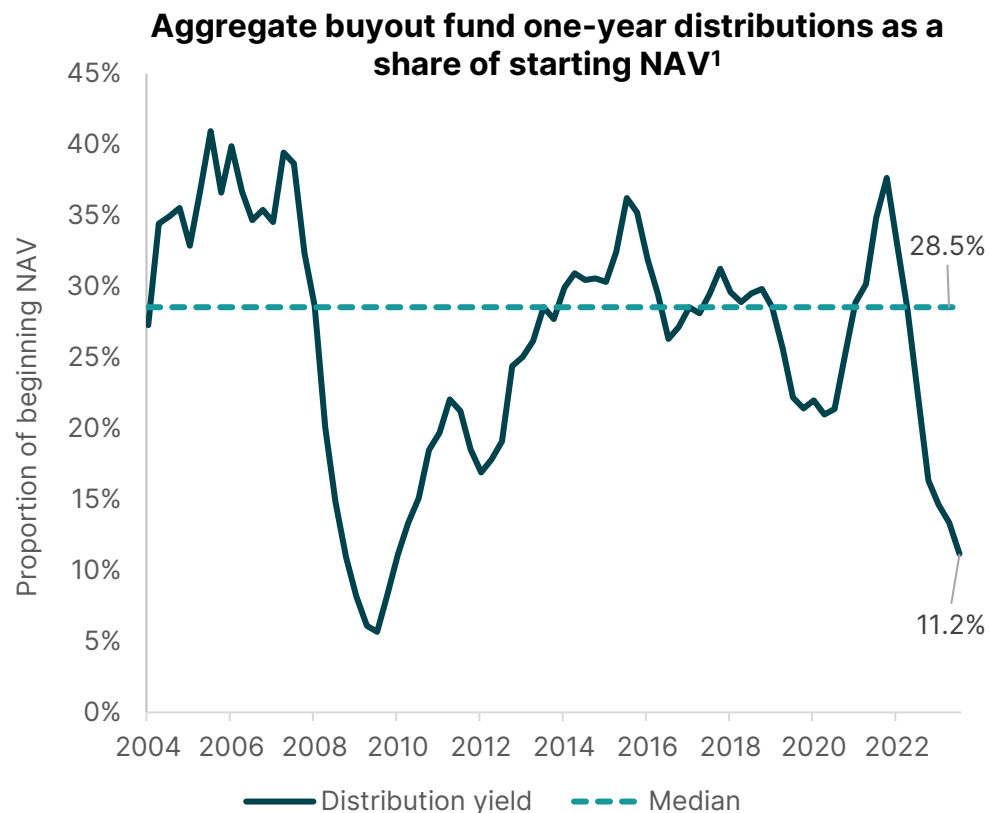
Number and value of exits has continued to trend down over the last two years, leading to extended hold periods, building pressure for liquidity



Source: ¹Preqin. ²PitchBook as of Q4 2023. Includes PE exits



... and consequent reduction in distributions flowing back to investors



Distributions, as a share of funds' starting NAV, are **nearing comparably low levels to those seen in the GFC**. Called capital in 2023 outstripped distributions by 47%, giving a net cash flow comparable to 2008.

Pressure will continue to mount for liquidity generation, with the passing of time helping to **narrow buyer/seller price disparity**

These combined pressures should continue to **support growth in the secondaries markets**, underpinning continued innovation in secondaries solutions and ever wider adoption by investors.

Source: ¹Pitchbook, US, as of 30 September 2023. ²Prequin, 2023 calls and distributions to end of June

Key takeaways

- 1** **Economy is more settled than it was this time last year, but uncertainty remains, and interest rates are expected to remain higher for longer**
- 2** **Financing market pressures will continue, but private markets have shown resilience – increased focus on manager selection as returns dispersion has widened**
- 3** **Recent stabilization, moderation in new deal values and high levels of dry powder to put to work create the potential for dealmaking to be unlocked**
- 4** **Secondary market opportunity remains compelling and 2024 could see record deal levels, as liquidity needs remain heightened due to slower exits and distributions**
- 5** **Pantheon continues to focus on disciplined, analytical investment approach – and we are well positioned to execute on secondary opportunity across private equity, infrastructure, credit and real estate**

OHA PORTFOLIO

OHA: Summary of commitments

As of September 30, 2023



Fund	Vintage	Commitments (millions)	Contributions since inception (millions)	Distributions since inception (millions)	NAV (millions)	Net IRR	Net Multiple
PEURO IV LP	2004	\$5.1	\$4.9	\$6.2	\$0.1	4.6%	1.30 x
PGSF II LP	2004	\$5.0	\$4.8	\$5.6	\$0.1	4.3%	1.20 x
PUSA VI LP	2004	\$6.0	\$5.7	\$8.7	\$0.1	6.7%	1.54 x
PGSF IV LP	2010	\$5.0	\$3.3	\$5.0	\$0.3	12.8%	1.59 x
PEURO VI LP	2007	\$6.1	\$5.8	\$9.3	\$1.1	10.2%	1.79 x
PUSA VIII LP	2007	\$7.5	\$7.0	\$12.9	\$2.2	12.9%	2.18 x
PEAF VI LP	2012	\$2.0	\$1.9	\$1.3	\$1.9	7.8%	1.66 x
PGCO II LP	2012	\$1.0	\$0.9	\$1.6	\$0.3	14.3%	2.06 x
PGSF V LP	2014	\$7.0	\$5.5	\$4.6	\$4.2	11.7%	1.59 x
Private Equity Total		\$44.7	\$39.7	\$55.3	\$10.2	8.7%	1.65x
Private Equity PME¹						6.9%	
PGIF II LP	2013	\$2.0	\$1.8	\$1.9	\$0.9	10.9%	1.59 x
Infrastructure Total		\$2.0	\$1.8	\$1.9	\$0.9	10.9%	1.59 x
Infrastructure PME²						5.1%	
OHA Program Total		\$46.7	\$41.5	\$57.2	\$11.1	8.8%	1.64x

Key: — = Fund in Liquidation — = Fund in Harvesting Mode

¹PME benchmark is MSCI AC World Net TR.

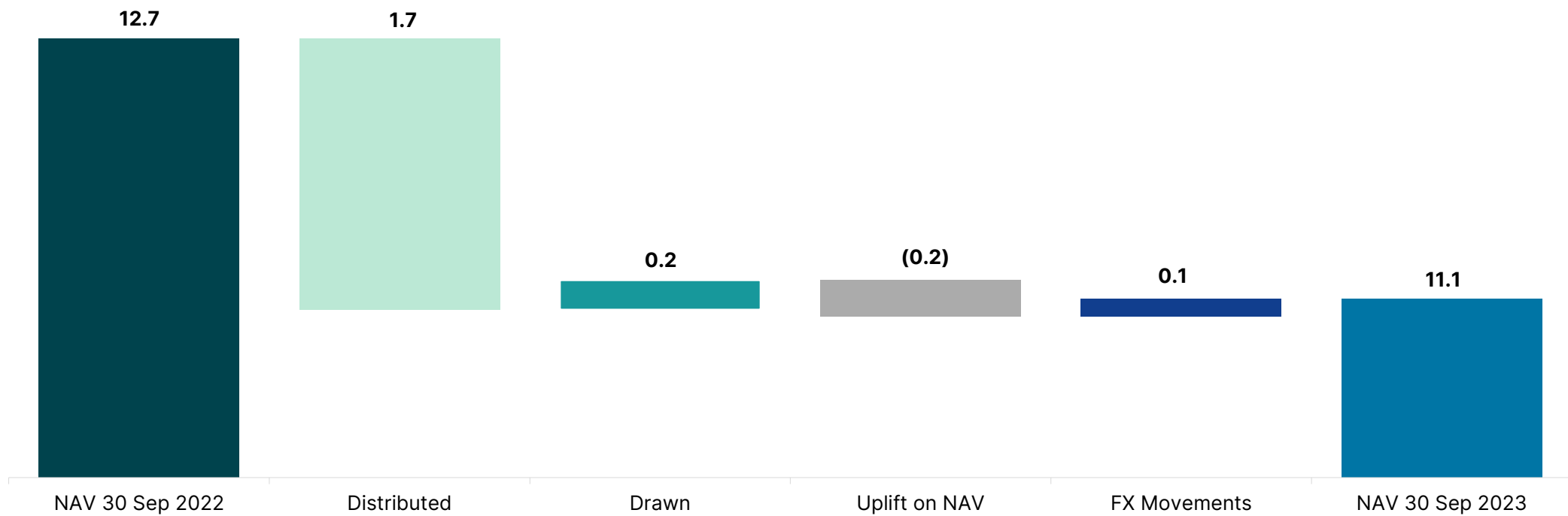
²PME benchmark is 50% US CPI / 50% EU28 CPI +3% p.a.

The above benchmarks reflect the return of each index weighted by the Funds' cashflows. The above IRRs are derived by Pantheon from cash flows and calculated asset values. These IRRs may not correspond to the returns published by the underlying funds. Interim IRRs may not be an accurate indication of the final multiple. The table above is subject to rounding differences. Past performance is not indicative of future results. Future performance is not guaranteed, and loss of principal may occur.

OHA: Performance drivers in the last year

As of September 30, 2023

US\$ m

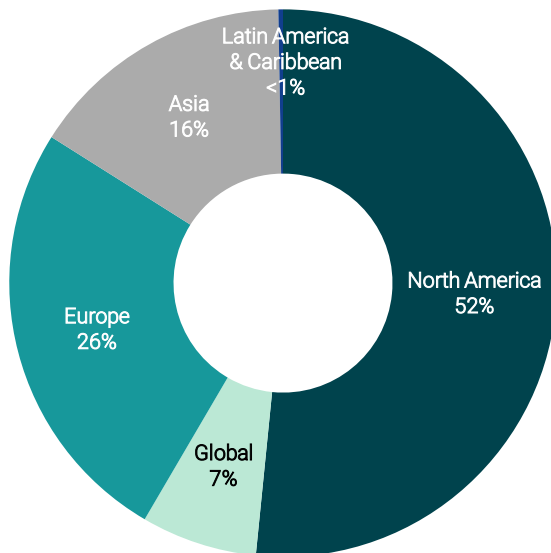


As of September 30, 2023. The above chart is subjected to rounding differences.
Past performance is not indicative of future results. Future performance is not guaranteed and loss of principal may occur.

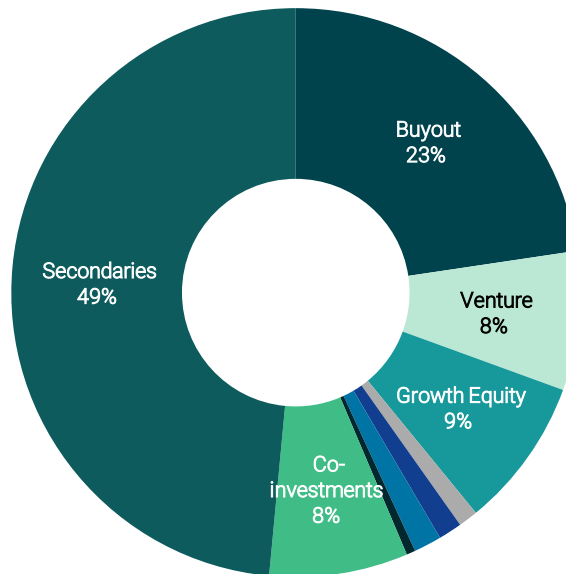
OHA: Portfolio diversification

As of September 30, 2023

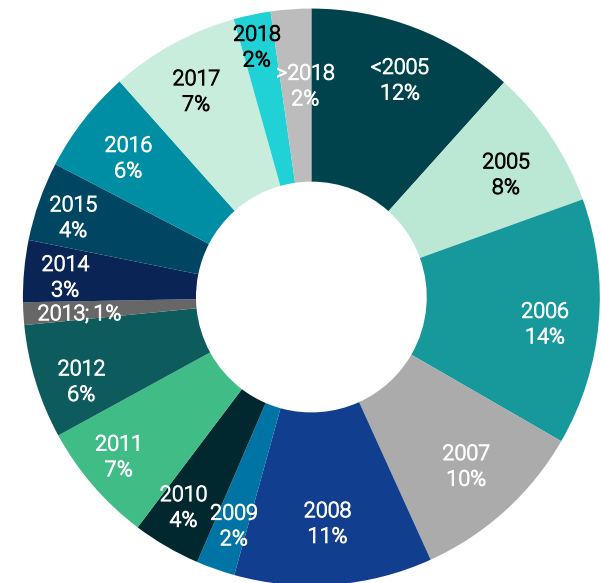
By geography¹



By strategy¹



By vintage²



The above charts are subject to rounding differences.

¹The chart looks through the Pantheon funds-of-funds to show NAV and unfunded commitments to underlying funds, expressed in US\$.

²The chart shows total commitments to underlying funds expressed in US\$.

Project Arctic

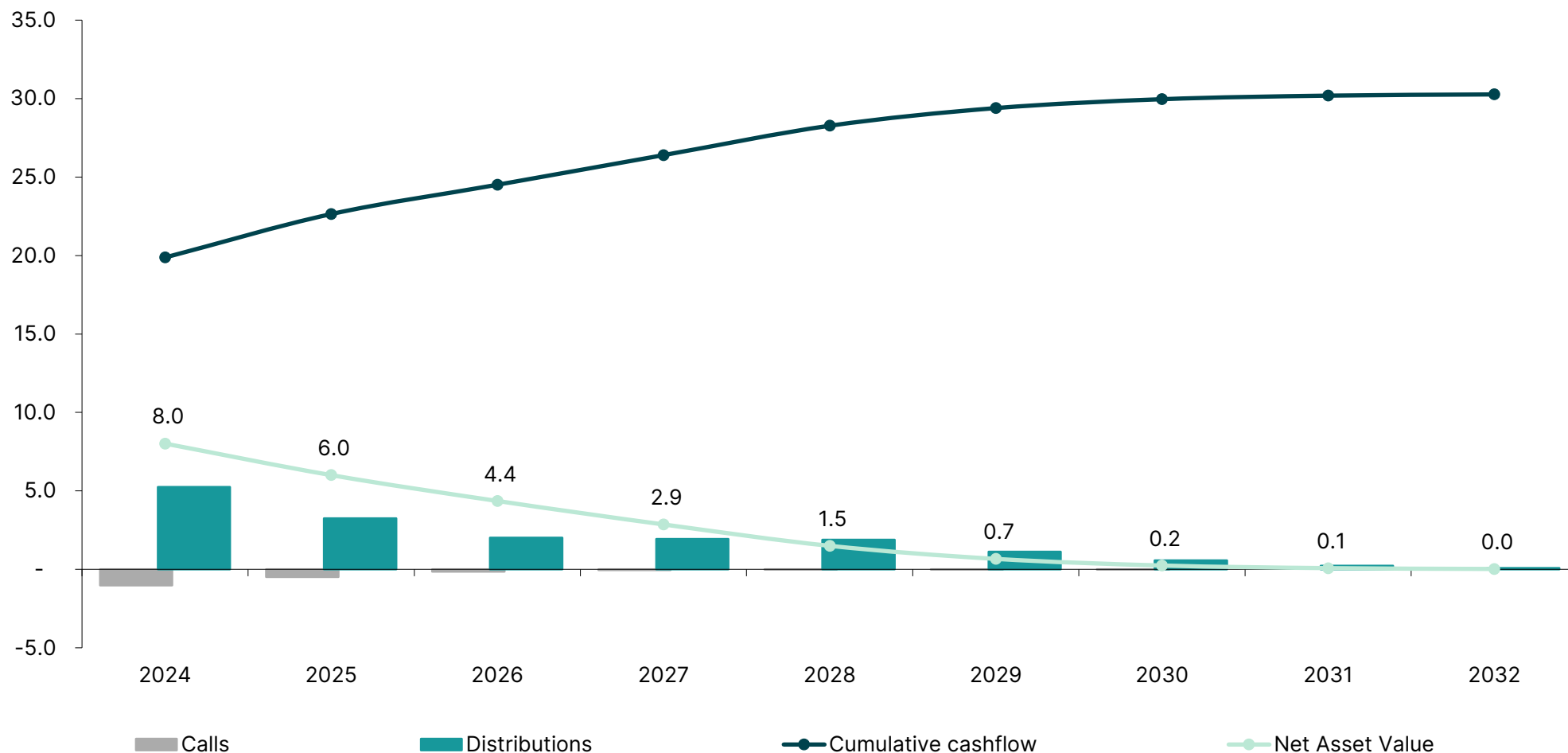
Potential sale process across several, seasoned investment vehicles

			To be Considered for Sale		
Pantheon Selling Vehicle	Vintage	Total NAV, mn	Total NAV for Sale, mn	Undrawn, mn	# of interests for sale
Co-investment vehicles					
PGCO II	2012	\$163.0	\$64.0	\$0.2	9
Total		\$163.0	\$64.0	\$0.2	9
Secondary vehicles					
PGSF IV LP	2010	\$45.2	\$14.3	\$5.8	5
Total		\$45.2	\$14.3	\$5.8	5
Primary vehicles					
PEURO IV LP	2004	\$0.6	\$0.6	\$0.3	3
PEURO VI LP	2007	\$260.4	\$24.1	\$5.0	7
PUSA VI LP	2004	\$1.4	\$1.4	\$0.0	2
Total		\$262.4	\$26.1	\$5.3	12
Grand Total		\$470.7	\$104.4	\$11.3	26

Examples are shown for illustrative purposes only and are not necessarily representative of every diligence and/or approved sale opportunity. There is no guarantee that this sale will close. Past performance is not indicative of future results. Future performance is not guaranteed, and loss of principal may occur.

OHA: Cash flow forecast

As of September 30, 2023



All values are in US\$m. Please note that the assumptions regarding private equity cashflows are based on Pantheon's opinion. The pattern and timing of cashflows in private equity are unpredictable and depend on general economic conditions. There is a risk that if market conditions and or managers' performance, both in private equity and other asset classes, are not in line with expectations, actual portfolio development may vary from the projections. This example, which is purely illustrative, is not intended to represent forecasts of performance and should not be used for that purpose. All projections, forecasts or related statements or expressions of opinion are forward looking statements. Pantheon can give no assurance that such expectations will prove to be correct and should not be regarded as a guarantee, prediction or definitive statement of fact or probability. Any projections or other information are hypothetical in nature, do not reflect actual investment results, are no guarantee of future results and loss of principal may occur.

OHA: NAV and cash flow forecast summary

As of September 30, 2023



Current Program (\$m)				
	Cumulative Calls	Cumulative Distributions	NAV	Cumulative Cash Flow
Total	41.5	57.2	11.1	15.7

Current Program (\$m)				
Year	Calls	Distributions	NAV	Annual Net Cash Flow
2024	1.0	5.2	8.0	4.2
2025	0.5	3.2	6.0	2.8
2026	0.1	2.0	4.4	1.9
2027	0.1	1.9	2.9	1.9
2028	0.0	1.9	1.5	1.9
2029	0.0	1.1	0.7	1.1
2030	0.0	0.6	0.2	0.6
2031	0.0	0.2	0.1	0.2
2032	0.0	0.1	0.0	0.1
2033	0.0	0.0	0.0	0.0
Total	1.7	16.4		14.6

The above IRRs are derived by Pantheon from cash flows and calculated asset values. These IRRs may not correspond to the returns published by the underlying funds. Interim IRRs may not be an accurate indication of the final multiple. The table above is subject to rounding differences. Past performance is not necessarily indicative of future results. Future performance is not guaranteed, and loss of principal may occur.

APPENDIX



Pantheon private equity performance by strategy

As of June 30, 2023

Primaries¹ Since 2014

17.1% Gross IRR

1.46x Gross TVPI

15.7% Net IRR

1.44x Net TVPI

Secondaries² Since 2010, ex-Energy

16.5% Gross IRR

1.65x Gross TVPI

16.4% Net IRR

1.77x Net TVPI

Co-investments³ Since 2009, ex-Energy

19.3% Gross IRR

2.06x Gross TVPI

16.8% Net IRR

1.91x Net TVPI

Past performance is not indicative of future results. Future results are not guaranteed, and loss of principal may occur. Performance data as of June 30, 2023. ¹Data herein represents the aggregate performance of Global Select 2014, 2016, 2017, 2018, 2019 & 2021. ²Data herein represents the aggregate performance of PGSF IV, PGSF V and PGSF VI, excluding Energy deals as Pantheon's secondary vehicles no longer make energy investments. These funds follow Pantheon's current secondary strategy which has been in place since 2010. PGSF I, PGSF II and PGSF III, followed a materially different strategy. PGSF I, PGSF II and PGSF III performance is available upon request. ³Data herein represents the aggregate performance of PGCO 09, PGCO II, PGCO III, PGCO IV, excluding Energy deals as Pantheon's co-investment vehicles no longer make energy investments. These funds follow Pantheon's current co-investment strategy which has been in place since 2009. An Energy deal is classified as an investment in a business involved in the production, or direct oilfield services to enable the production, of upstream oil and gas. For Pantheon's Primary, Secondary and Co-investment track record please refer to the slides titled '[Performance: Pantheon Global Select](#)', '[Secondary track record and disclosures since inception](#)' and '[Pantheon co-investment track record](#)' towards the back of this presentation. All performance inclusive of realized and unrealized transactions, unrealized performance subject to change and may be materially lower when investments are realized. In considering the performance included above and throughout this presentation, prospective investors should bear in mind that past or expected performance is not indicative of future results and there can be no assurance that Global Select VII will achieve similar returns or that expected returns will actually be achieved. The data excludes the performance of any Pantheon-managed separate account for which the separate account client has the ability to consent or veto investment recommendations made by Pantheon.

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- An investment in a fund investing in alternative investments involves a high degree of risk. Such investments are speculative, subject to high return volatility and will be illiquid on a long-term basis. Investors may lose their entire investment.
- Managers of funds investing in alternative assets typically take several years to invest a fund's capital. Investors will not realize the full potential benefits of the investment in the near term, and there will likely be little or no near-term cash flow distributed by the fund during the commitment period. Interests may not be transferred, assigned or otherwise disposed of without the prior written consent of the manager or general partner.
- Funds investing in alternative assets are subject to significant fees and expenses, typically, management fees and a 20% carried interest in the net profits generated by the fund and paid to the general partner, manager or an affiliate thereof. Investments in such funds are affected by complex tax considerations.
- Funds investing in alternative assets may make a limited number of investments. These investments involve a high degree of risk. In addition, funds may make minority investments where the fund may not be able to protect its investment or control, or influence effectively the business or affairs of the underlying investment. The performance of a fund may be substantially adversely affected by a single investment. Private fund investments are less transparent than public investments and private fund investors are afforded fewer regulatory protections than investors in registered funds or registered public securities.
- Investors in funds investing in alternative assets are typically subject to periodic capital calls. Failure to make required capital contributions when due will cause severe consequences to the investor, including possible forfeiture of all investments in the fund made to date. A material number of investors failing to meet capital calls could also result in the fund failing to meet a capital call applicable to participating in an investment. Such a default by the fund could lead to the permanent loss of all or some of the applicable fund's investment, which would have a material adverse effect on the investment returns for non-defaulting investors participating in such investment.
- Governing investment documents or the related Prospectus or the managed account agreement, as the case may be, are not reviewed or approved by federal or state regulators and privately placed interests are not federally or state registered.
- Fees and expenses – which may be substantial regardless of any positive return – will offset an investment product's profits. If an investment product's investments are not successful, these fees and expenses may, over a period of time, deplete the net asset value of the investment product.
- Pantheon and its affiliates may be subject to various potential and actual conflicts of interest.
- An investment product may employ investment strategies or techniques aimed to reduce the risk of loss which may not be successful.

The above summary is not a complete list of the risks, tax considerations and other important disclosures involved in investing in an investment product and is subject to the more complete disclosures in such investment product's Prospectus and/or managed account agreement, and/or governing documents of any investment product which must be reviewed carefully prior to making any investment in such investment product.

Pantheon has taken reasonable care to ensure that the information contained in this document is accurate at the date of publication. However, no warranty or guarantee (express or implied) is given by Pantheon as to the accuracy of the information in this document, and to the extent permitted by applicable law, Pantheon specifically disclaims any liability for errors, inaccuracies or omissions in this document and for any loss or damage resulting from its use.

Description of commonly used indices

This list may not represent all indices used in this material.

MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index consists of the following 23 developed market country indexes: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

S&P 500 Index is a widely recognized gauge of the U.S. equities market. This index is an unmanaged capitalization-weighted index consisting of 500 of the largest capitalization U.S. common stocks. The returns of the S&P 500 include the reinvestment of dividends.

Important Disclosure

MSCI Europe Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. The MSCI Europe Index consists of the following 15 developed market country indexes: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

MSCI AC Asia Pacific Index captures large and mid-cap representation across 5 Developed Markets countries and 8 Emerging Markets countries in the Asia Pacific region. With around 1,500 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. Developed Markets countries in the index include: Australia, Hong Kong, Japan, New Zealand, and Singapore. Emerging Markets countries include: China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan, and Thailand.

MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 24 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

FTSE Europe Index is one of a range of indices designed to help investors benchmark their European investments. The index comprises Large and Mid-cap stocks providing coverage of the Developed markets in Europe. The index is derived from the FTSE Global Equity Index Series (GEIS), which covers 98% of the world's investable market capitalization.

MSCI USA Index is designed to measure the performance of the large and mid-cap segments of the US market. With over 600 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the US.

FTSE Asia-Pacific Index is part of a range of indices designed to help Asia Pacific investors to benchmark their investments. The index comprises Large (40%) and Mid (60%) Cap stocks providing coverage of 14 markets. The index is derived from the FTSE Global Equity Index Series (GEIS), which covers 98% of the world's investable market capitalization.

FTSE All World Index is a market-capitalization weighted index representing the performance of the large and mid-cap stocks from the FTSE Global Equity Index Series and covers 90-95% of the investable market capitalization. The index covers Developed and Emerging markets and is suitable as the basis for investment products, such as funds, derivatives, and exchange-traded funds.

Cambridge Associates Private Investment Benchmarks are based on data compiled from over 8,000 global private market funds (including buyout, growth equity, private equity energy, subordinated capital funds and venture capital), including fully liquidated partnerships, formed between 1988 and 2022, including fully liquidated partnerships. The Cambridge Associates Private Investment Benchmarks have limitations (some of which are typical to other widely used indices) and cannot be used to predict performance of the Fund. These limitations include survivorship bias (the returns of the index may not be representative of all private market funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all private market funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many funds do not report to indices, and the index may omit funds, the inclusion of which might significantly affect the performance shown).

Cambridge Associates (Infrastructure) is comprised of data extracted in fund currency from Private Equity and Venture Capital index based on funds classified as Infrastructure by Cambridge Associates. Cambridge Associates defines Infrastructure as funds that primarily invest in companies and assets that provide an essential service that contributes to the economic or social productivity of an organization, community, or society at large, with real assets in the water, transportation, energy, communication, or social sector. Investments must also have one or more of the following structural features: a monopolistic or oligopolistic market position with high barriers to entry; a low elasticity of demand due to their essential functions; stable, predictable, and long-term revenue contracts; or inflation protection through inflation adjustment mechanisms in underlying contracts. These indexes have limitations (some of which are typical to other widely used indices) and cannot be used to predict performance of the fund. These limitations include survivorship bias (the returns of the index may not be representative of all private equity funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all private equity are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many funds do not report to indices, and the index may omit funds, the inclusion of which might significantly affect the performance shown).

The funds included in the data shown report their performance voluntarily therefore the data may reflect a bias towards funds with track records of success. The underlying funds may report audited or unaudited. The data is not transparent and cannot be independently verified.

Preqin's database includes performance information on over 7,000 active Private Equity funds. The Preqin data is supplied by managers therefore may be unaudited. The indices cannot be independently verified and may be recalculated by Preqin each time a new fund is added. The historical performance of the index is not fixed, cannot be replicated and may differ over time from the data presented in this communication.

Any reference to the title of "Partner" in these materials refers to such person's capacity as a partner of Pantheon Ventures (UK) LLP. In addition, any reference to the title of "Partner" for persons located in the United States refers to such person's capacity as a limited partner of Pantheon Ventures (US) LP.

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|| PANTHEON

Committee on Resource ManagementTrustee John Waihe'e IV, *At-Large* - ChairTrustee Luana Alapa, *Moloka'i / Lāna'i* - Vice Chair**Members**Trustee Dan Ahuna, *Kaua'i / Ni'ihau*Trustee Kaleihikina Akaka, *O'ahu*Trustee Keli'i Akina, *At-Large*Trustee Brickwood Galuteria, *At-Large*Trustee Carmen Hulu Lindsey, *Maui*Trustee J. Keoni Souza, *At-Large*Trustee Mililani Trask, *Hawai'i Island*

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

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

DATE: Wednesday January 31, 2024**TIME:** 1:30 p.m.**PLACE:** Virtual Meeting

560 N. Nimitz Hwy., Honolulu, HI 96817

viewable at <https://www.oha.org/livestream> OR

Listen by phone: (213) 338-8477, Webinar ID: 894 5940 9035

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: 894 5940 9035. 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.

AGENDA

I. Call to Order**II. Approval of Minutes**

A. December 6, 2023

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

A. Consequent Capital Management Introduction

1. Presentation: Pantheon (Private Markets), Iain Jones

B. Action Item RM #24-01: Approve the designation of Stacy Kealohalani Ferreira as the Office of Hawaiian Affairs' Authorized Organizational Representative for the Administration for Native Americans, American Rescue Plan Act, Emergency Native Language Funding Opportunity for Native Hawaiians and Pacific Islanders Grant Award, supporting OHA's Native Hawaiian Language Preservation and Maintenance: Community-Based Research Project

C. Action Item RM #24-02: Approve OHA funding of the 13th Festival of Pacific Arts & Culture, Hawai'i 2024, Ho'oulu Lāhui: Regenerating Oceania

D. Action Item RM #24-03: Approve OHA funding of Fiscal Year 2024 Third Quarter Sponsorships

E. Action Item RM #24-04: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25) – Realignment #1 - Core and Non-Core Realignments

V. Announcements**VI. Adjournment**

If you need an auxiliary aid/service or other accommodation due to a disability, please contact Everett Ohta at (808) 594-1988 or by email at everetto@oha.org as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled. Upon request, this notice is available in alternate/accessible formats.

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.



ACTION ITEM

COMMITTEE ON RESOURCE MANAGEMENT

January 31, 2024

RM #24-01

Action Item Issue: Approval of the designation of Stacy Kealohalani Ferreira as the Office of Hawaiian Affairs' Authorized Organizational Representative for the Administration for Native Americans, American Rescue Plan Act, Emergency Native Language Funding Opportunity for Native Hawaiians and Pacific Islanders Grant Award, supporting OHA's Native Hawaiian Language Preservation and Maintenance: Community-Based Research Project

Prepared by:

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

Jan 26, 2024

Casey K. Brown
Ka Pou Nui, Chief Operating Officer

Date

Reviewed by:

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

Jan 26, 2024

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

Date

Reviewed by:

A handwritten signature in black ink, appearing to read 'Everett Ohta'.

Jan 26, 2024

Everett Ohta
Ka Paepae Puka Kūikawā, Interim General Counsel

Date

Reviewed by:

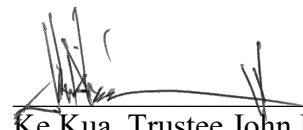
A handwritten signature in black ink, appearing to read 'Stacy K. Ferreira'.

Jan 26, 2024

Stacy K. Ferreira
Ka Pouhana, Chief Executive Officer

Date

Reviewed by:



Ke Kua, Trustee John D. Waihe'e III

Luna Ho 'omalu o ke Kōmike Resource Management

Chairperson of the Committee on Resource Management

JAN 27, 2024

Date

I. Proposed Action

Approve the designation of Stacy Kealohalani Ferreira as the Office of Hawaiian Affairs' Authorized Organizational Representative (AOR) for the Administration for Native Americans (ANA), American Rescue Plan (ARP) Act, Emergency Native Language Funding Opportunity for Native Hawaiians and Pacific Islanders Grant Award, supporting OHA's Native Hawaiian Language Preservation and Maintenance: Community-Based Research Project.

II. Issue

Whether or not the BOT will approve the change to key grant personnel on the ANA, ARP Act Grant, Native Hawaiian Language Preservation and Maintenance: Community-Based Research Project, to designate Ka Pouhana, Chief Executive Officer (CEO), Stacy Kealohalani Ferreira as the Authorized Organizational Representative.

III. Background & Discussion

In 2021, following Board of Trustees approval, the Office of Hawaiian Affairs (OHA) was awarded the Administration for Children and Families (ACF), Administration for Native Americans (ANA), American Rescue Plan Act (ARP), Emergency Native Language Funding Opportunity for Native Hawaiians and Pacific Islanders grant. This grant was used to support OHA's Native Hawaiian Language Preservation and Maintenance: Community-Based Research Project. Through a subgrant process, the project awarded the full funding amount from ANA of \$311,939.00 to four Native Hawaiian serving, Hawai'i-based, non-profit organizations to collect data on the impact of intergenerational Hawaiian language programs.

Following the appointment of a new OHA CEO, ANA is requesting OHA to formally update the Authorized Organizational Representative role from Sylvia Hussey to Stacy Kealohalani Ferreira, to reflect current OHA Administration personnel. ANA requires the approval by an organization's board for this type of change. These changes will enable continued management of the ANA ARP grant by OHA Administration.

IV. Budget Authorization

No funding is required.

V. Recommended Action

Approve the designation of Stacy Kealohalani Ferreira as the Office of Hawaiian Affairs' Authorized Organizational Representative for the Administration for Native Americans, American Rescue Plan Act, Emergency Native Language Funding Opportunity for Native

Action Item RM #24-01: Approval of the designation of Stacy Kealohalani Ferreira as the Office of Hawaiian Affairs' Authorized Organizational Representative of the Administration of Native Americans, American Rescue Plan Act, Emergency Native Language Funding Opportunity for Native Hawaiians and Pacific Islanders Grant Award to support OHA's Native Hawaiian Language Preservation and Maintenance: Community-Based Research Project

Hawaiians and Pacific Islanders Grant Award, supporting OHA's Native Hawaiian Language Preservation and Maintenance: Community-Based Research Project.

VI. Alternatives to Recommended Action

- A. To not approve Administration's recommended action
- B. To approve an amended version of Administration's recommended action

VII. Attachments

- A. Administration for Native Americans, American Rescue Plan Act, Emergency Native Language Funding Opportunity for Native Hawaiians and Pacific Islanders Grant. Notice of Award

Action Item BOT #24-##: Approval of the designation of Stacy Kealohalani Ferreira as the Office of Hawaiian Affairs' Authorized Organizational Representative of the Administration of Native Americans, American Rescue Plan Act, Emergency Native Language Funding Opportunity for Native Hawaiians and Pacific Islanders Grant Award to support OHA's Native Hawaiian Language Preservation and Maintenance: Community-Based Research Project

ATTACHMENT A



Department of Health and Human Services
Administration for Children and Families

Notice of Award

Award# 90XN0222-01-00
FAIN# 90XN0222
Federal Award Date: 09/01/2021

Recipient Information	Federal Award Information																								
1. Recipient Name Office of Hawaiian Affairs 560 N Nimitz Hwy Research Honolulu, HI 96817-5330	11. Award Number 90XN0222-01-00 12. Unique Federal Award Identification Number (FAIN) 90XN0222 13. Statutory Authority 42 USC 2991 ET SEQ																								
2. Congressional District of Recipient 01 3. Payment System Identifier (ID) 1996001081C3 4. Employer Identification Number (EIN) 990266530 5. Data Universal Numbering System (DUNS) 003067464 6. Recipient's Unique Entity Identifier 7. Project Director or Principal Investigator Dr. Lisa M Watkins-Victorino lisaw@oha.org 8087541180	14. Federal Award Project Title Native Hawaiian Language Preservation and Maintenance: Community Based Research 15. Assistance Listing Number 93.587 16. Assistance Listing Program Title Promote the Survival and Continuing Vitality of Native American Languages 17. Award Action Type New 18. Is the Award R&D? No																								
8. Authorized Official Ms. Sylvia Huxey Chief Executive Officer sylviah@oha.org 808-221-5477	<table border="1"> <thead> <tr> <th colspan="2">Summary Federal Award Financial Information</th> </tr> </thead> <tbody> <tr> <td>19. Budget Period Start Date</td> <td>09/01/2021 - End Date 09/30/2024</td> </tr> <tr> <td>20. Total Amount of Federal Funds Obligated by this Action</td> <td>\$311,939.00</td> </tr> <tr> <td>20a. Direct Cost Amount</td> <td>\$311,939.00</td> </tr> <tr> <td>20b. Indirect Cost Amount</td> <td>\$0.00</td> </tr> <tr> <td>21. Authorized Carryover</td> <td>\$0.00</td> </tr> <tr> <td>22. Offset</td> <td>\$0.00</td> </tr> <tr> <td>23. Total Amount of Federal Funds Obligated this budget period</td> <td>\$0.00</td> </tr> <tr> <td>24. Total Approved Cost Sharing or Matching, where applicable</td> <td>\$0.00</td> </tr> <tr> <td>25. Total Federal and Non-Federal Approved this Budget Period</td> <td>\$311,939.00</td> </tr> <tr> <td>26. Project Period Start Date</td> <td>09/01/2021 - End Date 09/30/2024</td> </tr> <tr> <td>27. Total Amount of the Federal Award including Approved Cost Sharing or Matching this Project Period</td> <td>Not Available</td> </tr> </tbody> </table>	Summary Federal Award Financial Information		19. Budget Period Start Date	09/01/2021 - End Date 09/30/2024	20. Total Amount of Federal Funds Obligated by this Action	\$311,939.00	20a. Direct Cost Amount	\$311,939.00	20b. Indirect Cost Amount	\$0.00	21. Authorized Carryover	\$0.00	22. Offset	\$0.00	23. Total Amount of Federal Funds Obligated this budget period	\$0.00	24. Total Approved Cost Sharing or Matching, where applicable	\$0.00	25. Total Federal and Non-Federal Approved this Budget Period	\$311,939.00	26. Project Period Start Date	09/01/2021 - End Date 09/30/2024	27. Total Amount of the Federal Award including Approved Cost Sharing or Matching this Project Period	Not Available
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Federal Agency Information ACF/ANA Office of Discretionary Grants 9. Awarding Agency Contact Information Ms. D'Angela Forbes Grants Management Specialist d'angela_forbes@acf.hhs.gov 202-401-4629 10. Program Official Contact Information Rosia Curry Program Specialist rosia.curry@acf.hhs.gov 877-922-9262	28. Authorized Treatment of Program Income Additional Costs 29. Grants Management Officer - Signature Timothy Chappelle Grants Management Officer																								
30. Remarks																									

Action Item BOT #24-##: Approval of the designation of Stacy Kealohalani Ferreira as the Office of Hawaiian Affairs' Authorized Organizational Representative of the Administration of Native Americans, American Rescue Plan Act, Emergency Native Language Funding Opportunity for Native Hawaiians and Pacific Islanders Grant Award to support OHA's Native Hawaiian Language Preservation and Maintenance: Community-Based Research Project

ATTACHMENT A



Department of Health and Human Services
Administration for Children and Families

Notice of Award

Award# 90XN0222-01-00
FAIN# 90XN0222
Federal Award Date: 09/01/2021

Recipient Information		33. Approved Budget (Excludes Direct Assistance)			
Recipient Name Office of Hawaiian Affairs 560 N Nimitz Hwy Research Honolulu, HI 96817-5330		I. Financial Assistance from the Federal Awarding Agency Only			
Congressional District of Recipient 01		II. Total project costs including grant funds and all other financial participation			
Payment Account Number and Type 1996001081C3		a. Salaries and Wages	\$0.00		
Employer Identification Number (EIN) Data 990266530		b. Fringe Benefits	\$0.00		
Universal Numbering System (DUNS) 003067464		c. Total Personnel Costs	\$0.00		
Recipient's Unique Entity Identifier Not Available		d. Equipment	\$0.00		
31. Assistance Type Block Grant		e. Supplies	\$0.00		
32. Type of Award Other		f. Travel	\$0.00		
		g. Construction	\$0.00		
		h. Other	\$311,939.00		
		i. Contractual	\$0.00		
		j. TOTAL DIRECT COSTS	\$311,939.00		
		k. INDIRECT COSTS	\$0.00		
		l. TOTAL APPROVED BUDGET	\$311,939.00		
		m. Federal Share	\$311,939.00		
		n. Non-Federal Share	\$0.00		
34. Accounting Classification Codes					
FY-ACCOUNT NO.	DOCUMENT NO.	ADMINISTRATIVE CODE	OBJECT CLASS	AMT ACTION FINANCIAL ASSISTANCE	APPROPRIATION
1-0990225	90XN0222CB		41.51	\$311,939.00	75-X-1536



Department of Health and Human Services

Administration for Children and Families

Notice of Award

Award# 90XN0222-01-00

FAIN# 90XN0222

Federal Award Date: 09/01/2021

35. Terms And Conditions

STANDARD TERMS

1. Paid by DHHS Payment Management System (PMS), see attached for payment information.
This award is subject to the requirements of the HHS Grants Policy Statement (HHS GPS) that are applicable to you based on your recipient type and the purpose of this award.

This includes requirements in Parts I and II (available at <http://www.hhs.gov/grants/grants/policies-regulations/index.html>) of the HHS GPS. Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR Part 75, directly apply to this award apart from any coverage in the HHS GPS.

This award is subject to requirements or limitations in any applicable Appropriations Act.

This award is subject to the requirements of Section 106 (g) of the trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104).
For the full text of the award term, go to <http://www.acf.hhs.gov/discretionary-post-award-requirements>.

This award is subject to the Federal Financial Accountability and Transparency Act (FFATA or Transparency) of 2006 subaward and executive compensation reporting requirements.
For the full text of the award term, go to <http://www.acf.hhs.gov/discretionary-post-award-requirements>.

This award is subject to requirements as set forth in 2 CFR 25.110 Central Contractor Registration (CCR) and DATA Universal Number System (DUNS). For full text go to <http://www.acf.hhs.gov/discretionary-post-award-requirements>.

Consistent with 45 CFR 75.113, applicants and recipients must disclose in a timely manner, in writing to the HHS awarding agency, with a copy to the HHS Office of Inspector General (OIG), all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Subrecipients must disclose, in a timely manner, in writing to the prime recipient (pass through entity) and the HHS OIG, all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Disclosures must be sent in writing to the awarding agency and to the HHS OIG at the following addresses:

The Administration for Children and Families
U.S. Department of Health and Human Services
Office of Grants Management
ATTN: Grants Management Specialist
330 C Street, SW., Switzer Building
Corridor 3200
Washington, DC 20201

AND

U.S. Department of Health and Human Services
Office of Inspector General
ATTN: Mandatory Grant Disclosures, Intake Coordinator
330 Independence Avenue, SW, Cohen Building

Action Item BOT #24-##: Approval of the designation of Stacy Kealohalani Ferreira as the Office of Hawaiian Affairs' Authorized Organizational Representative of the Administration of Native Americans, American Rescue Plan Act, Emergency Native Language Funding Opportunity for Native Hawaiians and Pacific Islanders Grant Award to support OHA's Native Hawaiian Language Preservation and Maintenance: Community-Based Research Project

ATTACHMENT A



Department of Health and Human Services
Administration for Children and Families

Notice of Award

Award# 90XN0222-01-00
FAIN# 90XN0222
Federal Award Date: 09/01/2021

Room 5527
Washington, DC 20201

Fax: (202) 205-0604 (Include "Mandatory Grant Disclosures" in subject line) or
Email: MandatoryGranteeDisclosures@oig.hhs.gov

Failure to make required disclosures can result in any of the remedies described in 45 CFR 75.371 Remedies for noncompliance, including suspension or debarment (See 2 CFR parts 180 & 376 and 31 U.S.C. 3321).

This award is subject to the requirements as set forth in 45 CFR Part 87.
This grant is subject to the requirements as set forth in 45 CFR Part 75.
Attached are terms and conditions, reporting requirements, and payment instructions.
Initial expenditure of funds by the grantee constitutes acceptance of this award.

AWARD CONDITIONS

1. This award action provides emergency funding in the amount of \$311,939 too implement the American Rescue Plan (ARP) Native Language Project. Funds have been awarded based on an allocation method and have been placed in the "Other" category. However, within 30 days of receipt of this award, the recipient must submit the following documents to ANA for final project approval: **The 424, 424a, line item and budget justification** . However, funds must be spent in accordance with the budget approved by ANA.

CONTACTS

1. Questions concerning the programmatic aspects of the grant should be directed to the ANA Program Specialist on 1-877- 922-9262. Questions concerning the financial aspects of the grant should be directed to D'angela Forbes on 202-401-4629.

Committee on Resource ManagementTrustee John Waihe'e IV, *At-Large* - ChairTrustee Luana Alapa, *Moloka'i / Lāna'i* - Vice Chair***Members***Trustee Dan Ahuna, *Kaua'i / Ni'ihau*Trustee Kaleihikina Akaka, *O'ahu*Trustee Keli'i Akina, *At-Large*Trustee Brickwood Galuteria, *At-Large*Trustee Carmen Hulu Lindsey, *Maui*Trustee J. Keoni Souza, *At-Large*Trustee Mililani Trask, *Hawai'i Island*

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

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

DATE: Wednesday January 31, 2024**TIME:** 1:30 p.m.**PLACE:** Virtual Meeting

560 N. Nimitz Hwy., Honolulu, HI 96817

viewable at <https://www.oha.org/livestream> OR

Listen by phone: (213) 338-8477, Webinar ID: 894 5940 9035

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AGENDA

I. Call to Order**II. Approval of Minutes**

A. December 6, 2023

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

A. Consequent Capital Management Introduction

1. Presentation: Pantheon (Private Markets), Iain Jones

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E. Action Item RM #24-04: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25) – Realignment #1 - Core and Non-Core Realignments

V. Announcements**VI. Adjournment**

If you need an auxiliary aid/service or other accommodation due to a disability, please contact Everett Ohta at (808) 594-1988 or by email at everetto@oha.org as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled. Upon request, this notice is available in alternate/accessible formats.

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.



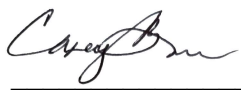
ACTION ITEM

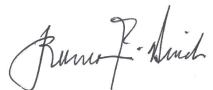
COMMITTEE ON RESOURCE MANAGEMENT

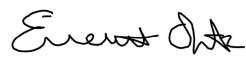
January 31, 2024

RM #24-02


Action Item Issue: Approve OHA funding of the 13th Festival of Pacific Arts & Culture, Hawai'i 2024, Ho'oulu Lāhui: Regenerating Oceania in the amount of \$1,500,000

Prepared by:  Jan 26, 2024
Casey K. Brown Date
Ka Pou Nui, Chief Operating Officer

Reviewed by:  Jan 26, 2024
Ramona G. Hinck Date
Ka Pou Kihi Kanaloa Wai, Chief Financial Officer

Reviewed by:  Jan 26, 2024
Everett Ohta Date
Ka Paepae Puka Kūikawā, Interim General Counsel

Reviewed by:  Jan 26, 2024
Stacy K. Ferreira Date
Ka Pouhana, Chief Executive Officer

Reviewed by:  JAN 27, 2024
Ke Kua, Trustee John D. Waihe'e III Date
Luna Ho 'omalu o ke Kōmike Resource Management
Chairperson of the Committee on Resource Management

Action Item RM #24-02: Approve OHA funding of the 13th Festival of Pacific Arts & Culture, Hawai‘i 2024, Ho‘oulu Lāhui: Regenerating Oceania

Proposed Action

Approve and authorize the disbursement of \$1,500,000 to fund the 13th Festival of Pacific Arts & Culture, Hawai‘i 2024, Ho‘oulu Lāhui: Regenerating Oceania.

I. Issue

Whether or not the Committee on Resource Management will recommend approval and authorize to the Board of Trustees (“BOT” or “Board”), of the disbursement of \$1,500,000 to fund the 13th Festival of Pacific Arts & Culture, Hawai‘i 2024, Ho‘oulu Lāhui: Regenerating Oceania.

II. Background and Context

The Festival of Pacific Arts & Culture (FestPAC) is the world’s largest celebration of indigenous Pacific Islanders. The South Pacific Commission (now The Pacific Community - SPC) launched this showcase of arts and culture in 1972 to halt the erosion of traditional practices through ongoing cultural exchange. It is a vibrant and culturally enriching event celebrating the unique traditions, artistry, and diverse cultures of the Pacific region. FestPAC serves as a platform for Pacific Island nations to showcase their rich heritage and artistic talents.

The roots of FestPAC trace back to the 1970s when Pacific Island nations commenced discussion on the need to preserve and promote their unique cultural identities. The hope was to create a space where Pacific Islanders could convene to share their traditional arts, crafts, music, dance, and oral traditions with the world. This initiative was driven by the desire to strengthen cultural bonds among Pacific Island communities and foster a greater understanding of their cultures.

The inaugural Festival of Pacific Art and Culture took place in 1972 in Suva, Fiji. Over the years, FestPAC has evolved and grown in stature, becoming a highly anticipated event for both Pacific Islanders and visitors from around the world. The festival has not only preserved traditional arts and culture but has also served as a platform for contemporary Pacific Island artists to express their creativity and address contemporary issues.

One of the festival's most important objectives is to promote cultural exchange and understanding among the participating nations. It provides an opportunity for artists and cultural practitioners to learn from each other, share stories, and forge lasting connections. FestPAC serves as a reminder of the common heritage that binds Pacific Island nations and highlights the importance of preserving and celebrating their heritage.

Since its inception, FestPAC has been hosted by different Pacific Island nations on a rotational basis. Each host country takes on the responsibility of organizing and hosting the festival, providing a unique opportunity to showcase their own culture and hospitality. Host nations have all played a pivotal role in the festival's success. They have worked tirelessly to create a welcoming and vibrant atmosphere for artists and visitors alike, ensuring that FestPAC remains a foundation of cultural exchange and celebration in the Pacific.

Hawai‘i was originally designated to host FestPAC from June 10-21, 2020. It was the first major festival in Hawai‘i to be postponed as the COVID-19 pandemic grew. The early decision was made out of an abundance of caution for the health and safety of Hawai‘i residents, as well as visiting delegations. In July of 2021, new dates were

Action Item RM #24-02: Approve OHA funding of the 13th Festival of Pacific Arts & Culture, Hawai‘i 2024, Ho‘oulu Lāhui: Regenerating Oceania

announced which maintain the four-year cycle of festivals while maximizing the opportunity for delegations to participate as their own Pacific island nations recover from the economic and social impacts of the pandemic.

III. Discussion

A. The 13th Festival of Pacific Arts & Culture, Hawai‘i 2024, Ho‘oulu Lāhui: Regenerating Oceania

FestPAC values include Preservation, Exploration, Awareness, Excellence, and Language. The Ho‘oulu Lāhui: Regenerating Oceania event will express these values through Hō‘ike‘ike – Performing Arts; Hō‘ike Ki‘i – Visual Arts; Hana No‘eau – Heritage Arts; Nā Hanana Kūhelu – Ceremonies and Protocols, using the strategic programming pillars of ‘Aha Moananuiākea – Symposia and Conferences and Nā Hana Pāku‘i – Strategic Programming.

B. Primary Venues

Venues that will be utilized for Ho‘oulu Lāhui: Regenerating Oceania include, but are not limited to Hawai‘i Convention Center, University of Hawai‘i at Mānoa, Capitol Modern: The Hawai‘i State Art Muesum, Bishop Museum, and Kualoa Regional Park. Additional performance venues will include Polynesian Cultural Center, Outrigger Waikiki, Royal Hawaiian Center, Kūhiō Beach Hula Mound, Kapi‘olani Bandstand, Pālama Settlement, UH – West O‘ahu, and Windward Community College.

C. Event Oversight

In 2018, the Hawai‘i State Legislature appointed a temporary commission to oversee the planning and implementation of FestPAC Hawai‘i. Its nine members, appointed by the Governor, state lawmakers and officials, represent the culture, spirit and heart of Hawai‘i. Kalani Ka‘anā‘anā, Hawai‘i Tourism Authority, currently serves of the Chair of the Commission and Stacy K. Ferreira, OHA CEO, serves as OHA representative on the commission.

D. Event Budget

The current budget for Ho‘oulu Lāhui: Regenerating Oceania was reported as:

- \$20M Commission approved
- \$10M (2023 Legislative session)
 - Legislative Appropriation, \$5m
 - Governor’s Discretionary Fund, \$5m

E. OHA FestPac Funding

OHA Board of Trustees approved \$500,000 for FestPac funding as part of its FY2024 and FY2025 Biennium budget approval. \$250,000 was allocated in each fiscal year. The action was taken at the Committee on Resource Management on June 28, 2023 via RM #23-17 and ratified at the BOT Meeting on June 29, 2023. There was also an understanding that disbursement of this funding was subject to a presentation of the FestPac activities and budget.

That presentation was provided to the OHA Board of Trustees by Festival Director Aaron Salā and his team at the December 7, 2023 BOT Meeting. In his presentation,

Action Item RM #24-02: Approve OHA funding of the 13th Festival of Pacific Arts & Culture, Hawai‘i 2024, Ho‘oulu Lāhui: Regenerating Oceania

Festival Director provided an overview of the Festival themes and planned activities and requested a funding amount of \$1,500,000 from OHA. A summary budget was then shared as follows:

The Ho‘oulu Lāhui: Regenerating Oceania budget requested from OHA includes the follow line items:

- \$500,000 – Wa‘a, Carvers, Heritage/Artistic, and other programming
- \$500,000 – Pacific Traditional Leaders Forum
- \$150,000 – Ecumenical Service
- \$350,000 – Opening and Closing Ceremonies
- \$1,500,000 - Total

With a \$1.5m contribution, the Office of Hawaiian Affairs will be noted as a Kai Ko‘ele sponsor. As such, OHA will receive the following:

- Top logo placement and recognition as a kai ko‘ele sponsor in all event collateral
- Acknowledgement in advertising: print, radio, television, online, social media
- Prominent banner placement at Festival Village
- Signage throughout FestPAC
- Live acknowledgement during FestPAC programming
- Invitations to Trustees to private VIP reception
- 20 premium VIP tickets to Opening and Closing Ceremonies
- 20 premium VIP tickets to conference sessions (via registration)
- Other benefits tailored to the Office of Hawaiian Affairs

Additional opportunities, including connecting OHA to other offices and departments at the same level in countries throughout the Pacific. Examples include the Council for Indigenous Peoples (Taiwan), the Office of Samoan Affairs (American Samoa), National Indigenous Australians Agency (Australia), etc.

IV. Recommended Action

A. OHA Administration recommends that the BOT approve \$1,500,000 for the Festival of the Pacific to be released in its entirety, in the current fiscal year (FY2024).

V. Alternative to Recommended Action

A. Approve a different funding amount to be released in its entirety, in the current fiscal year.

Action Item RM #24-02: Approve OHA funding of the 13th Festival of Pacific Arts & Culture, Hawai‘i 2024, Ho‘oulu Lāhui: Regenerating Oceania

VI. Budget Authorization

Table 1: Grant Collaborations -- 56578

56578 COLLABORATIONS	Awarded	Awarded	Biennium Budget Request		FY24/FY25	%
	FY 22	FY 23	FY 24	FY 25	2-Year Total	
Festival of the Pacific - FESTPAC			\$250,000	\$250,000	\$500,000	25%
Polynesian Voyaging Society - Moananuiakea Voyage			250,000	250,000	500,000	25%
International Event(s) Sponsorship			500,000	500,000	1,000,000	50%
TOTAL - COLLABORATIONS	-	-	\$1,000,000	\$1,000,000	\$2,000,000	100%

Source: Table 6i from AI RM #23-17

Table 2: Community Grants – 56530

56530 COMMUNITY GRANTS	Approved	Approved	Biennium Budget Request		FY24/FY25	%
	FY 22	FY 23	FY 24	FY 25	2-Year Total	
Mo'omeheu	\$500,000	\$500,000	\$500,000	\$500,000	\$1,000,000	11%
Health	500,000	500,000	500,000	500,000	1,000,000	11%
Education	750,000	750,000			0	0%
Housing	1,000,000	1,000,000			0	0%
Economic Stability	750,000	750,000	300,000	300,000	600,000	7%
‘Āina	500,000	500,000			0	0%
‘Ahahui (In-State)	200,000	200,000	200,000	200,000	400,000	5%
‘Ahahui (Out-of-state)			50,000	50,000	100,000	1%
Leverage Opportunities					0	0%
Post Secondary Education	500,000	500,000	500,000	500,000	1,000,000	11%
Homestead Community	300,000	300,000	300,000	300,000	600,000	7%
Iwi Kupuna Repatriation & Reinterment	300,000	300,000	300,000	300,000	600,000	7%
NH Teacher Education & Professional Development	250,000	250,000			0	0%
‘Ohana (including Impacts of Incarceration, Human Trafficking, LGBTQ)	750,000	1,250,000			0	0%
COVID-19 Impacts	500,000	0			0	0%
Ohana Grants (\$750K Grants, \$250K NH Teacher Education + \$500K Kulia)			1,500,000	1,500,000	3,000,000	34%
Kako'o Grants	0	195,921	200,000	200,000	400,000	5%
TOTAL - COMMUNITY GRANTS	\$6,800,000	\$6,995,921	\$4,350,000	\$4,350,000	\$8,700,000	100%

Source: Table 6e from AI RM #23-17

Action Item RM #24-02: Approve OHA funding of the 13th Festival of Pacific Arts & Culture, Hawai‘i 2024, Ho‘oulu Lāhui: Regenerating Oceania

Fiscal year 2024 Budget totaling \$1,500,000 will be encumbered for the 13th Festival of Pacific Arts & Culture as follows:

Festival of the Pacific – FESTPAC [1]	\$ 250,000
Polynesian Voyaging Society [2]	250,000
International Event Scholarship [3]	500,000
Post Secondary Education [4]	<u>500,000</u>
	<u>\$1,500,000</u>

Notes:

[1] FY24 Budgeted Sponsorship for \$250,000, object code 56578, the FY25 \$250,000 will be repurposed in FY25.

[2] FY24 Budgeted Sponsorship for \$250,000, object code 56578.

[3] FY24 Budgeted Sponsorship for \$500,000, object code 56578.

[4] FY24 Budgeted Community Grant for \$500,000, object code 56530. This grant budget was considered because it is not a general funded grant and the grant carryforward from FY23 may be used and awarded for FY24 subject to a review of the Spending Limit.

VII. Certification

The following is the certification by the Chief Financial Officer that the funds are available.



Ramona G. Hinck,

Chief Financial Officer

Date: Jan 26, 2024

VI. Attachment(s)

A. FestPac Presentation: Ho‘oulu Lāhui: Regenerating Oceania



13th Festival of Pacific Arts and Culture

Ho'oulu Lāhui: Regenerating Oceania

6 – 16 June 2024

Aaron J. Salā, PhD
Festival Director



Office of Hawaiian Affairs Board Meeting

07 December 2023



HO'OULU LĀHUI
Regenerating Oceania
13th Festival of Pacific Arts & Culture
Hawai'i 2024

Agenda

- Regional Strategies
- FestPAC Overview
- Programming
- Venues & Events
- Calendar
- Participant Updates
- Budget
- The Ask

Pacific Islands Forum Secretariat (PIFS) Attachment A

2050 Strategy for the Blue Pacific Continent

Thematic Areas:

- Political Leadership & Regionalism
- People Centered Development
- Peace & Security
- Resource & Economic Development
- Climate Change & Disasters
- Ocean & Natural Environment
- Technology & Connectivity



The Pacific Community (SPC)

- The Pacific Community / Communauté du Pacifique
- Formerly the South Pacific Commission; commonly known as the SPC
- Custodial agent for the FestPAC

Attachment A



Pacific
Community
Communauté
du Pacifique



Pacific Regional Culture Strategy

Attachment A

Priorities:

1. Cultural Policy Frameworks
2. Cultural Heritage
3. Cultural Wellbeing

3.5 Festival of Pacific Arts and Culture

4. Cultural Innovation
5. Cultural Statistics
6. Cross-cutting Priorities & Indicators

6.1 Youth and culture initiatives

6.2 Culture research

6.3 Capacity strengthening

The U.S. Pacific Partnership Strategy

- A Strong U.S.-Pacific Islands Partnership
- A United Pacific Islands Region Connected with the World
- A Resilient Pacific Islands Region Prepared for the Climate Crisis and other 21st-Century Challenges
- Empowered and Prosperous Pacific Islanders



Attachment A

Mana i mau li ola, 2020-2035



OHA's strategic imperatives:

- Foundations: ‘ohana, mo‘omeheu, ‘āina
- Directions: Educational Pathways, Health, Quality Housing,
Economic Stability



Attachment A

HAWAI'I

Host of 13th FestPAC

6 – 16 June 2024



HO'OULU LĀHUI
Regenerating Oceania

13th Festival of Pacific Arts & Culture • Hawai'i 2024

FestPAC Values



Preservation



Exploration



Awareness



Excellence



Language

Artistic Programming Pillars

- Hō'ike'ike – Performing Arts
- Hō'ike Ki'i – Visual Arts
- Hana No'eau – Heritage Arts
- Nā Hanana Kūhelu – Ceremonies and Protocols



Strategic Programming Pillars

- ‘Aha Moananuiākea – Symposia and Conferences
- Nā Hana Pāku‘i – Strategic Programming



Primary Venues



Hawai'i Convention Center



University of Hawai'i at Mānoa



**Capitol Modern
The Hawai'i State Art Museum**



Bishop Museum



Kualoa Regional Park

University of Hawai‘i



UNIVERSITY
of HAWAII®
MĀNOA

- Delegation Housing
 - Breakfast, Dinner
- Opening / Closing Ceremony
- Ecumenical Service
- Performing Arts Stage



Hawai‘i Convention Center

- Festival Village
- Expo & Marketplace
- Film Festival
- Fashion Gala & Shows
- Literary Arts
- Theatre
- Strategic Programs
 - Youth Ambassador Program
 - Indigenous Philosophers Conference

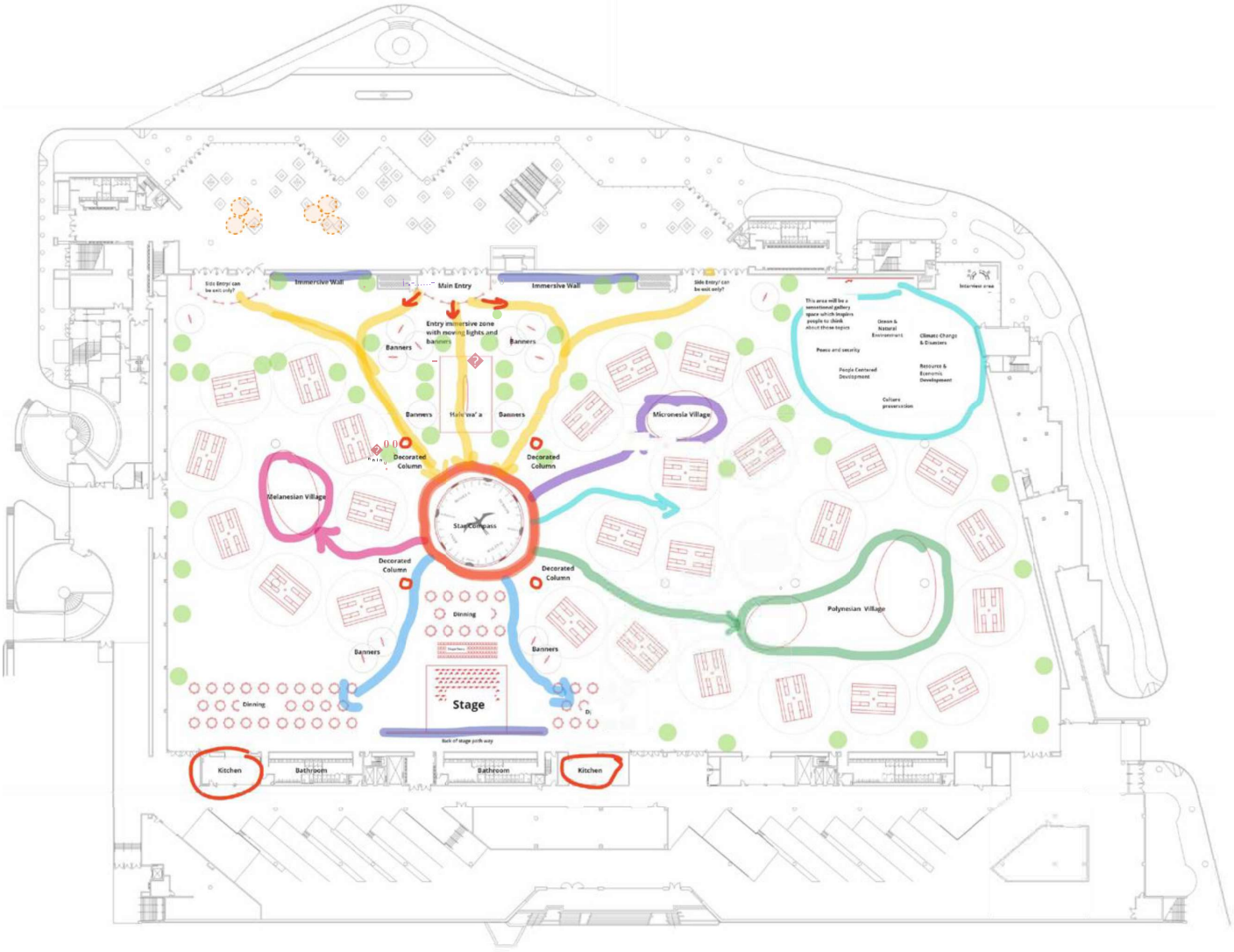
Attachment A



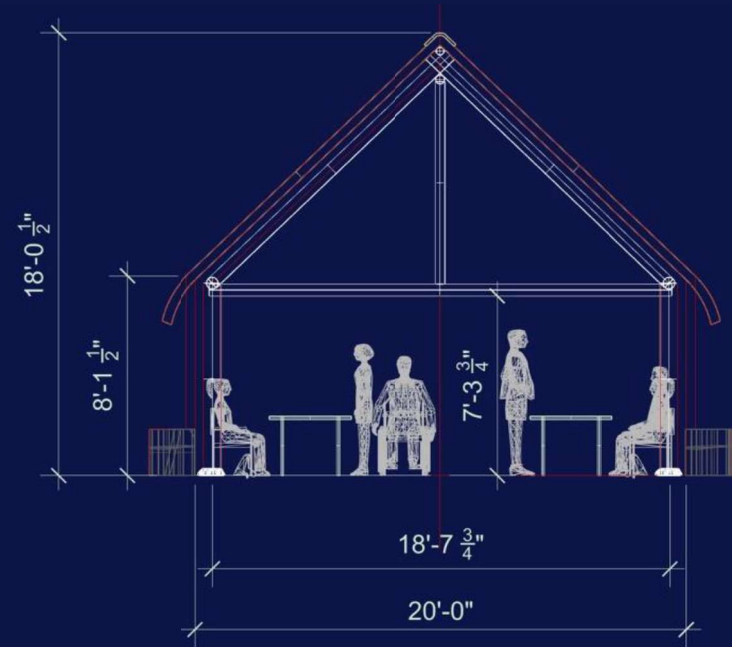
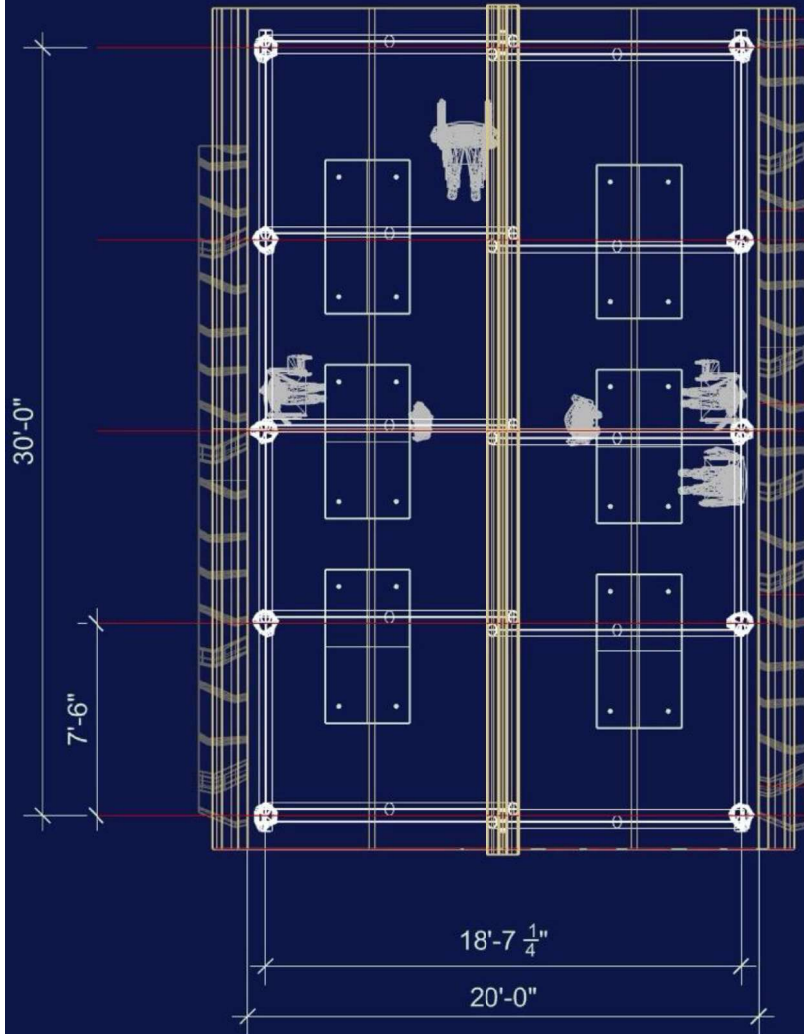


FestPAC 2024 Festival Village

“Ho’oulu Lāhui: Regenerating Oceania,”
honoring the traditions that FestPAC works
to perpetuate with an eye toward the future.





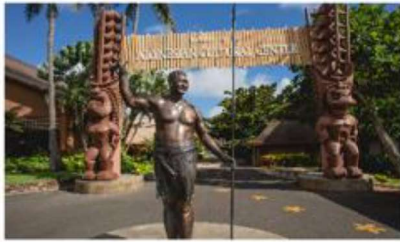




Attachment A



Performance Venues



Polynesian Cultural Center



Outrigger Waikiki



Royal Hawaiian Center



Kūhiō Beach Hula Mound



Kapi'olani Bandstand



Pālama Settlement



UH - West O'ahu



Windward Community College





BISHOP MUSEUM

Bishop Museum

- Carvers Showcase
- ‘Aha ‘Āina and Hō‘ike
- Heritage Artist Exchange
 - Access to private collections
- Performing Stage



Capitol Modern

The Hawai'i State Art Museum



- FestPAC 50th Anniversary Exhibit
- “Our Sea of Islands” Exhibit
- Visual Arts Reception
- Delegation collaboratives



Wa‘a Arrival and Program

- 05 June 2024, day prior to Festival proper
- Kualoa Regional Park, the birthplace of Hōkūle‘a
 - Staging at Mōkapu and METC
- Collaboration between:
 - ‘Ohana Wa‘a and Polynesian Voyaging Society
 - ‘Ohana Hoe
 - ‘Aha Kāne
 - Honolulu DPR

Attachment A



I ulu i ke kumu: Emerging Leaders of the Pacific

- Emerging leaders in cultural practice, diplomacy, and creative industries
- 2024 series of synchronous / in-person engagements



Attachment A



Pacific Traditional Leaders Forum

- Convening Kalākaua's dream
- ‘Iolani Palace – FestPAC 2024
- The Great Council of Chiefs in Fiji – January 2024
- Ceremonial Protocol and Discussion



Calendar

DRAFT (11/15/23)

JUNE 2024

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1 Festival Village build-out Hawa'i Convention Center Move-in for Secretariat and Broadcasting & Media Teams
2 Festival Village build-out Hawa'i Convention Center Move-in for Program Teams Delegation Move-In UH Housing 8am – 4pm	3 Festival Village build-out Hawa'i Convention Center Move-in for Program Teams CPAC Meeting Hawa'i Convention Center 9am – 2pm	4 Festival Village Move-in Hawa'i Convention Center 7am – 2pm CPAC Meeting Hawa'i Convention Center 9am – 2pm	5 Wa'a Arrival Ceremony Kualoa Regional Park 6am Governor's Reception Washington Place 5pm – 7pm	6 Festival Village Move-in Hawa'i Convention Center 7am – 2pm Culture Ministers Meeting Hawa'i Convention Center 9am – 2pm Wehena (Opening) Ceremony T.C. Ching Athletics Complex 8pm – 9pm	7 Festival Village & Expo open Hawa'i Convention Center 9am – 5pm Carvers Showcase Bishop Museum 9am – 5pm 50th Anniversary Exhibit "Our Sea of Islands" Exhibit Capitol Modern "Regenerating Oceania" Exhibit Hawa'i Convention Center 9am – 5pm Wa'a Programs Kualoa Regional Park 10am – 4pm Visual Arts Reception* Hawa'i Convention Center TBD Kamehameha Iel draping Ali'i Lani Hale 1pm – 5pm Hō'ike'ike (Performing Arts) *See venues and times below	8 Festival Village & Expo Hawa'i Convention Center 9am – 5pm Carvers Showcase Bishop Museum 9am – 5pm 50th Anniversary Exhibit "Our Sea of Islands" Exhibit Capitol Modern "Regenerating Oceania" Exhibit Hawa'i Convention Center 9am – 5pm Wa'a Programs Kualoa Regional Park 10am – 4pm Floral Parade Waikiki 9am – 11am Ho'olaule'a Kapi'olani Regional Park 11am – 4pm Fashion Gala* Hawa'i Convention Center TBD Hō'ike'ike (Performing Arts) *See venues and times below
9 Ecumenical Service Stan Sheriff Center 9am – 11am Traditional Leaders Summit Iolani Palace 1pm – 3pm Hō'ike'ike Bishop Museum 2pm – 8pm	10 Festival Village & Expo Hawa'i Convention Center 9am – 5pm Carvers Showcase Bishop Museum 9am – 5pm 50th Anniversary Exhibit "Our Sea of Islands" Exhibit Capitol Modern "Regenerating Oceania" Exhibit Hawa'i Convention Center 9am – 5pm Wa'a Programs Kualoa Regional Park 10am – 4pm Bishop Museum Artist Exchange Bishop Museum 9am – 1pm Symposia/Conferences Hawa'i Convention Center 9am – 2pm Pacific Philosophers Conference Hawa'i Convention Center 9am – 2pm Film Festival opening* Hawa'i Convention Center 4pm – 9pm Literary Arts opening* Hawa'i Convention Center 4pm – 9pm Hō'ike'ike (Performing Arts) *See venues and times below	11 Festival Village & Expo Hawa'i Convention Center 9am – 5pm Carvers Showcase Bishop Museum 9am – 5pm 50th Anniversary Exhibit "Our Sea of Islands" Exhibit Capitol Modern "Regenerating Oceania" Exhibit Hawa'i Convention Center 9am – 5pm Wa'a Programs Kualoa Regional Park 10am – 4pm Bishop Museum Artist Exchange Bishop Museum 9am – 1pm Symposia/Conferences Hawa'i Convention Center 9am – 2pm Pacific Philosophers Conference Hawa'i Convention Center 9am – 2pm Film Festival Hawa'i Convention Center 4pm – 9pm Hō'ike'ike (Performing Arts) *See venues and times below	12 Festival Village & Expo Hawa'i Convention Center 9am – 5pm Carvers Showcase Bishop Museum 9am – 5pm 50th Anniversary Exhibit "Our Sea of Islands" Exhibit Capitol Modern "Regenerating Oceania" Exhibit Hawa'i Convention Center 9am – 5pm Wa'a Programs Kualoa Regional Park 10am – 4pm Bishop Museum Artist Exchange Bishop Museum 9am – 1pm Symposia/Conferences Hawa'i Convention Center 9am – 2pm Pacific Philosophers Conference Hawa'i Convention Center 9am – 2pm Youth Ambassador Program Hawa'i Convention Center 4pm – 9pm Film Festival Hawa'i Convention Center 4pm – 9pm Hō'ike'ike (Performing Arts) *See venues and times below	13 Festival Village & Expo Hawa'i Convention Center 9am – 5pm Carvers Showcase Bishop Museum 9am – 5pm 50th Anniversary Exhibit "Our Sea of Islands" Exhibit Capitol Modern "Regenerating Oceania" Exhibit Hawa'i Convention Center 9am – 5pm Wa'a Programs Kualoa Regional Park 10am – 4pm Bishop Museum Artist Exchange Bishop Museum 9am – 1pm Youth Ambassador Program Site Visit 9am – 1pm Theatre opening* Hawa'i Convention Center 6pm – 9pm Fashion/Textiles Show 1* Hawa'i Convention Center 9am – 9pm Hō'ike'ike (Performing Arts) *See venues and times below	14 Festival Village & Expo Hawa'i Convention Center 9am – 5pm Carvers Showcase Bishop Museum 9am – 5pm 50th Anniversary Exhibit "Our Sea of Islands" Exhibit Capitol Modern "Regenerating Oceania" Exhibit Hawa'i Convention Center 9am – 5pm Wa'a Programs Kualoa Regional Park 10am – 4pm Youth Ambassador Program Site Visit 9am – 1pm Theatre Hawa'i Convention Center 6pm – 9pm Fashion/Textiles Show 2* Hawa'i Convention Center 6pm – 9pm Hō'ike'ike (Performing Arts) *See venues and times below	15 Festival Village & Expo Hawa'i Convention Center 9am – 5pm Carvers Showcase Bishop Museum 9am – 5pm 50th Anniversary Exhibit "Our Sea of Islands" Exhibit Capitol Modern "Regenerating Oceania" Exhibit Hawa'i Convention Center 9am – 5pm Wa'a Programs Kualoa Regional Park 10am – 4pm Theatre Hawa'i Convention Center 6pm – 9pm Hō'ike'ike (Performing Arts) *See venues and times below
16 Festival Village & Expo closing Hawa'i Convention Center 9am – 5pm Panina (Closing) Ceremony T.C. Ching Athletics Complex 5pm – 9pm	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Attachment A

KEY

Artistic Programs	Hō'ike'ike Performing Arts
	Hō'ike'ike Visual Arts
	Hana No'ou Heritage Arts
Strategic Programs	Nā Hana Pūlani 'Āha Moananuiākea
Ceremonies & Special Events	Nā Hanana Kūhelu

City Events

* = Naming Rights Events

FestPAC Participants

Intent to Participate: 23 / 28 countries

Current Total Delegation Count: 2,175

Submitted:

1. American Samoa – 100
2. Australia – 100
3. Cook Islands – 100
4. Fiji – 100
5. French Polynesia – 100
6. Guam – 100
7. Marshall Islands – 100
8. Nauru – 65
9. New Zealand – 85
10. Niue – 50
11. Norfolk Island – 27
12. Northern Mariana Islands – 100

13. Palau – 100
14. Samoa – 100
15. Solomon Islands – 50
16. Tuvalu – 30
17. Wallis and Futuna – 100
18. Tokelau – 60
19. Kiribati – 78
20. Papua New Guinea – 150
21. Federated States of Micronesia – 100
22. Tonga
23. New Caledonia – 250

To Be Confirmed:

1. Easter Island (Rapa Nui)
2. Hawai'i
3. Pitcairn Island
4. Vanuatu
5. Taiwan



2050 Blue Pacific Strategy



U.S. Pacific Partnership Strategy



Pacific Attachment A
Community
Communauté
du Pacifique

Pacific Regional Culture Strategy



Festival of Pacific Arts & Culture



Mana i mau li ola

Budget

- \$20M Commission approved
- \$10M (2023 Legislative session)
 - Legislative Appropriation, \$5m
 - Governor's Discretionary Fund, \$5m

The Ask - \$1.5M

The Office of Hawaiian Affairs, as representation and reflection of the lāhui Hawai‘i, stand beside the State of Hawai‘i in the State's kuleana of hosting the Festival of Pacific Arts and Culture.

- \$500,000 – Wa‘a, Carvers, Heritage/ Artistic, and other programming
- \$500,000 – Pacific Traditional Leaders Forum
- \$150,000 – Ecumenical Service
- \$350,000 – Opening and Closing Ceremonies



Mahalo



festpachawaii.org



FestPac Hawai'i



@festpachawaii



@FestpacHawaii

Committee on Resource ManagementTrustee John Waihe'e IV, *At-Large* - ChairTrustee Luana Alapa, *Moloka'i / Lāna'i* - Vice Chair**Members**Trustee Dan Ahuna, *Kaua'i / Ni'ihau*Trustee Kaleihikina Akaka, *O'ahu*Trustee Keli'i Akina, *At-Large*Trustee Brickwood Galuteria, *At-Large*Trustee Carmen Hulu Lindsey, *Maui*Trustee J. Keoni Souza, *At-Large*Trustee Mililani Trask, *Hawai'i Island*

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

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

DATE: Wednesday January 31, 2024**TIME:** 1:30 p.m.**PLACE:** Virtual Meeting

560 N. Nimitz Hwy., Honolulu, HI 96817

viewable at <https://www.oha.org/livestream> OR

Listen by phone: (213) 338-8477, Webinar ID: 894 5940 9035

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: 894 5940 9035. 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.

AGENDA

I. Call to Order**II. Approval of Minutes**

A. December 6, 2023

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

A. Consequent Capital Management Introduction

1. Presentation: Pantheon (Private Markets), Iain Jones

B. Action Item RM #24-01: Approve the designation of Stacy Kealohalani Ferreira as the Office of Hawaiian Affairs' Authorized Organizational Representative for the Administration for Native Americans, American Rescue Plan Act, Emergency Native Language Funding Opportunity for Native Hawaiians and Pacific Islanders Grant Award, supporting OHA's Native Hawaiian Language Preservation and Maintenance: Community-Based Research Project

C. Action Item RM #24-02: Approve OHA funding of the 13th Festival of Pacific Arts & Culture, Hawai'i 2024, Ho'oulu Lāhui: Regenerating Oceania

D. Action Item RM #24-03: Approve OHA funding of Fiscal Year 2024 Third Quarter Sponsorships

E. Action Item RM #24-04: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25) – Realignment #1 - Core and Non-Core Realignments

V. Announcements**VI. Adjournment**

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ACTION ITEM

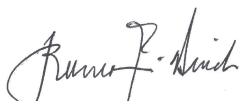
COMMITTEE ON RESOURCE MANAGEMENT

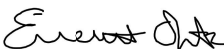
January 31, 2024


RM #24-03


Action Item Issue: Approve OHA funding of Fiscal Year 2024 Third Quarter Sponsorships totaling \$25,000

Prepared by:  Jan 26, 2024
Casey K. Brown Date
Ka Pou Nui, Chief Operating Officer

Reviewed by:  Jan 26, 2024
Ramona G. Hinck Date
Ka Pou Kihi Kanaloa Wai, Chief Financial Officer

Reviewed by:  Jan 26, 2024
Everett Ohta Date
Ka Paepae Puka Kūikawā, Interim General Counsel

Reviewed by:  Jan 26, 2024
Stacy K. Ferreira Date
Ka Pouhana, Chief Executive Officer

Reviewed by:  JAN 27, 2024
Ke Kua, Trustee John D. Waihe'e III Date
Luna Ho 'omalū o ke Kōmike Resource Management
Chairperson of the Committee on Resource Management

Action Item RM #24-03: Approve OHA funding of Fiscal Year 2024 Third Quarter Sponsorships

I. Proposed Action

Approve and authorize the following fiscal year 2024 third quarter sponsorships disbursement totaling \$25,000

Organization Name	Event	Award Amount Recommendation
1. Lele Aloha	Ho‘ūlu Lahaina Unity Gathering January 20, 2024 Goodfellow Brothers & Lahaina Civic Center, Lahaina, Maui	\$10,000
2. Hale Kipa	Kupukupu - Pā‘ina 2024 February 24, 2024 Ho‘okupu Center, Honolulu, O‘ahu	\$15,000
Total Recommendations (2)		\$25,000

II. Issue

Whether or not the Committee on Resource Management will recommend approval and authorize to the Board of Trustees (“BOT” or “Board”), of the disbursement of \$25,000 to fund the new Fiscal Year 2024 Quarter 4 Sponsorships.

III. Background and Context

1. Ho‘ūlu Lahaina Unity Gathering: The event will be held to honor Hawai‘i’s rich genealogy for ‘ohana; protecting land, ocean, water resources, and building healthy communities beginning with Lahaina. It includes a Unity Walk, starting at 8am at the Lahaina Bypass Road (Lahainaluna Road Overpass) and ends at Launiupoko Beach. During the walk places of Lahaina will be honored through food and cultural practices. The walked will be followed by Ho‘olaule‘a Program including Cultural Protocol, Speeches & Music
2. Kupukupu - Pā‘ina 2024: The event will include a fundraising dinner for Hale Kipa. Funds raised from this event will go to support important programs and services that create opportunities for thousands of Hawai‘i’s young people who need assistance.

IV. Discussion

A. Event Oversight

1. Ho‘ūlu Lahaina Unity Gathering: This event was held on January 20, 2024 by Lele Aloha, an operating foundation 501(c)(3) in the State of Hawai‘i, created to support a thriving Hawai‘i through community regeneration. The organization’s vision is a thriving Hawai‘i founded on love of the land, love of ‘ohana, and love of community. Their mission is to honor Hawai‘i’s rich genealogy for ‘ohana; protecting land, ocean, water resources, and building healthy communities beginning with Lahaina.
2. Kupukupu - Pā‘ina 2024: This event is held by Hale Kipa, a multi-service, fully

Action Item RM #24-03: Approve OHA funding of Fiscal Year 2024 Third Quarter Sponsorships

accredited 501(c)(3) nonprofit agency that specializes in working with youth and their families who often have nowhere else to turn. Hale Kipa has served more than 71,000 youth throughout Hawai‘i since its beginning in 1970 as a single shelter on O‘ahu. This includes working in partnership with public agencies and private organizations to provide residential, outreach, and foster care services at no cost. With programs that are flexible and responsive to changing needs, Hale Kipa supports youth involved in juvenile justice, behavioral health, education and child welfare. Program goals include stabilizing young people in crisis and helping youth and families build resiliency to experience success in their lives.

B. OHA Funding

1. Ho‘ūlu Lahaina Unity Gathering: \$10,000

With a \$10,000 contribution OHA will be noted as a Lāhui Sponsor. As such, OHA will receive the following:

- Logo placement on event collateral
- Logo placement on website
- Mention of sponsorship by emcee during ho‘olaule‘a

2. Kupukupu - Pā‘ina 2024: \$15,000

With a \$15,000 contribution, OHA will be noted as a Lokelani sponsor. As such, OHA will receive the following:

- Three-quarter page, color ad in the printed program
- Full selection of premium wines (*OHA to decline*)
- Wine table service (*OHA to decline*)
- Table for ten guests
- Announced acknowledgement at the event
- Logo on all event acknowledgment on Hale Kipa’s social media (Facebook, Instagram)

V. Recommended Action

A. Approve OHA funding of fiscal year 2024 third quarter sponsorships totalling \$25,000.

VI. Alternative Action

A. Approve a different funding amount for the sponsorships.

Action Item RM #24-03: Approve OHA funding of Fiscal Year 2024 Third Quarter Sponsorships

VII. Budget Authorization

Table 1: Sponsorships -- 56560

56560 SPONSORSHIPS	Approved	Approved	Biennium Budget Request		FY24/FY25	%
	FY 22	FY 23	FY 24	FY 25	2-Year Total	
BOT - Sponsorships	\$135,000	\$0	\$135,000	\$135,000	\$270,000	
Kaiaulu/CEO - Sponsorships	70,921	0	70,921	70,921	141,842	
SUBTOTAL	\$205,921	\$0	\$205,921	\$205,921	\$411,842	38%

Source: Table 6g from AI RM #23-17

Fiscal year 2024 Budget totaling \$25,000 will be encumbered in BOT – Sponsorships.

VIII. Certification

The following is the certification by the Chief Financial Officer that the funds are available.



Ramona G. Hinck,
Chief Financial Officer
Date: Jan 26, 2024

VI. Attachment(s)

- A. Ho‘ūlu Lahaina Unity Gathering infosheet
- B. Kupukupu - Pā‘ina 2024 infosheet



The Unity Walk starts at 8am at the Lahaina Bypass Road (Lahainaluna Road Overpass) and ends at Launiupoko Beach.

SIGN THE WAIVER

Schedule

- **7:45 a.m.:** Safety Briefing at Lahaina Bypass
- **8:00 a.m.:** Opening Protocol
- **8:30 a.m.:** Walk Starts at Lahaina Bypass Road
 - Honoring places of Lahaina through food and cultural practices during the walk
- **11:00 a.m. – 4:00 p.m.:** Ho'olaule'a Program including Cultural Protocol, Speeches & Music

Parking Information

Locations:

- Goodfellow Brothers, Inc. Baseyard [Hokiokio Rd.]
- Lahaina Civic Center [1840 HI-30, Lahaina, HI 96761]

Both locations will be open at 5:30 a.m.

Shuttle Service Schedule:

- Shuttle to starts at 6:00 a.m.
- Lahaina Civic Center 6:00 a.m. to 8:00 a.m.
- Hokiokio Road closes at 9:15am. Re-open at 10:45am due to the walking route.
- If you are not participating in the walk, park at Goodfellow Brothers for shuttle service or a short walk to Launiupoko Beach Park.
- 3:00 p.m. to 6:00 p.m. Bus and Shuttles return to parking

What to Bring

- Hat, Sunscreen, Good Walking Footwear, Sun Protective Gear
- Personal Water Bottle (refill stations will be available)
- Pū (Hawaiian Conch Shell)

SPONSORSHIP OPPORTUNITIES



Lāhui Sponsor

\$10,000

- 1 Logo placement on event collateral
- 2 Logo placement on website as event sponsor
- 3 Mention of sponsorship by emcee during ho'olaule'a



Kānaka Sponsor

\$5

- 1 Community member pledge of support



HALE KIPA

September 19, 2023

Aloha,

I Ka Wā Ma Mua, Ka Wā Ma Hope is our theme here at Hale Kipa – We look to the past as a guide to the future! In that spirit, we invite you to join us on **Saturday, February 24th for our Fourth Annual Pā'ina.**

Your presence and support are critical to the work of Hale Kipa. Without you, Hale Kipa would not have the capacity to provide opportunities and alternatives for the young people of Hawai'i. Thank you for sharing your precious time and **most importantly making Hawai'i's most vulnerable youth a priority.**

Please also consider sponsoring this event, purchasing a table, or donating to our auction. We are deeply grateful for your continued support of Hale Kipa's mission to provide safe, nurturing, healing spaces for Hawai'i's struggling youth.

"Thank you, guys, for taking care of us. Thanks to all the staff for making me and my sisters laugh and taking us to see places we have never been before. We will always come back if there are problems." (Emergency Shelter Youth)

We can't thank you enough for deeply valuing our work, and the youth of Hawai'i.

We look forward to celebrating with you!

Me ka mahalo nui,

Katie Bennett
Board of Directors
Event Co-Chair

Judy Pyle
Board of Directors
Event Co-Chair

Executive Staff

Venus K. Rosete-Medeiros,
President & CEO

Gwen Okamoto, CFO

Tracy Janowicz, COO

Dori Tyau, CAO

Michelle Jenkins, CPO

Laura Brucia Hamm, CQ/O

Board of Directors

Scott W.H. Seu,
Chair

Michael Magaoy,
1st Vice Chair

Susan Y.M. Utsugi,
2nd Vice Chair

Gregory J. Sitar,
Treasurer

Luke W.T. Yeh,
Secretary

Katie Bennett

Heidi A. Cregor

Chris Deuchar

Virginia Hinshaw

Lanson Kupau

Zachary A. McNish

Jean Odo

Judy Pyle

Richard J. Sakoda

91-2128 Old Fort Weaver Rd
Ewa Beach, HI 96706

T 808.589.1829

F 808.589.2610

info@halekipa.org

www.halekipa.org



Aloha United Way
Kauai United Way
Hawaii United Way





Kupukupu - Pā'ina 2024

I Ka Wā Ma Mua, Ka Wā Ma Hope
We look to the past as a guide to the future

Saturday, February 24, 2024 • 5-8:30PM (program begins at 5:30)
 Ho'okupu Center • 1125 Ala Moana Boulevard • Valet Parking

SELECT YOUR LEVEL OF TABLE SPONSORSHIP

☐ **\$25,000 • 'A'ali'i Sponsor**

☐ **\$20,000 • 'Ōhia Lehua Sponsor**

- Full page, color ad in the printed program
- Full selection of premium wines
- Wine table service

All sponsorship levels include

- Table for ten guests
- Announced acknowledgement at the event

Your company's logo on all event acknowledgments

- Hale Kipa's social media (Facebook, Instagram)
- Hale Kipa's website
- Hale Kipa's 'A'ali'i e-newsletter

☒ **\$15,000 • Lokelani Sponsor**

- Three-quarter page, color ad in the printed program
- Full selection of premium wines
- Wine table service

☐ **\$10,000 • 'Ilima Sponsor**

- Half page, color ad in the printed program
- Select premium wines

☐ **\$5,000 • Mokihana Sponsor**

- Quarter page, color ad in the printed program
- Select premium wines

NAME OF COMPANY OR INDIVIDUAL

MAILING ADDRESS

CITY

STATE

ZIP CODE

CONTACT PERSON

TITLE

EMAIL

PHONE

☐ Pay by check

Please make check payable to Hale Kipa
 Mail to: Hale Kipa
 91-2128 Old Fort Weaver Rd
 'Ewa Beach, HI 96706

☐ Pay by credit card

Payments accepted online at www.halekipa.org
 or by calling 589-1829, ext 126

Kindly make your sponsorship payment before January 31, 2024

Mail your completed form to the address above or email attach it to helping@halekipa.org

Mahalo for being part of Hale Kipa's Pā'ina 2024 fundraising dinner.

Funds raised from this event will go to support important programs and services that create opportunities for thousands of Hawai'i's young people who need assistance.



Kupukupu - Pā'ina 2024

I Ka Wā Ma Mua, Ka Wā Ma Hope
We look to the past as a guide to the future

Become an Event Sponsor

SELECT YOUR EVENT SPONSORSHIP

☐ **\$10,000 • Event Sponsor**

Venue, dinner menu, and service for all 100+ guests and 25 volunteers

- Full page, color ad in the printed program

☐ **\$5,000 • Rentals Sponsor**

All party rentals including dinnerware, glassware, tables, linens, tent, set up and break down

- Half page, color ad in the printed program

All sponsorship levels include event acknowledgments

- Hale Kipa's social media (Facebook, Instagram)
- Hale Kipa's website
- Hale Kipa's 'A'ali'i e-newsletter

☐ **\$1,250 • Valet Parking Sponsor**

☐ **\$1,200 • Wine / Beverages Sponsor**

☐ **\$1,000 • Table Décor / Flowers Sponsor**

- Quarter page, color ad in the printed program

☐ **\$800 • Photography Sponsor**

☐ **\$750 • Videography Sponsor**

☐ **\$500 • Sound Engineer Sponsor**

☐ **\$300 • Event Favors Sponsor**

- Acknowledgement in the printed program

NAME OF COMPANY OR INDIVIDUAL

MAILING ADDRESS

CITY

STATE

ZIP CODE

CONTACT PERSON

TITLE

EMAIL

PHONE

☐ **Pay by check**

Please make check payable to Hale Kipa

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Kupukupu - Pā'ina 2024

I Ka Wā Ma Mua, Ka Wā Ma Hope
We look to the past as a guide to the future

DONATED AUCTION ITEM AGREEMENT

Please complete one agreement for each donated auction item

DONOR / BUSINESS NAME

MAILING ADDRESS

CITY

STATE

ZIP CODE

CONTACT PERSON

TITLE

EMAIL

PHONE

DONATED ITEM

RETAIL VALUE

DESCRIPTION OF ITEM as you suggest it to be published

BLOCKOUT DATES / RESTRICTIONS

DELIVERY OF ITEM

- ☐ I have enclosed the item or gift certificate / award letter
- ☐ I will mail the item separately to: Hale Kipa, 91-2128 Old Fort Weaver Rd, 'Ewa Beach, HI 96706
- ☐ I will deliver item to Hale Kipa or need pick up: Call 808.225.7390 / Email kmorris@elevateeventshawaii.com

I would like to donate the item listed on this agreement, which is in my possession. The retail value listed is a fair market value and is made with no prejudice. I indemnify Hale Kipa, Inc. for any damage or injury which may result from the acceptance of this donation.

SIGNATURE

DATE

Under Internal Revenue Service guidelines, your donation is tax deductible. No goods or services were received in exchange for this donation. Tax laws require that you keep this document as a receipt for your records.

Hale Kipa, Inc. reserves the right to package and set the bid level for donated auction items.

KINDLY COMPLETE DELIVERY OF YOUR DONATED ITEM BY FEBRUARY 1, 2024

Mahalo for being part of Hale Kipa's Pā'ina 2024 fundraising dinner.

Funds raised from this event will go to support important programs and services that create opportunities for thousands of Hawai'i's young people who need assistance.

Committee on Resource ManagementTrustee John Waihe'e IV, *At-Large* - ChairTrustee Luana Alapa, *Moloka'i / Lāna'i* - Vice Chair**Members**Trustee Dan Ahuna, *Kaua'i / Ni'ihau*Trustee Kaleihikina Akaka, *O'ahu*Trustee Keli'i Akina, *At-Large*Trustee Brickwood Galuteria, *At-Large*Trustee Carmen Hulu Lindsey, *Maui*Trustee J. Keoni Souza, *At-Large*Trustee Mililani Trask, *Hawai'i Island*

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

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

DATE: Wednesday January 31, 2024**TIME:** 1:30 p.m.**PLACE:** Virtual Meeting

560 N. Nimitz Hwy., Honolulu, HI 96817

viewable at <https://www.oha.org/livestream> OR

Listen by phone: (213) 338-8477, Webinar ID: 894 5940 9035

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: 894 5940 9035. 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.

AGENDA**I. Call to Order****II. Approval of Minutes**

A. December 6, 2023

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

A. Consequent Capital Management Introduction

1. Presentation: Pantheon (Private Markets), Iain Jones

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ACTION ITEM


COMMITTEE ON RESOURCE MANAGEMENT January 31, 2024


RM #24-04


Action Item Issue: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY24) and 2024-2025 (FY25) - Realignment #1 – Core and Non-Core Realignments

Co-Prepared by:  1/27/2024
Grace Chen Date
'Aho Hui Mo'ohelu, Reporting & Financial Analyst

Co-Prepared
& Reviewed by:  1/27/2024
Ramona G. Hinck Date
Ka Pou Kihi Kanaloa Wai, Chief Financial Officer

Reviewed by:  1/27/2024
Casey K. Brown Date
Ka Pou Nui, Chief Operating Officer

Reviewed by:  1/27/2024
Stacy K. Ferreira Date
Ka Pouhana, Chief Executive Officer

Reviewed by:  1/27/2024
Ke Kua, Trustee John D. Waihee, IV Date
Luna Ho'omalua o ke Kōmike Resource Management
Chair of the Committee on Resource Management

Action Item RM #24-04: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY24) and 2024-2025 (FY25) - Realignment #1 – Core and Non-Core Realignments

I. PROPOSED ACTION

Approve the fiscal biennium budget realignment #1 Core and Non-Core for the fiscal biennium periods (“FB”) 2023-2024 (“FY24”) and 2024-2025 (“FY25”) as summarized at Attachment #1.

II. ISSUE

Whether or not the Committee on Resource Management should approve and recommend to the Board of Trustees (“Board” or “BOT”), the approval of the FB FY24 and FY25 budget realignment #8, summarized at Attachment #1.

III. BACKGROUND

A. Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY24) and 2024-2025 (FY25), dated June 28, 2023, was ratified by the BOT on June 29, 2023 (See Attachment 2). 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, 2023, through June 30, 2024 (FY24) and July 1, 2024, through June 30, 2025 (FY25). 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”.

B. Budget Realignments

Administration analyzed the necessity of budget realignment for the Core and Non-Core. This action item specifically addresses the fiscal period, from July 1, 2023, through June 30, 2024 (FY24), and seeks approval for this realignment of the FY24 budget.

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Action Item RM #24-04: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY24) and 2024-2025 (FY25) - Realignment #1 – Core and Non-Core Realignments

IV. FISCAL BIENNIUM 23-24 REALIGNMENT #1 - DISCUSSION

Table 1: Spending Limit for FY24 Total Operating Budget

FY24 Spending Limit	APPROVED (AI RM #23-17)	PROPOSED (AI RM #24-04)	NET CHANGE	FN
	FY 24	FY 24	FY 24	
	(a)	(b)	(b-a)	
1. Core Operating Budget				
NHTF - 5% of Investment Portfolio	\$ 19,909,252	\$ 19,977,113	\$ 67,861	
Public Land Trust Revenues	21,500,000	21,500,000	-	
State of Hawai'i General Funds	3,000,000	3,000,000	-	
Allocation of Kaka'ako Makai Revenues (60% Net Revenue)	776,290	-	(776,290)	
Sub-total - Core Operating:	\$ 45,185,542	\$ 44,477,113	\$ (708,429)	[1]
2. Fiscal Stability Fund				
Fiscal Stability Fund	\$ -	\$ -	\$ -	
Sub-total – Fiscal Stability Fund	\$ -	\$ -	\$ -	
3. Commercial Property				
Hakuone	\$ 3,009,425	\$ 3,500,000	\$ 490,575	
Nā Lama Kukui	9,005,168	5,600,000	(3,405,168)	
500 North Nimitz Hwy	4,866,708	3,811,000	(1,055,708)	
501 Sumner St	284,221	500,000	215,779	
Sub-total –Commercial Property:	\$ 17,165,522	\$ 13,411,000	\$ (3,754,522)	[2]
4. Legacy Properties				
Palauea Culture Preserve	\$ 648,388	\$ 6,000	\$ (642,388)	
Wao Kele O Puna Management Fund	241,379	-	(241,379)	
Sub-total -Legacy Properties:	\$ 889,767	\$ 6,000	\$ (883,767)	[3]
5. Other OHA Programs				
Federal-Funded				
Halawa Luluku Interpretive Development	\$ 136,300	\$ 136,300	\$ -	
Native Hawaiian Revolving Loan Fund	1,059,773	1,059,773	-	
US Department of Commerce - National Oceanic and Atmospheric Administration (Papahānaumokuākea)	-	109,000	109,000	
US Department of Interior - US Fish and Wildlife Service (Wao Kele O Puna)	-	-	-	
Sub-total – Federal-Funded:	\$ 1,196,073	\$ 1,305,073	\$ 109,000	
Others	\$ 199,833	\$ 66,600	\$ (133,233)	
Sub-total – Other OHA	\$ 1,395,906	\$ 1,371,673	\$ (24,233)	[4]
Total Operating Budget:	\$ 64,636,737	\$ 59,265,786	\$ (5,370,951)	

Footnotes:

[1] The decrease in the Spending Limit of \$708,429 is mainly due to the allocation of 60% net income from Hakuone to legacy lands that was reported in the approved budget, RM #23-17, without explicit BOT approval.

[2] The decrease in the Spending Limit of \$3,754,522 include revised projections of the commercial properties revenue and a refinement of the Spending Limit calculation that excludes cash balances. The change is a more conservative calculation of the commercial properties spending limit.

Action Item RM #24-04: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY24) and 2024-2025 (FY25) - Realignment #1 – Core and Non-Core Realignments

[3] The decrease in the Spending Limit of \$787,757 is mainly due to a refinement of the Spending Limit calculation that excludes cash balances for Palaua (\$648K) and Wao Kele O Puna (\$241K).

[4] The decrease in the Spending Limit of \$33,233 is mainly due to federal funds for Papahānaumokuākea (\$109K) offset by the decrease in the Ka Wai Ola amount due to the adjustment of the Spending Limit calculation.

Table 2: FY24 Approved Total Operating Budget and Realignments

Total Operating Budget Summary	APPROVED (AI RM #23-17)	PROPOSED (AI RM #24-04)	NET CHANGE
	FY 24	FY 24	FY 24
	(a)	(b)	(b-a)
1. Core Operating Budget			
Personnel (including 52% fringe)	\$ 13,696,430	\$ 12,718,630	\$ (977,800)
Non-Personnel	31,152,859	31,753,661	600,802
Sub-total – Core Operating Budget:	\$ 44,849,289	\$ 44,472,291	\$ (376,998)
2. Fiscal Stability Fund			
Fiscal Stability Fund	\$ -	\$ -	\$ -
Sub-total – FSF:	\$ -	\$ -	\$ -
3. Commercial Property			
Hakuone	\$ 2,226,672	\$ 3,571,672	\$ 1,345,000
Na Lama Kukui	3,788,140	4,053,140	265,000
500 North Nimitz Hwy	2,333,878	2,333,878	2,000
501 Sumner St.	1,001,282	1,003,282	2,000
Sub-total – Commercial Property:	\$ 9,349,972	\$ 10,963,972	\$ 1,614,000
4. Legacy Land Programs Budget			
Palaua Culture Preserve	\$ 128,600	\$ 128,600	\$ -
Wao Kele O Puna Management Fund	96,010	included in Core	(96,010)
Sub-total - Legacy Lands:	\$ 224,610	\$ 128,600	\$ (96,010)
5. Other OHA Programs Budget			
a. Federal-Funded Programs Budget			
Halawa Luhuku Interpretive Development	\$ 136,300	\$ 136,300	\$ -
Native Hawaiian Revolving Loan Fund	1,059,773	1,059,773	-
US Department of Commerce - National Oceanic and Atmospheric Administration (Papahanamokuakea)	-	109,000	109,000
US Department of Interior - US Fish and Wildlife Service (Wao Kele O Puna)	-	-	-
Sub-total – Federal Programs Budget:	\$ 1,196,073	\$ 1,305,073	\$ 109,000
b. Other OHA Programs Budget			
Other OHA Programs	\$ -	\$ -	\$ -
Sub-total – Other OHA Programs Budget:	\$ -	\$ -	\$ -
Sub-total –Non-Core Operating Budget (#2 - #5):	\$ 10,770,655	\$ 12,397,645	\$ 1,626,990
Total Operating Budget:	\$ 55,619,944	\$ 56,869,936	\$ 1,249,992

Action Item RM #24-04: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY24) and 2024-2025 (FY25) - Realignment #1 – Core and Non-Core Realignments

The following sections provide explanation on the major adjustments (increases/decreases) to the budget as a result of this realignment.

A. Core Operating Budget Adjustments

The Core Budget consists of payroll, operations, and program expenditures.

CORE OPERATING BUDGET	Fiscal Year 2024			FN
	Approved Budget (RM #23-17)	Proposed Realignment #1 (RM #24-04)	Incr(Decr)	
	(a)	(b)	(b-a)	
CONTRACTS	\$ 6,995,926	\$ 5,915,676	\$ (1,080,250)	[1]
DEBT SERVICE	-	1,023,200	1,023,200	[2]
EQUIPMENT	1,239,030	1,547,030	308,000	[3]
GRANTS	17,585,921	17,585,921	-	
OVERHEAD	3,270,804	3,644,854	374,050	[4]
PERSONNEL & FRINGE	13,696,430	12,718,630	(977,800)	[5]
PROGRAM	1,394,776	1,383,776	(11,000)	[6]
TRAVEL	762,412	653,204	(109,208)	[7]
TOTAL	\$ 44,945,299	\$ 44,472,291	\$ (473,008)	

Footnotes:

[1] CONTRACTS: The decrease in budget of \$1,080,250 is due to projects and mid-year adjustments of \$1,155,250 in the programs, offset by a \$75,000 increase for on-going legal services.

[2] DEBT SERVICE: The increase in budget of \$1,023,200 is mainly due to the repayment of OHA's governance planning initiative loan of \$1,021,000, entered January 28, 2015, which was requested by the Administration and approved by the BOT on September 29, 2022, via Action Item RM #22-23A, Budget Realignment #4. The balance of the governance loan was paid off in July 2023 (FY24) instead of FY23 where it was budgeted. Please refer to Action Item RM #23-26, Budget Realignment #8, that adjusts the FY23 budget for the payment in FY24.

[3] EQUIPMENT: The increase in budget of \$308,000 is mainly due to modular furniture for the Hilo office (\$95K), Kukaniloko Q3 SOW (\$60K), additional fleet vehicle (\$60K), office badge readers (\$40K), and laptops (\$40K).

[4] OVERHEAD: The increase in budget of \$374,050 is mainly due to higher rent, improvements and utilities for the Hilo office (\$161K), insurance (\$156K), and extension of staff free parking (\$55K).

[5] PERSONNEL & FRINGE: The decrease in budget of \$977,800 is due to realigning the budget with the 6-month actuals.

[6] PROGRAM: The decrease in budget of \$11,000 is due to realigning the budget with the 6-month actuals (\$161K), offset by Wao Kele O Puna expenses that CORE needs to cover (\$145K) and promotional items for Public Policy (\$5K).

[7] TRAVEL: The decrease in budget of \$109,208 is due to realigning the budget with the 6-month actuals.

Action Item RM #24-04: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY24) and 2024-2025 (FY25) - Realignment #1 – Core and Non-Core Realignments

B. Commercial Property Budget Adjustments

The Commercial Property Budget consists of Hakuone, Na Lama Kukui and Iwilei.

HAKUONE	Fiscal Year 2024			FN
	Approved Budget (RM #23-17)	Proposed Realignment #1 (RM #24-04)	Incr(Decr)	
	(a)	(b)	(b-a)	
Gross Projected Revenue	\$ 2,795,000	\$ 3,500,000	\$ 705,000	[1]
Less: Hakuone (Legacy Use - 60%)	776,290	-	(776,290)	[2]
Sub-total Available Funds	\$ 3,571,290	\$ 3,500,000	\$ (71,290)	
<i>Less: Expenses</i>				
CONTRACTS	742,140	2,042,140	1,300,000	[3]
DEBT SERVICE	88,000	88,000	-	
EQUIPMENT	647,253	647,253	-	
OVERHEAD	530,713	550,713	20,000	[4]
PERSONNEL & FRINGE	94,620	119,620	25,000	[4]
PROGRAM	122,786	122,786	-	
TRAVEL	1,160	1,160	-	
Sub-total Expenditure	\$ 2,226,672	\$ 3,571,672	\$ 1,345,000	
Estimated Net Available Funds	\$ 1,344,618	\$ (71,672)	\$ (1,416,290)	[5]

Footnotes:

[1] Gross Projected Revenues: The increase in budget of \$705,000 is due to updated revenue estimates received January 2024.

[2] Hakuone (Legacy Use - 60%): The reversal of the Hakuone 60% net profit to legacy land is due to the inclusion in the approved budget, RM #23-17, without explicit BOT approval.

[3] CONTRACTS: The increase in budget of \$1,300,000 is due to Hakuone Lot L repairs.

[4] Immaterial, pass explanation.

[5] The Total Spending Limit for Commercial Properties is \$13,411,000. The Total Operating Budget for Commercial Properties is \$10,963,972. The excess Spending Limit for commercial properties is \$2,447,028, which can cover the \$1,416,290 needed to balance Hakuone's budget.

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Action Item RM #24-04: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY24) and 2024-2025 (FY25) - Realignment #1 – Core and Non-Core Realignments

NA LAMA KUKUI	Fiscal Year 2024			FN
	Approved Budget (RM #23-17)	Proposed Realignment #1 (RM #24-04)	Incr(Decr)	
	(a)	(b)	(b-a)	
Gross Projected Revenue	\$ 5,772,011	\$ 5,600,000	\$ (172,011)	[1]
Sub-total Available Funds	\$ 5,772,011	\$ 5,600,000	\$ (172,011)	
<i>Less: Expenses</i>				
CONTRACTS	590,872	710,872	120,000	[2]
DEBT SERVICE	553,088	623,088	70,000	[3]
EQUIPMENT	1,126,110	1,126,110	-	
OVERHEAD	1,089,007	1,164,007	75,000	[4]
PERSONNEL & FRINGE	103,770	103,770	-	
PROGRAM	325,293	325,293	-	
TRAVEL	-	-	-	
Sub-total Expenditure	\$ 3,788,140	\$ 4,053,140	\$ 265,000	
Estimated Net Available Funds	\$ 1,983,871	\$ 1,546,860	\$ (437,011)	

Footnotes:

[1] Gross Projected Revenues: The decrease in budget of \$172,011 is due to updated revenue estimates received January 2024.

[2] CONTRACTS: The increase in budget of \$120,000 is to cover an anticipated shortfall based on 6 months actual.

[3] DEBT SERVICE: The increase in budget of \$70,000 of budget is to true-up the interest expense payment through June 30, 2024.

[4] OVERHEAD: The increase in budget of \$75,000 is to cover an anticipated shortfall in insurance based on 6 months actual.

The budget adjustments for Iwilei are immaterial and not presented.

C. Legacy Land Programs Budget Adjustments

Legacy Properties reflects the funds designated for use on specific legacy property. Budget reclassifications were manually effected for Palauea and there were no budget adjustments for Wao Kele O Puna.

D. Other OHA Programs Budget Adjustments

Other OHA Programs Budget – Federal-funded reflects programs funded by the federal and/or jointly with OHA. Budget reclassifications were manually effected for the Native

Action Item RM #24-04: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY24) and 2024-2025 (FY25) - Realignment #1 – Core and Non-Core Realignments

Hawaiian Revolving Loan Fund and there were no budget adjustments for the Hālawā Lūluku Interpretive Development Project.

PAPAHANAUMOKUAKEA	Fiscal Year 2024			FN
	Approved Budget (RM #23-17)	Proposed Realignment #1 (RM #24-04)	Incr(Decr)	
	(a)	(b)	(b-a)	
Gross Projected Revenue	\$ -	\$ 109,000	\$ 109,000	[1]
Sub-total Available Funds	\$ -	\$ 109,000	\$ 109,000	
<i>Less: Expenses</i>				
CONTRACTS	-	65,000	65,000	[2]
DEBT SERVICE	-	-	-	
EQUIPMENT	-	-	-	
OVERHEAD	-	-	-	
PERSONNEL & FRINGE	-	-	-	
PROGRAM	-	-	-	
TRAVEL	-	44,000	44,000	[3]
Sub-total Expenditure	\$ -	\$ 109,000	\$ 109,000	
Estimated Net Available Funds	\$ -	\$ -	\$ -	

Footnotes:

[1] Gross Projected Revenues: The increase in budget of \$109,000 is to reflect the federal funding received from NOAA for management of Papahānaumokuākea.

[2] CONTRACTS: The increase in budget of \$65,000 is to reflect the federal funding and use of it for management of the property.

[3] TRAVEL: The increase in budget of \$44,000 is to reflect the federal funding and use of it for management of the property.

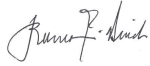
Lastly, Other OHA Programs Budget – Others reflects programs funded through other sources of income including: Ka Wai Ola advertisement sales; Conference sponsorships; and Other miscellaneous income. There were no budget adjustments to report.

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Action Item RM #24-04: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY24) and 2024-2025 (FY25) - Realignment #1 – Core and Non-Core Realignments

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 recommended above:



Ramona G Hinck

Chief Financial Officer

Date: 1/27/2024

VI. RECOMMENDED ACTION

Approve the fiscal biennium budget realignment #1 for the fiscal biennium periods 2023-2024 (FY24) and 2024-2025 (FY25) as summarized at Attachment #1.

VII. ALTERNATE ACTIONS

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

VIII. ATTACHMENTS

- A. FY24 and FY25 Budget Realignment #1 – Attachment #1
- B. **Action Item RM #23-17:** OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25), June 28, 2023 – Attachment #2
- C. **Action Item RM #23-26:** OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments, December 6, 2023 – Attachment #3

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OFFICE OF HAWAIIAN AFFAIRS
FY 2024 AND FY 2025

ATTACHMENT #1
2023-2024 (FY24) Core and Non-Core Budgets and 2024-2025 (FY25) Core and Non-Core Budgets - Budget Realignment #1

Table 1. FY2024 Budget (January 2024)

FY 2024	FTE	Core	Commercial Property				Legacy Property		Other OHA Programs - Federal Funded			FY 2024 Total Operating Budget	
			Hakuone	Nā Lama Kukui	Iwilei Properties		Palauea Culture Preserve	WKOP Mgmt Fund	HLID	NHRLF	PAPAHAUMOK UAKEA (PMNM)		
					500 N Nimitz	501 Sumner							
Contracts	153	\$5,915,676	\$2,042,140	\$710,872	\$557,161	\$361,000	\$50,000		\$10,000	\$314,200	\$65,000	\$10,026,049	
Debt Service		1,023,200	88,000	623,088	779,643	318,858	-		-	-	-	2,832,789	
Equipment		1,547,030	647,253	1,126,110	234,751	54,761	67,000		300	36,000	-	3,713,205	
Grants		17,585,921	-	-	-	-	-	Figure included in "Core".	-	-	-	-	17,585,921
Overhead		3,644,854	550,713	1,164,007	132,390	88,458	7,000		12,400	89,170	-	5,688,992	
Personnel		12,718,630	119,620	103,770	-	-	-		108,350	517,350	-	13,567,720	
Program		1,383,776	122,786	325,293	631,933	180,205	1,000		5,250	87,855	-	2,738,098	
Travel	653,204	1,160	-	-	-	3,600		-	15,198	44,000	717,162		
Totals:		\$44,472,291	\$3,571,672	\$4,053,140	\$2,335,878	\$1,003,282	\$128,600	\$0	\$136,300	\$1,059,773	\$109,000	\$56,869,936	

Table 2. FY2025 Budget (January 2024) - No Change in Prior Figures

FY 2025	FTE	Core	Commercial Property				Legacy Property		Other OHA Programs - Federal Funded			FY 2025 Total Operating Budget
			Hakuone	Nä Lama Kukui	Iwilei Properties		Palauea Culture Preserve	WKOP Mgmt Fund	HLID	NHRLF	PAPAHAUMOK UAKEA (PMNM)	
					500 N Nimitz	501 Sumner						
Contracts		\$6,279,900	\$355,265	\$536,244	\$568,388	\$361,000	\$48,000	\$0	\$0	\$314,200	\$0	\$8,462,997
Debt Service		0	88,000	603,112	1,275,831	519,849	0	0	0	0	0	\$2,486,792
Equipment		959,530	198,489	1,116,500	34,863	55,908	68,000	196,250	0	28,000	0	\$2,657,540
Grants		17,585,921	0	0	0	0	0	0	0	0	0	\$17,585,921
Overhead		3,217,431	496,685	1,063,276	136,344	88,860	6,000	0	0	88,460	0	\$5,097,056
Personnel	153	13,771,210	94,620	103,770	0	0	0	0	0	526,500	0	\$14,496,100
Program		1,348,025	123,204	329,301	649,217	180,205	1,000	1,750	0	87,855	0	\$2,720,557
Travel		698,442	1,160	0	0	0	3,600	0	0	28,123	0	
Totals:		\$ 43,860,459	\$ 1,357,423	\$ 3,752,203	\$ 2,664,643	\$ 1,205,822	\$ 126,600	\$ 198,000	\$ -	\$ 1,073,138	\$ -	\$ 54,238,288

2-Year Totals:		\$88,332,750	\$4,929,095	\$7,805,343	\$5,000,521	\$2,209,104	\$255,200	\$198,000	\$136,300	\$2,132,911	\$109,000	\$111,108,224
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ACTION ITEM

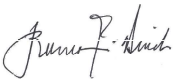
COMMITTEE ON RESOURCE MANAGEMENT


June 28, 2023

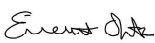
RM #23-17


Action Item Issue: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

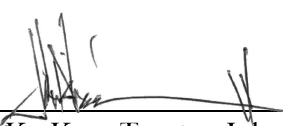
Co-Prepared by: 
6/23/2023
Grace Chen
Date
'Aho Hui Mo'ohelu, Reporting & Financial Analyst

Co-Prepared
& Reviewed by: 
6/23/2023
Date
Ramona G. Hinck
Pou Kāko'o Ho'opono Kūikawā, Interim Controller &
Ka Pou Kihi Kanaloa Wai, Chief Financial Officer

Reviewed by: 
6/23/2023
Date
Casey K. Brown
Ka Pou Nui, Chief Operating Officer

Reviewed by: 
6/23/2023
Date
Everett Ohta
Ka Paepae Puka Kūikawā, Interim General Counsel

Reviewed by: 
6/23/2023
Date
Sylvia M. Hussey, Ed.D.
Ka Pouhana, Chief Executive Officer

Reviewed by: 
6/23/2023
Date
Ke Kua, Trustee John D. Waihee, IV
Luna Ho'omalū o ke Kōmike Resource Management
Chair of the Committee on Resource Management

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

I. PROPOSED ACTION

Administration recommends the Board of Trustees approve the OHA Biennium Budget for the Fiscal Biennium Period 2023-2024 (FY 24) and 2024-2025 (FY 25) as outlined in Attachment #1.

II. ISSUE

Whether or not the Committee on Resource Management should approve and recommend to the Board of Trustees (“BOT”) approval of the Total Operating Budget for the Fiscal Biennium Period 2023-2024 (FY 24) and 2024-2025 (FY 25) as outlined in Attachment #1.

III. ACTION ITEM ORGANIZATION

Action Item RM #23-17 is organized in the following manner to support the above recommended action:

Section IV – BACKGROUND - POLICY BASIS – Budget Construction & Management Policies

Section V - FISCAL BIENNIUM 2023-2024 (FY 24) and 2024-2025 (FY 25) DISCUSSION

Section VI – RECOMMENDED ACTION

Section VII – ALTERNATIVE ACTIONS

Section VIII – ATTACHMENTS

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IV. BACKGROUND - POLICY BASIS – Budget Construction & Management Policies

A. Aggregation and Distribution, February 2023. The OHA Board of Trustees (BOT) Executive Policy Manual (“EPM”) was updated by OHA Administration to compile all of the new policies and policy amendments that have been approved by the Board of Trustees since the last comprehensive update to the EPM in February 2012. No new policies, other than those already approved by the BOT, are included in this update.

The EPM is to be used as a reference document for OHA’s BOT, CEO, staff and for working Councils and Committees. The EPM is designed to be utilized as a management tool for quick and easy access to OHA Bylaws and policies approved by the BOT. The guiding principles of OHA’s policies established by the BOT are to provide the wider framework under which OHA operates as an organization. OHA’s policies ensure the OHA mandate of the betterment of conditions of the native Hawaiians and Hawaiians is pursued in an efficient and effective manner. The BOT is guided by its vision, mission, and values in the development of OHA’s policies.¹

3040 Planning, Programming, Budgeting System (PPBS).....	33
Financial Planning.....	37
3045 Budget Management Policy.....	38
Budget Management	39
Budget Evaluation	39
Biennium Budget Realignment and Adjustments	39
Multi-Year, Carryover.....	41
3046 Fiscal Stabilization Policy.....	41
Purpose and Intent.....	41

The updated EPM was distributed to Trustees and made available across the agency. These policies shall apply to the work and conduct of Trustees, staff, and associated Councils and Committees of OHA and considered in the hiring of contractors using OHA funds.

Figure 1. EPM Excerpt

Figure 1. EPM Excerpt outlines the applicable sections of the EPM discussed in further detail below.

B. 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)² (“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

¹ Introduction (Guiding Principles), Office of Hawaiian Affairs Board of Trustees Executive Policy Manual (2023)

² 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)

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

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.

C. 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).

D. 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”.

E. 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, 2022³, 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).

³ 1st Reading, BOT Meeting, April 14, 2022; 2nd Reading, BOT Meeting, April 28, 2022

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

F. **Budget Management Policies, April 2021.** The Board, via Action Item RM #21-05 - Amendment to Executive Policy Manual Section, Budget Management Policy, April 20, 2021⁴, approved the expansion of Executive Policy Manual (EPM) to: (1) Add new section 3045 Budget Management; (2) Add new section 3046 Fiscal Stabilization Policy; (3) Relocate and renumber two sections currently located in *section 3050 Fiscal* to *section 3040 Planning, Programming, Budget*; and (4) Relocate and renumber five sections currently located in *section 3040 Planning, Programming, Budget* to new section *3045 Budget Management*.

G. **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.

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⁴ 1st Reading, BOT Meeting, April 22, 2021; 2nd Reading, BOT Meeting, April 29, 2021

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

V. FISCAL BIENNIUM 2023-2024 (FY 24) and 2024-2025 (FY 25) DISCUSSION

A. SPENDING LIMIT

Spending Limit Summary	BOT APPROVED		PRELIMINARY		FY24 FY25 Total
	FY22 Realignment #3	FY23 Realignment #4	FY 2024 Spending Limit	FY 2025 Spending Limit	
	AI RM #21- 08A	AI RM #22- 23A			
	(a)	(b)	(c)	(d)	e = c + d
1. Core Operating Budget					
NHTF - 5% of Investment Portfolio	\$17,963,254	\$18,615,394	\$19,909,252	\$20,945,804	40,855,056
Public Land Trust Revenues	15,100,000	21,500,000	21,500,000	21,500,000	43,000,000
State of Hawai`i General Funds	2,254,400	2,254,400	3,000,000	3,000,000	6,000,000
Allocation of Kaka`ako Makai Revenues (60% Net Revenue)	1,363,861	440,604	776,290	1,066,569	1,842,859
Sub-total - Core Operating:	\$36,681,515	\$42,810,398	\$45,185,542	\$46,512,373	\$91,697,915
2. Fiscal Stability Fund					
Fiscal Stability Fund	\$0	\$0	\$0	\$0	\$0
Sub-total – Fiscal Stability Fund	\$0	\$0	\$0	\$0	\$0
3. Commercial Property					
Kaka'ako Makai	\$9,737,807	\$5,909,419	\$3,009,425	\$2,801,464	\$5,810,889
Nä Lama Kukui	6,250,334	7,632,587	9,005,168	11,075,619	20,080,787
500 North Nimitz Hwy	2,639,294	3,817,475	4,866,708	6,369,717	11,236,425
501 Sumner St	183,753	166,404	284,221	284,211	568,432
Sub-total –Commercial Property:	\$18,811,188	\$17,525,885	\$17,165,522	\$20,531,011	\$37,696,533
4. Legacy Properties					
Palauea Culture Preserve	\$330,229	\$361,617	\$648,388	\$519,788	\$1,168,175
Wao Kele O Puna Management Fund	61,244	20,831	241,379	198,000	439,379
Sub-total -Legacy Properties:	\$391,473	\$382,448	\$321,059	\$717,788	\$1,607,554
5. Other OHA Programs					
<i>Federal-Funded</i>					
Halawa Luluku Interpretive Development	\$812,180	\$222,280	\$136,300	\$0	\$136,300
Native Hawaiian Revolving Loan Fund	1,353,806	1,386,669	1,059,773	1,073,138	2,132,911

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

Spending Limit Summary	BOT APPROVED		PRELIMINARY		FY24 FY25 Total
	FY22 Realignment #3	FY23 Realignment #4	FY 2024 Spending Limit	FY 2025 Spending Limit	
	AI RM #21- 08A	AI RM #22- 23A			
	(a)	(b)	(c)	(d)	
US Department of Commerce - National Oceanic and Atmospheric Administration (Papahanamokuakea)	175,000	0	0	0	0
US Department of Interior - US Fish and Wildlife Service (Wao Kele O Puna)	0	231,045	0	0	0
Sub-total – Federal- Funded:	\$2,340,986	\$1,839,994	\$1,196,073	\$1,073,138	\$2,269,211
<i>Others</i>	34,000	66,600	199,833	66,600	266,433
Sub-total – Other OHA	\$2,374,986	\$1,906,594	\$1,395,906	\$1,139,738	\$2,535,644
Total Operating Budget:	\$58,259,162	\$62,625,325	\$64,068,029	\$68,900,909	\$133,537,646

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

B. TOTAL OPERATING BUDGET SUMMARY

Total Operating Budget Summary	FY 22 Actuals	Projected FY 23	PRELIMINARY		Total FY24/FY25	%
			FY 24	FY 25		
1. Core Operating Budget						
Personnel (including 52% fringe)	\$12,265,248	\$12,201,443	\$13,696,430	\$13,771,210	\$27,467,640	
Non-Personnel	13,077,822	27,145,434	31,152,859	30,089,249	61,242,108	
Sub-total – Core Operating Budget:	\$25,343,070	\$39,346,877	44,849,289	43,860,459	\$88,709,748	81%
2. Fiscal Stability Fund						
Fiscal Stability Fund	0	0	0	0	0	
Sub-total – FSF:	\$0	\$0	\$0	\$0	\$0	
3. Commercial Property						
Kaka'ako Makai	\$3,590,535	\$3,005,000	\$2,226,672	\$1,357,423	\$3,584,094	
Na Lama Kukui	23,617,246	2,209,491	3,788,140	3,752,203	7,540,343	
500 North Nimitz Hwy	35,339,675	1,381,389	2,333,878	2,664,643	4,998,520	
501 Sumner St.	14,160,978	625,377	1,001,282	1,205,822	2,207,104	
Sub-total – Commercial Property:	\$76,708,434	\$7,221,257	\$9,349,971	\$8,980,090	\$18,330,061	17%
4. Legacy Land Programs Budget						
Palauca Culture Preserve	77,087	4,220	128,600	126,600	255,200	
Wao Kele O Puna Management Fund	143,588	205,771	96,010	198,000	294,010	
Sub-total - Legacy Lands:	\$220,675	\$209,991	\$224,610	\$324,600	\$549,210	0%
5. Other OHA Programs Budget						
a. Federal-Funded Programs Budget						
Halawa Luluku Interpretive Development	172,126	168,196	136,300	0	136,300	
Native Hawaiian Revolving Loan Fund	842,780	611,076	1,059,773	1,073,138	2,132,911	
US Department of Commerce - National Oceanic and Atmospheric Administration (Papahānaumokuākea)	175,000	0	0	0	0	
US Department of Interior - US Fish and Wildlife Service (Wao Kele O Puna)	0	231,045	0	0	0	
Sub-total – Federal Programs Budget:	\$1,189,906	\$1,010,317	\$1,196,073	\$1,073,138	\$2,269,211	2%
b. Other OHA Programs Budget						
Other OHA Programs	0	0	0	0	0	
Sub-total – Other OHA Programs Budget:	\$0	\$0	\$0	\$0	\$0	0%

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

Total Operating Budget Summary	FY 22 Actuals	Projected FY 23	PRELIMINARY		Total FY24/FY25	%
			FY 24	FY 25		
Sub-total - #2 - #5	\$78,119,015	\$8,441,565	\$10,770,654	\$10,377,828	\$21,148,482	
Total Operating Budget:	\$103,462,085	\$47,788,442	\$55,619,943	\$54,238,287	\$109,858,230	100%

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

C. Core Operating Budget

Core Operating Budget: Reflects the basic operating budget consisting of payroll, operations, and program expenditures and 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.

Table 1: Calculation of 5% of the NHTF's Twenty (20) Quarter Rolling Market Value

FY 2024	Market Value	FY 2025	Market Value
Jun-17	\$354,826,696	Jun-18	\$374,937,631
Sep-17	364,342,282	Sep-18	378,612,814
Dec-17	375,820,258	Dec-18	357,887,387
Mar-18	367,614,957	Mar-19	376,157,559
Jun-18	374,937,631	Jun-19	383,880,451
Sep-18	378,612,814	Sep-19	385,009,338
Dec-18	357,887,387	Dec-19	396,793,723
Mar-19	376,157,559	Mar-20	347,806,871
Jun-19	383,880,451	Jun-20	370,981,092
Sep-19	385,009,338	Sep-20	388,087,563
Dec-19	396,793,723	Dec-20	427,201,350
Mar-20	347,806,871	Mar-21	433,623,283
Jun-20	370,981,092	Jun-21	465,989,670
Sep-20	388,087,563	Sep-21	469,794,162
Dec-20	427,201,350	Dec-21	479,677,618
Mar-21	433,623,283	Mar-22	464,656,121
Jun-21	465,989,670	Jun-22	426,686,690
Sep-21	469,794,162	Sep-22	478,163,105
Dec-21	479,677,618	Dec-22	494,211,890
Mar-22	464,656,121	Mar-23	509,829,100
Average:	\$398,185,041	Average:	\$420,499,371
5%:	\$19,909,252	5%:	\$20,945,804

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

- **Public Land Trust (PLT) Revenues** are received from the State of Hawai‘i and have been set at \$21,500,000 (Act 226, SLH 2022) per year, until further legislative action. Operationally, PLT revenues have been dedicated to fund grants, including sponsorships and other beneficiary and community investments.
- **Kaka‘ako Makai (KM) Revenues** are allocated to OHA’s Core Operating Budget in two ways, as outlined in BOT approved April 20, 2021, Action Item #21-05, Approval of an OHA Board of Trustees Policy Amendment relating to an allocation of revenue from OHA’s Kaka‘ako Makai properties: eliminate the allocation of the gross revenue from Kaka‘ako Makai to OHA’s Grant program, and increase the allocation of the net revenue to OHA’s Legacy Land Program (LLP) from 50% to 60%.

Table 2: Funding from Kaka‘ako Makai Revenues

FUNDING SOURCE	BOT Approved		PRELIMINARY		FY22/FY23	FY24/FY25
	FY22 Realignment #3	FY23 Realignment #4	FY 24	FY 25	2-Year Total	2-Year Total
	AI RM #22-09	AI RM #22-23A				
60% Kaka'ako Makai Net Revenue (Legacy Lands Use)	1,363,861	440,604	776,290	1,066,569	1,804,465	1,842,859

- **State of Hawai‘i General Fund** appropriations are determined by the legislature during each Biennium. OHA budget request was \$3,000,000 for each fiscal year of FY24 and FY25 via HB133 HD1 SD2 CD1 all in Program ID - OHA175 - Beneficiary Advocacy as detailed in Figure 3 below, and signed into law as Act 71 (2023)

Legislative Provision (Proviso)	Prog ID	FY2023-2024 (FY24)	FY2024-2025 (FY25)
Occupancy Ready	OHA 175 – Beneficiary Advocacy	\$500,000	\$500,000
Social Services		\$415,000	\$415,000
Education		\$615,000	\$615,000
Legal Services		\$600,000	\$600,000
‘Āina, Addressing impacts of Climate Change		\$500,000	\$500,000
‘Ōhana Economic Stability		\$370,000	\$370,000
Total		\$3,000,000	\$3,000,000

Table 1. – FY24 and FY25 General Funds

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

D. Sources for Core Operating Budget Funding

Table 3: Spending Limit for OHA's Core Operating Budget

SOURCES OF FUNDING	FY22 Realignment #3	FY23 Realignment #4	PRELIMINARY		FY22/FY23	FY24/FY25
			FY 24	FY 25	2-Year Total	2-Year Total
	FN[1]	FN[2]				
5% of Investment Portfolio	\$17,963,254	\$18,615,394	\$19,909,252	\$20,945,804	\$36,578,648	\$40,855,056
Public Land Trust Revenues FN[3]	15,100,000	21,500,000	21,500,000	21,500,000	36,600,000	43,000,000
State of Hawai'i General Fund FN[4]	2,254,400	2,254,400	3,000,000	3,000,000	4,508,800	6,000,000
Allocation of Kaka'ako Makai Revenues for Legacy Land Use [5]	1,363,861	440,604	776,290	1,066,569	1,804,465	1,842,859
Total - Core Operating Budget:	\$36,681,515	\$42,810,398	\$45,185,542	\$46,512,373	\$79,491,913	\$91,697,915

NOTES:

[1] Figures approved on 6/2/22 in BOT Action Item RM #22-09: OHA Biennium Budget for the Fiscal Biennium Periods (FY22) and 2022-2023 (FY23) - Realignment #3.

[2] Figures approved on 9/29/22 in BOT Action Item RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods (FY22) and 2022-2023 (FY23) - Realignment #4.

[3] 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.

[4] a) General Funds FY22, FY23 figures reflect Section 10 of Act 29 approved 5/28/2021, 2021 HB204 SD2 CD1, Relating to the Budget of the Office of Hawaiian Affairs. b) General Funds FY24 and 25 figures presented are preliminary and subject to change.

[5] Per Action Item #21-05, Approval of an OHA Board of Trustees Policy Amendment relating to an allocation of revenue from OHA's Kaka'ako Makai , April 20, 2021.

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

D. Core Operating Budget

The Core Operating Budget (COB) reflects the basic operating budget consisting of payroll, operations, and program expenditures and is presented in **Table 4** below:

Table 4: Core Operating Budget (by Category)

CORE OPERATING BUDGET	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
Contracts	\$2,354,575	5,505,171	\$6,985,926	\$6,279,900	\$13,265,826	15%
Debt Service	1,298,705	1,044,597	-	-	-	0%
Equipment	579,407	1,280,084	1,155,030	959,530	2,114,560	2%
Grants	4,725,554	15,203,500	17,585,921	17,585,921	35,171,842	40%
Overhead	2,668,207	3,517,627	3,270,804	3,217,431	6,488,234	7%
Personnel	12,265,248	12,198,672	13,696,430	13,771,210	27,467,640	31%
Program	716,544	1,237,278	1,393,276	1,348,025	2,741,301	3%
Travel	207,513	439,642	761,902	698,442	1,460,344	2%
TOTAL CORE OPERATING BUDGET	\$24,815,754	\$40,426,571	\$44,849,289	\$43,860,459	\$88,709,748	100%

*As of 6/20/23

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

E. Core Personnel Budget

Personnel costs includes all expenditures directly related to personnel and comprise of Salaries & Fringe, Student Intern Program, Vacation Payments (including transfer of vacation leave to other State agencies), Employee Continuing Education Program and Overtime.

Table 5a: Core Operating Budget (by Category)

CORE OPERATING BUDGET	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
Contracts	\$2,354,575	5,505,171	\$6,985,926	\$6,279,900	\$13,265,826	15%
Debt Service	1,298,705	1,044,597	-	-	-	0%
Equipment	579,407	1,280,084	1,155,030	959,530	2,114,560	2%
Grants	4,725,554	15,203,500	17,585,921	17,585,921	35,171,842	40%
Overhead	2,668,207	3,517,627	3,270,804	3,217,431	6,488,234	7%
Personnel	12,265,248	12,198,672	13,696,430	13,771,210	27,467,640	31%
Program	716,544	1,237,278	1,393,276	1,348,025	2,741,301	3%
Travel	207,513	439,642	761,902	698,442	1,460,344	2%
TOTAL CORE OPERATING BUDGET	\$24,815,754	\$40,426,571	\$44,849,289	\$43,860,459	\$88,709,748	100%

*As of 6/20/23

Table 5b : Core Personnel Budget – by Expenditure Type

PERSONNEL	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
52070 VACATION TRANSFERS AND PAYOUTS	\$247,899	250,000	250,000	250,000	\$500,000	2%
52100 SALARIES	7,866,492	7,782,056	8,485,000	8,534,000	17,019,000	62%
52110 SALARIES - STUDENT HELPER PROGRAM	146,324	240,386	250,000	250,000	500,000	2%
52130 EMPLOYEE INCENTIVE PROGRAM	0	1,500	10,000	10,000	20,000	0%
52300 OVERTIME	2,196	-	200,000	200,000	400,000	1%
57000 FRINGE BENEFITS	3,968,853	3,888,230	4,463,930	4,489,710	8,953,640	33%
57011 FRINGE BENEFITS - STUDENT HELPER PROGRAM	33,485	36,500	37,500	37,500	75,000	0%
TOTAL PERSONNEL	\$12,265,248	\$12,198,672	\$13,696,430	\$13,771,210	\$27,467,640	100%

*As of 6/20/23

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

F. Core Grants Budget

Includes all grant opportunities in support of our Native Hawaiian communities to create systemic change.

Table 6a: Core Operating Budget (by Category)

CORE OPERATING BUDGET	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
Contracts	\$2,354,575	5,505,171	\$6,985,926	\$6,279,900	\$13,265,826	15%
Debt Service	1,298,705	1,044,597	-	-	-	0%
Equipment	579,407	1,280,084	1,155,030	959,530	2,114,560	2%
Grants	4,725,554	15,203,500	17,585,921	17,585,921	35,171,842	40%
Overhead	2,668,207	3,517,627	3,270,804	3,217,431	6,488,234	7%
Personnel	12,265,248	12,198,672	13,696,430	13,771,210	27,467,640	31%
Program	716,544	1,237,278	1,393,276	1,348,025	2,741,301	3%
Travel	207,513	439,642	761,902	698,442	1,460,344	2%
TOTAL CORE OPERATING BUDGET	\$24,815,754	\$40,426,571	\$44,849,289	\$43,860,459	\$88,709,748	100%

*As of 6/20/23

**Table 6b: Core Grants Budget - by Expenditure Type
FY22 Actual/FY23 Projected/FY24 FY25 Budget Request**

GRANTS	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
56510 PROGRAM & PROVISIO GRANTS	\$634,150	1,830,000	5,300,000.00	\$5,300,000	\$10,600,000	30%
56530 COMMUNITY GRANTS	61,728	5,745,921	4,350,000	4,350,000	8,700,000	25%
56540 LEVEL II GRANTS SYSTEM	3,850,677	7,250,000	6,250,000	6,250,000	12,500,000	36%
56560 SPONSORSHIPS	96,000	245,000	535,921	535,921	1,071,842	3%
56570 DISASTER AID	83,000	132,579	150,000	150,000	300,000	1%
56578 COLLABORATIONS	0	-	1,000,000	1,000,000	2,000,000	6%
TOTAL GRANTS	\$4,725,554	\$15,203,500	17,585,921	17,585,921	35,171,842	100%

*As of 6/20/23

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

Table 6c: Core Grants Budget - by Expenditure Type
Approved FY22/ Approved FY23/ FY24 FY25 Budget Request

GRANTS	Approved	Approved	Biennium Budget Request		FY24/FY25	%
	FY 22	FY 23	FY 24	FY 25	2-Year Total	
56510 PROGRAM & PROVISIO GRANTS	\$1,830,000	\$1,330,000	\$5,300,000	\$5,300,000	\$10,600,000	30%
56530 COMMUNITY GRANTS	6,800,000	6,995,921	4,350,000	4,350,000	8,700,000	25%
56540 LEVEL II GRANTS SYSTEM	6,500,000	6,500,000	6,250,000	6,250,000	12,500,000	36%
56560 SPONSORSHIPS	410,921	215,000	535,921	535,921	1,071,842	3%
56570 DISASTER AID	132,579	132,579	150,000	150,000	300,000	1%
56578 COLLABORATIONS	0	0	1,000,000	1,000,000	2,000,000	6%
TOTAL GRANTS	\$15,673,500	\$15,173,500	\$17,585,921	\$17,585,921	\$35,171,842	100%

Table 6d: Program & Proviso Grants– 56510

56510 PROGRAM & PROVISIO GRANTS	Approved	Approved	Biennium Budget Request		FY24/FY25	%
	FY 22	FY 23	FY 24	FY 25	2-Year Total	
Housing Proviso	\$1,000,000	\$500,000	\$1,500,000	\$1,500,000	\$3,000,000	28%
Social Service Proviso	830,000	830,000	830,000	830,000	1,660,000	16%
Education Proviso			1,230,000	1,230,000	2,460,000	23%
‘Āina: Climate Change Adaptation & Mitigation Strategies and Practices			1,000,000	1,000,000	2,000,000	19%
Ohana Economic Stability Proviso			740,000	740,000	1,480,000	14%
TOTAL - PROGRAM & PROVISIO GRANTS	\$1,830,000	\$1,330,000	\$5,300,000	\$5,300,000	\$10,600,000	44%

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Table 6e: Community Grants Program – 56530

56530 COMMUNITY GRANTS	Approved	Approved	Biennium Budget Request		FY24/FY25	%
	FY 22	FY 23	FY 24	FY 25	2-Year Total	
Mo'omeheu	\$500,000	\$500,000	\$500,000	\$500,000	\$1,000,000	11%
Health	500,000	500,000	500,000	500,000	1,000,000	11%
Education	750,000	750,000			0	0%
Housing	1,000,000	1,000,000			0	0%
Economic Stability	750,000	750,000	300,000	300,000	600,000	7%
‘Āina	500,000	500,000			0	0%
‘Ahahui (In-State)	200,000	200,000	200,000	200,000	400,000	5%
‘Ahahui (Out-of-state)			50,000	50,000	100,000	1%
Leverage Opportunities					0	0%
Post Secondary Education	500,000	500,000	500,000	500,000	1,000,000	11%
Homestead Community	300,000	300,000	300,000	300,000	600,000	7%
Iwi Kupuna Repatriation & Reinterment	300,000	300,000	300,000	300,000	600,000	7%
NH Teacher Education & Professional Development	250,000	250,000			0	0%
‘Ohana (including Impacts of Incarceration, Human Trafficking, LGBTQ)	750,000	1,250,000			0	0%
COVID-19 Impacts	500,000	0			0	0%
Ohana Grants (\$750K Grants, \$250K NH Teacher Education + \$500K Kulia)			1,500,000	1,500,000	3,000,000	34%
Kako'o Grants	0	195,921	200,000	200,000	400,000	5%
TOTAL - COMMUNITY GRANTS	\$6,800,000	\$6,995,921	\$4,350,000	\$4,350,000	\$8,700,000	100%

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Table 6f: Level II Grants -56540

56540 LEVEL II GRANTS SYSTEM	Approved	Approved	Biennium Budget Request		FY24/FY25	%
	FY 22	FY 23	FY 24	FY 25	2-Year Total	
Department of Hawaiian Home Lands (DHHL)	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$6,000,000	48%
Hawaiian-Focused Public Charter Schools	3,000,000	3,000,000			0	0%
Hawaiian-Focused Public Charter Schools - Federal Advocacy			250,000	250,000	500,000	4%
Hawaiian-Focused Public Charter Schools (Per Pupil)			1,500,000	1,500,000	3,000,000	24%
Hawaiian-Focused Public Charter Schools - Facilities			1,500,000	1,500,000	3,000,000	24%
Kulia	500,000	500,000			0	0%
TOTAL - LEVEL II GRANTS	\$6,500,000	\$6,500,000	\$6,250,000	\$6,250,000	\$12,500,000	100%

Table 6g: Sponsorships – 56560

56560 SPONSORSHIPS	Approved	Approved	Biennium Budget Request		FY24/FY25	%
	FY 22	FY 23	FY 24	FY 25	2-Year Total	
BOT - Sponsorships	\$135,000	\$0	\$135,000	\$135,000	\$270,000	
Kaiaulu/CEO - Sponsorships	70,921	0	70,921	70,921	141,842	
SUBTOTAL	\$205,921	\$0	\$205,921	\$205,921	\$411,842	38%
Association of Hawaiian Civic Clubs	10,000	20,000	15,000	15,000	30,000	

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56560 SPONSORSHIPS	Approved	Approved	Biennium Budget Request		FY24/FY25	%
	FY 22	FY 23	FY 24	FY 25	2-Year Total	
Council for Native Hawaiian Advancement	10,000	10,000	15,000	15,000	30,000	
Onipa'a Celebration	5,000	5,000	0	0	0	
SCHHA Homestead Summit	10,000	10,000	15,000	15,000	30,000	
Native Hawaiian Chamber of Commerce	5,000	5,000	10,000	10,000	20,000	
Moanalua Gardens, Prince Lot	15,000	15,000	15,000	15,000	30,000	
Merrie Monarch	15,000	15,000	25,000	25,000	50,000	
Queen Liliuokalani Keiki Hula	15,000	15,000	15,000	15,000	30,000	
Lunalilo Home Event, Project, Program	15,000	15,000	15,000	15,000	30,000	
Iolani Palace Event, Project, Program	15,000	15,000	15,000	15,000	30,000	
Aha Punana Leo Event, Project, Program	15,000	15,000	15,000	15,000	30,000	
Polynesian Voyaging Society Event, Project, Program	15,000	15,000	15,000	15,000	30,000	
Rural Community Based Sponsorship, < \$1,000; 6 island communities	30,000	30,000	30,000	30,000	60,000	
Aha Hoolokahi: Native Hawaiian Health & Wellness Summit	0	0	15,000	15,000	30,000	
Na Hoku Hanohano Awards	0	0	15,000	15,000	30,000	
Eddie Aikau Big Wave Invitational	0	0	10,000	10,000	20,000	
Gabby Pahinui Waimanalo Event	0	0	5,000	5,000	10,000	

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

56560 SPONSORSHIPS	Approved	Approved	Biennium Budget Request		FY24/FY25	%
	FY 22	FY 23	FY 24	FY 25	2-Year Total	
Hawaii State Legislature, January 17 th Recognition, Onipa'a	0	0	20,000	20,000	40,000	
Kamehameha Lei-Draping Ceremonies in Washington, D.C.	0	0	10,000	10,000	20,000	
Education - Kanaeokana Aloha Aina Student Leader Awards	0	0	10,000	10,000	20,000	
Education - Culturally Relevant Evaluation and Assessment Conference	0	0	15,000	15,000	30,000	
SUBTOTAL	\$175,000	\$185,000	\$300,000	\$300,000	\$600,000	56%
Advocacy - Papahanaumokuakea	15,000	15,000	15,000	15,000	30,000	
Advocacy - Alaska Federation of Natives	5,000	5,000	5,000	5,000	10,000	
Advocacy - National Congress of American	5,000	5,000	5,000	5,000	10,000	
Advocacy - National Indian Education Association	5,000	5,000	5,000	5,000	10,000	
SUBTOTAL	\$30,000	\$30,000	\$30,000	\$30,000	\$60,000	6%
TOTAL - SPONSORSHIPS	\$410,921	\$215,000	\$535,921	\$535,921	\$1,071,842	100%

Table 6h: Disaster Aid – 56570

56570 DISASTER AID	Awarded	Awarded	Biennium Budget Request		FY24/FY25	%
	FY 22	FY 23	FY 24	FY 25	2-Year Total	
Placeholder for Disaster Aid	\$132,579	\$132,579	\$150,000	\$150,000	\$300,000	100%

Table 6i: Collaborations – 56578

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

56578 COLLABORATIONS	Awarded	Awarded	Biennium Budget Request		FY24/FY25	%
	FY 22	FY 23	FY 24	FY 25	2-Year Total	
Festival of the Pacific - FESTPAC			\$250,000	\$250,000	\$500,000	25%
Polynesian Voyaging Society - Moananuiakea Voyage			250,000	250,000	500,000	25%
International Event(s) Sponsorship			500,000	500,000	1,000,000	50%
TOTAL - COLLABORATIONS	-	-	\$1,000,000	\$1,000,000	\$2,000,000	100%

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

G. Core Contracts Budget

Includes all expenditures directly related to implementing program activities and includes professional services for professional speakers, consultants, advisors, etc., or any service rendered for which there is an established fee.

Table 7a: Core Operating Budget (by Category)

CORE OPERATING BUDGET	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
Contracts	\$2,354,575	5,505,171	\$6,985,926	\$6,279,900	\$13,265,826	15%
Debt Service	1,298,705	1,044,597	-	-	-	0%
Equipment	579,407	1,280,084	1,155,030	959,530	2,114,560	2%
Grants	4,725,554	15,203,500	17,585,921	17,585,921	35,171,842	40%
Overhead	2,668,207	3,517,627	3,270,804	3,217,431	6,488,234	7%
Personnel	12,265,248	12,198,672	13,696,430	13,771,210	27,467,640	31%
Program	716,544	1,237,278	1,393,276	1,348,025	2,741,301	3%
Travel	207,513	439,642	761,902	698,442	1,460,344	2%
TOTAL CORE OPERATING BUDGET	\$24,815,754	\$40,426,571	\$44,849,289	\$43,860,459	\$88,709,748	100%

*As of 6/20/23

Table 7b: Core Contracts Budget – by Expenditure Type

CONTRACTS	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
57110 SERVICES ON A FEE BASIS	\$2,109,567	4,804,171	6,404,926.00	\$5,698,900	\$12,103,826	91%
57115 LEGAL SERVICES	245,009	701,000	581,000	581,000	1,162,000	9%
TOTAL CONTRACTS	\$2,354,575	\$5,505,171	\$6,985,926	\$6,279,900	\$13,265,826	100%

*As of 6/20/23

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

Table 7c: Beneficiary & Community Investments in Contracts

CONTRACTS	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
	FY 24	FY 25	2-Year Total	
57110 SERVICES ON A FEE BASIS	\$6,404,926	\$5,698,900	\$12,103,826	
Comprised of:				
1. Beneficiary & Community Investments (B&CI)				
...Legal Beneficiary Services	1,250,000	1,250,000	2,500,000	
...Native Hawaiian Law Training	115,000	115,000	230,000	
...Community Legal Resources	135,000	135,000	270,000	
SUBTOTAL - in BC&I:	\$1,500,000	\$1,500,000	\$3,000,000	23%
2. OTHERS:	4,904,926	4,198,900	9,103,826	69%
SUBTOTAL - SERVICES ON A FEE BASIS	\$6,404,926	\$5,698,900	\$12,103,826	
57115 LEGAL SERVICES	581,000	581,000	1,162,000	9%
TOTAL CONTRACTS	\$6,985,926	\$6,279,900	\$13,265,826	100%

Table 7d: Core Contracts Budget – By Expenditure in Detail

ITEM ID	GL ACCOUNT DESC	OHA ELT	PROGRAM DESC	EXPENSE DESCRIPTION	FY24 BUDGET PROPOSED	FY25 BUDGET PROPOSED
1	57110-SERVICES ON A FEE BASIS	BOT	1100 BOARD OF TRUSTEES	Financial Advisor	\$90,000	\$90,000
2				Investment Consultant	100,000	100,000
3				Professional Consultant to assist the BOT with the performance appraisal of the CEO	40,000	40,000
4				Boardroom Reconfiguration - AV Related	90,926	

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

ITEM ID	GL ACCOUNT DESC	OHA ELT	PROGRAM DESC	EXPENSE DESCRIPTION	FY24 BUDGET PROPOSED	FY25 BUDGET PROPOSED
5		BOT Total			\$320,926	\$230,000
6		CCO	2300 CORPORATE COUNSEL	Ao Aku Ao Mai Initiative - NH Law Clinics	\$135,000	\$135,000
7				NH Law Training Courses	115,000	110,000
8				Direct legal services for OHA beneficiaries	1,250,000	1,250,000
9			2500 HUMAN RESOURCES	Applicant Tracking System. Budget request is an approximation. Vendor and actual annual cost TBD by end of FY23.	100,000	100,000
10				LumiSight wellness application	20,000	20,000
11				EAP	4,000	4,000
12			2510 HUMAN RESOURCES EXTENSION	Headhunter services (for filling executive and leadership positions)	50,000	50,000
13				Org-wide compensation analysis to determine wage band adjustments (and therefore overall salary costs) for FY26-27.		50,000
14				Temporary staffing services	450,000	450,000
15		CCO Total			\$2,124,000	\$2,169,000
16		CEO	3800 GRANTS	Foundant Consultant	120,000	120,000
17				Grants Administration Consultant	510,000	510,000
18				Advocacy - Federal Navigator	250,000	250,000
19				Advocacy - Federal Consultation	250,000	250,000
20				Grants Technical Assistance	100,000	100,000

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

ITEM ID	GL ACCOUNT DESC	OHA ELT	PROGRAM DESC	EXPENSE DESCRIPTION	FY24 BUDGET PROPOSED	FY25 BUDGET PROPOSED
21			4210 COMMUNICATIONS	Aurora Web Design		20,000
22				KWO Freelancers	25,000	25,000
23				Web Contractor - Aurora Design \$20K	20,000	
24				OHA Videos	20,000	20,000
25			4510 BENEFICIARY SERVICES	Previous expenses for office remodel	3,000	-
26				HRP buildout in Salesforce FY24: \$98,000; FY25 \$50,000	-	-
27				HRP buildout in Salesforce FY24: \$98,000; FY25 \$75,000	98,000	75,000
28			6200 WDC BUREAU	Office Manager Contract		85,000
29		CEO Total			\$1,396,000	\$1,455,000
30		CFO	3200 FINANCIAL SERVICES	Accountant consultants	\$740,000	\$740,000
31				Annual external financial auditor	115,000	120,750
32				Fusion enhancement consultant		80,000
33				Oracle Fusion consultant (Budgeting, Expenses, GL Enhancements, Training)	300,000	
34				Oracle software consultant	40,000	40,000
35		CFO Total			1,195,000	980,750
36		COO	2700 OFFICE OF STRATEGY MANAGEMENT	Contract to complete a map of all Native Hawaiian education programs and organizations	\$50,000	

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

ITEM ID	GL ACCOUNT DESC	OHA ELT	PROGRAM DESC	EXPENSE DESCRIPTION	FY24 BUDGET PROPOSED	FY25 BUDGET PROPOSED
37				Contract to conduct OHA grantee impact evaluations or internal OHA process evaluations	200,000	200,000
38				Contract to develop a Native Hawaiian Social Justice Platform	200,000	
39			3600 OFFICE OF TECHNOLOGY SERVICES	Chatbot for oha.org, enabling intelligent conversation between OHA.org visitors and the robot	80,000	25,000
40				Managed Detection and Response (MDR) Cyber Security Service	60,000	55,000
41				Travel App and SharePoint forms maintenance	18,000	12,000
42			5100 RESEARCH DIRECTOR	Contract with Kamehameha Schools to conduct the 'Imi Pono Survey	25,000	25,000
43				Obtain licenses for new collections to Papakilo	50,000	50,000
44				Papakilo server & maintenance	80,000	80,000
45				Vendor to assess, recommend, and work with staff to implement an upgrade to the Native Hawaiian Data Book	100,000	100,000
46			5210 RESEARCH DIVISION		-	
47				Vendor to survey & respondent incentive	130,000	-
48			6100 CHIEF ADVOCATE	Contract lobbying and public policy work	78,000	78,000
49			6500 PUBLIC POLICY - MISSION	Jupiter Solutions LLC (Hawaii Legislative Tracker)	20,500	20,500

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

ITEM ID	GL ACCOUNT DESC	OHA ELT	PROGRAM DESC	EXPENSE DESCRIPTION	FY24 BUDGET PROPOSED	FY25 BUDGET PROPOSED
50				To advance the Public Policy Framework Development for Critical Gap Areas Impacting Native Hawaiians project (which includes acquiring project management, report drafting, and other related services. Project focuses on developing a framework for NH Housing-Food Systems-Economy and NH Health Ecosystem (emphasis on workforce infrastructure development, rural health, and intellectual and developmental health) inclusive of 2025 OHA package bill campaign.	100,000	100,000
51			8300 LEGACY & PROGRAMMATIC LANDS	USGS Stream Monitoring Services at Waimea Valley	30,500	31,650
52			8303 KUKANILOKO	Kukaniloko - Wahiawa Lands Business Plan	60,000	
53			8400 OFFICE OF OPERATIONS	Facilities Handyman	87,000	87,000
54		COO Total			\$1,369,000	\$864,150
55	57110-SERVICES ON A FEE BASIS Total				\$6,404,926	\$5,698,900
56	57115-LEGAL SERVICES	BOT	1100 BOARD OF TRUSTEES	Board Counsel - legal services for BOT	200,000	200,000
57		BOT Total			200,000	200,000

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

ITEM ID	GL ACCOUNT DESC	OHA ELT	PROGRAM DESC	EXPENSE DESCRIPTION	FY24 BUDGET PROPOSED	FY25 BUDGET PROPOSED
58		CCO	2300 CORPORATE COUNSEL	Professional legal services from external legal counsel to support emerging litigation and legal needs	351,000	351,000
59			2500 HUMAN RESOURCES	Legal services from ES&A	30,000	30,000
60		CCO Total			381,000	381,000
61	57115-LEGAL SERVICES Total				\$581,000	\$581,000
	Grand Total				6,985,926	6,279,900

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

H. Core Overhead Budget

Includes all expenditures associated with office rents and utilities, communication costs, insurance, supplies, and postage.

Table 8a: Core Operating Budget (by Category)

CORE OPERATING BUDGET	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
Contracts	\$2,354,575	5,505,171	\$6,985,926	\$6,279,900	\$13,265,826	15%
Debt Service	1,298,705	1,044,597	-	-	-	0%
Equipment	579,407	1,280,084	1,155,030	959,530	2,114,560	2%
Grants	4,725,554	15,203,500	17,585,921	17,585,921	35,171,842	40%
Overhead	2,668,207	3,517,627	3,270,804	3,217,431	6,488,234	7%
Personnel	12,265,248	12,198,672	13,696,430	13,771,210	27,467,640	31%
Program	716,544	1,237,278	1,393,276	1,348,025	2,741,301	3%
Travel	207,513	439,642	761,902	698,442	1,460,344	2%
TOTAL CORE OPERATING BUDGET	\$24,815,754	\$40,426,571	\$44,849,289	\$43,860,459	\$88,709,748	100%

*As of 6/20/23

Table 8b: Core Overhead Budget - by Expenditure Type

OVERHEAD	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
53100 OFFICE SUPPLIES	\$6,278	14,420	20,320	20,320	\$40,640	1%
53200 OTHER SUPPLIES	12,233	24,275	20,200	19,200	39,400	1%
53750 POSTAGE	68	15,280	33,200	30,200	63,400	1%
53810 TELEPHONE & RELATED SVCS	122,387	140,390	61,981	61,981	123,962	2%
53850 CELLULAR PHONE	28,486	40,000	30,000	30,000	60,000	1%
54150 PARKING VALIDATIONS	40,295	38,000	89,400	36,600	126,000	2%
55010 ELECTRICITY	154,822	188,665	182,960	201,340	384,300	6%
55200 WATER	3,450	4,777	3,385	4,060	7,445	0%
55510 RENTAL OF LAND & BUILDING	1,145,824	1,466,874	1,314,280	1,309,981	2,624,262	41%

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

OVERHEAD	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
55515 RENTAL OF LAND & BUILDING - CAM & MISC	642,553	722,876	701,067	706,138	1,407,205	22%
55640 RENTAL OF EQUIPMENT	59,298	91,142	77,510	77,510	145,021	2%
55910 INSURANCE	411,186	581,903	550,500	600,500	1,151,000	18%
56810 SETTLEMENT - LAWSUITS	0	100,000	60,000	30,000	90,000	1%
58200 LEASEHOLD IMPROVEMENTS	29,566	80,000	120,000	83,600	203,600	3%
59015 BANK FEES	11,762	9,025	6,000	6,000	12,000	0%
TOTAL - OVERHEAD	\$2,668,207	\$3,517,627	\$3,270,804	\$3,217,431	\$6,478,234	100%

*As of 6/20/23

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

I. Core Program Budget

Includes all expenditures directly related to implementing program activities and comprises of such expenditures as promotional items, printing, advertising, bulk mail, conference, and seminar fees.

Table 9a: Core Operating Budget (by Category)

CORE OPERATING BUDGET	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
Contracts	\$2,354,575	5,505,171	\$6,985,926	\$6,279,900	\$13,265,826	15%
Debt Service	1,298,705	1,044,597	-	-	-	0%
Equipment	579,407	1,280,084	1,155,030	959,530	2,114,560	2%
Grants	4,725,554	15,203,500	17,585,921	17,585,921	35,171,842	40%
Overhead	2,668,207	3,517,627	3,270,804	3,217,431	6,488,234	7%
Personnel	12,265,248	12,198,672	13,696,430	13,771,210	27,467,640	31%
Program	716,544	1,237,278	1,393,276	1,348,025	2,741,301	3%
Travel	207,513	439,642	761,902	698,442	1,460,344	2%
TOTAL CORE OPERATING BUDGET	\$24,815,754	\$40,426,571	\$44,849,289	\$43,860,459	\$88,709,748	100%

*As of 6/20/23

Table 9b: Core Program Budget - by Expenditure Type

PROGRAM	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
53300 PROMOTIONAL ITEMS	\$4,512	\$5,000	\$25,000	\$20,000	\$45,000	2%
53400 BOOKS & REFERENCE MATLS	283	700	2,980	2,980	5,960	0%
53510 DUES	27,534	40,275	49,625	48,540	98,165	4%
53520 SUBSCRIPTION	32,680	47,403	49,645	48,045	97,690	4%
53610 FREIGHT & DELIVERY	28,160	41,140	50,400	51,600	102,000	4%
53710 BULK MAIL	243,213	379,880	282,000	290,000	572,000	21%
53910 PRINTING	182,333	236,466	233,000	227,500	460,500	17%
54010 ADVERTISING	91,823	229,197	232,500	212,500	445,000	16%
54190 AUTO ALLOWANCE	3,912	3,912	3,912	3,912	7,824	0%
55750 OTHER RENTALS	21,654	19,221	24,804	22,308	47,112	2%
57120 HONORARIUM	11,211	28,030	59,100	29,800	88,900	3%
57240 OTHER EXPENSES	16,958	39,738	42,020	47,020	89,040	3%
57250 SEMINAR & CONFERENCE FEES	26,835	47,687	131,190	116,720	247,910	9%

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PROGRAM	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
57255 CONFERENCES, MEETINGS, EVENTS- ORG BY OHA	18,268	85,575	108,300	129,800	238,100	9%
57256 CONFERENCES, MEETINGS, EVENTS- NOT ORG BY OHA	2,979	16,855	34,000	32,500	66,500	2%
57280 TRUSTEE ALLOWANCE REPORTS	2,722	16,200	64,800	64,800	129,600	5%
58100 BUILDING	1,466	-	-	-	0	0%
TOTAL PROGRAM	\$716,544	\$1,237,278	\$1,393,276	\$1,348,025	\$2,741,301	100%

*As of 6/20/23

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

J. Core Equipment Budget

Includes all expenditures associated with repair and maintenance, furniture and fixtures, and software and equipment. This category also includes funding from OHA's Core Operating Budget that has been allocated to support OHA's limited liability companies.

Table 10a: Core Operating Budget (by Category)

CORE OPERATING BUDGET	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
Contracts	\$2,354,575	5,505,171	\$6,985,926	\$6,279,900	\$13,265,826	15%
Debt Service	1,298,705	1,044,597	-	-	-	0%
Equipment	579,407	1,280,084	1,155,030	959,530	2,114,560	2%
Grants	4,725,554	15,203,500	17,585,921	17,585,921	35,171,842	40%
Overhead	2,668,207	3,517,627	3,270,804	3,217,431	6,488,234	7%
Personnel	12,265,248	12,198,672	13,696,430	13,771,210	27,467,640	31%
Program	716,544	1,237,278	1,393,276	1,348,025	2,741,301	3%
Travel	207,513	439,642	761,902	698,442	1,460,344	2%
TOTAL CORE OPERATING BUDGET	\$24,815,754	\$40,426,571	\$44,849,289	\$43,860,459	\$88,709,748	100%

*As of 6/20/23

Table 10b : Core Equipment Budget - by Expenditure Type

EQUIPMENT	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
53530-SUBSCRIPTION BASED IT AGREEMENTS*			\$365,540	\$390,540	\$756,080	36%
55810 REPAIR & MAINTENANCE	\$471,727	1,138,731.51	595,130	410,130	1,005,260	48%
58300 FURNITURE & FIXTURES	33,612	10,000.00	64,900	30,600	95,500	5%
58400 SOFTWARE & EQUIPMENT	74,068	131,352.95	129,460	128,260	257,720	12%
TOTAL EQUIPMENT	\$579,407	\$1,280,084	\$1,155,030	\$959,530	\$2,114,560	100%

*As of 6/20/23

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

K. Core Debt Service Budget

Represents line of credit repayment for the related governance planning, paid off in fiscal year 2023.

Table 11a: Core Operating Budget (by Category)

CORE OPERATING BUDGET	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
Contracts	\$2,354,575	5,505,171	\$6,985,926	\$6,279,900	\$13,265,826	15%
Debt Service	1,298,705	1,044,597	-	-	-	0%
Equipment	579,407	1,280,084	1,155,030	959,530	2,114,560	2%
Grants	4,725,554	15,203,500	17,585,921	17,585,921	35,171,842	40%
Overhead	2,668,207	3,517,627	3,270,804	3,217,431	6,488,234	7%
Personnel	12,265,248	12,198,672	13,696,430	13,771,210	27,467,640	31%
Program	716,544	1,237,278	1,393,276	1,348,025	2,741,301	3%
Travel	207,513	439,642	761,902	698,442	1,460,344	2%
TOTAL CORE OPERATING BUDGET	\$24,815,754	\$40,426,571	\$44,849,289	\$43,860,459	\$88,709,748	100%

*As of 6/20/23

Table 11b: Core Debt Service Budget - by Expenditure Type

DEBT SERVICE	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
59020 INTEREST EXPENSE	\$34,619	23,831	\$0	\$0	\$0	-
59030 PRINCIPAL EXPENSE	1,264,086	1,020,766	0	0	-	-
TOTAL DEBT SERVICE	\$1,298,705	\$1,044,597	\$0	\$0	\$0	-

*As of 6/20/23

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

J. Core Travel Budget

Includes all expenditures associated with in-state and out-of-state travel to include transportation, accommodation, car rental, parking, mileage, and subsistence and includes an increased demand for professional training and staff development not available within the State of Hawai‘i.

Table 12a: Core Operating Budget (by Category)

CORE OPERATING BUDGET	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
Contracts	\$2,354,575	5,505,171	\$6,985,926	\$6,279,900	\$13,265,826	15%
Debt Service	1,298,705	1,044,597	-	-	-	0%
Equipment	579,407	1,280,084	1,155,030	959,530	2,114,560	2%
Grants	4,725,554	15,203,500	17,585,921	17,585,921	35,171,842	40%
Overhead	2,668,207	3,517,627	3,270,804	3,217,431	6,488,234	7%
Personnel	12,265,248	12,198,672	13,696,430	13,771,210	27,467,640	31%
Program	716,544	1,237,278	1,393,276	1,348,025	2,741,301	3%
Travel	207,513	439,642	761,902	698,442	1,460,344	2%
TOTAL CORE OPERATING BUDGET	\$24,815,754	\$40,426,571	\$44,849,289	\$43,860,459	\$88,709,748	100%

*As of 6/20/23

Table 12b: Core Travel Budget – By Expenditure Type

TRAVEL	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
54110 MILEAGE	\$31	3,000	5,242	5,307	\$10,549	1%
54130 PARKING	831	6,581	19,890	19,200	39,090	3%
54260 TRANSPORTATION - IN STATE	44,077	59,836	126,600	120,600	247,200	17%
54310 SUBSISTENCE - IN STATE	96,446	85,537	261,490	242,640	504,130	35%
54460 TRANSPORTATION - OUT OF STATE	13,365	94,440	93,600	81,000	174,600	12%
54510 SUBSISTENCE - OUT OF STATE	29,465	119,774	146,100	127,445	273,545	19%
54610 CAR RENTAL - IN STATE	21,836	35,622	90,260	83,240	173,500	12%
54620 CAR RENTAL - OUT OF STATE	601	18,040	15,640	14,820	30,460	2%

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

TRAVEL	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
54810 OTHER TRAVEL - IN STATE	790	6,572	1,250	2,360	3,610	0%
54820 OTHER TRAVEL - OUT OF STATE	70	10,240	1,830	1,830	3,660	0%
TOTAL TRAVEL	\$207,513	\$439,642	761,902	\$698,442	\$1,460,344	100%

*As of 6/20/23

Table 12c: Core Travel Budget – by Classification

TRAVEL	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY BUDGET REQUEST		FY24/FY25	%
			FY 24	FY 25	2-Year Total	
In-State Employee Travel	\$163,222	\$190,576	503,482	470,987	\$974,469	67%
Out-of-State Employee Travel	43,430	232,254	255,340	223,265	478,605	33%
Other and Non-Employee Travel	860	16,812	3,080	4,190	7,270	0%
TOTAL TRAVEL	\$207,513	\$439,642	\$761,902	\$698,442	\$1,460,344	100%

*As of 6/20/23

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

L. Non-Core Commercial Property Budget

The non-core Commercial Property Budget consists of Kaka‘ako Makai’s, Nā Lama Kukui and Iwilei Properties individual operational costs to reflect estimated needs for FY 24 and FY 25. The collective Commercial Property Budget requests are summarized individually in **Tables 19, 20 and 21**.

Table 13: Kaka‘ako Makai Budget – FY 24 & FY 25

ITEM ID	Kaka'ako Makai	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY		FN
				FY 24	FY 25	
1	Beginning (Cash) Balance, 7/1/2021	\$11,356,256	\$1,612,317	\$214,425	\$6,464	
2a	Gross Projected Revenue	2,818,922	2,040,000	2,795,000	2,795,000	[1]
2b	Interest & Dividend Income	254,017	1,500			
2c	Change in Investment	1,822				
2d	Proceeds from Debt Financing	3,000,000				
2	Total Revenue: (=a+b+c+d)	6,074,760	2,041,500	2,795,000	2,795,000	
3	Sub-total Available Funds: (#3 = #1 + #2)	\$17,431,016	\$3,653,817	\$3,009,425	\$2,801,464	
4	Less: Expenses					
5	Contracts	2,250,893	1,748,912	742,140	355,265	
6	Equipment	819,768	358,000	647,253	198,489	
7	Grants	0	0	0	0	
8	Overhead	382,835	644,424	530,713	496,685	
9	Personnel	102,344	56,741	94,620	94,620	
10	Program	8,852	105,711	122,786	123,204	
11	Travel	(45)	0	1,160	1,160	
12	Sub-total: (#12 = #5+....+#11)	\$3,564,647	\$2,913,788	\$2,138,672	\$1,269,423	
13	Less: Debt Service	25,887	85,000	88,000	88,000	
14	Sub-total Expenditure: (#14 = #12 + #13)	\$3,590,535	\$2,998,788	\$2,226,672	\$1,357,423	

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

ITEM ID	Kaka'ako Makai	ACTUAL FY22	PROJECTED FY23*	PRELIMINARY		FN
				FY 24	FY 25	
15	<i>Less: Intra-Company Transfers</i>					
16	KM funding for Iwilei Properties Purchase	\$7,500,000				
17	KM to support Core	\$2,000,000				[2]
18	Sub-total Transfers: (#18 = #16 + #17)	\$9,500,000	\$0	\$0	\$0	
19	Sub-total Expenditures: (#19 = #14 + #18)	\$13,090,535	\$2,998,788	\$2,226,672	\$1,357,423	
20	Net Available Funds: (#20 = #3 - #19)	\$4,340,481	\$655,029	\$782,753	\$1,444,041	
21	Less: Kakaako Makai Net Revenue (Legacy Use - 60%)	1,363,861	440,604	776,290	1,066,569	[3]
22	Estimated Net Available Funds: (#22 = #20-#21)	\$2,976,620	\$214,425	\$6,464	\$377,472	

*As of 6/20/23

[1]: In FY2021, OHA began to revisit its previous planning and development efforts and FY24 FY25 reported using FY23 figure.

[2]: Cash transfer from KM to Core Operating Account as approved in Item #2 in BOT approved Action Item RM #19-17 Realignment #1 of the OHA Budget for FY20 FY21 (attachment #4, p. 40/61), dated September 26, 2019.

[3]: Allocate 60% of net revenue for OHA's Legacy Land Program (net revenue equals gross revenue minus direct operating expenses, excluding Kaka'ako Makai planning and development-related costs.

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

Table 14: Nā Lama Kukui Budget – FY 24 & FY 25

ITEM ID	Na Lama Kukui	ACTUAL FY22	PROJECTED FY23	PRELIMINARY		FN
				FY 24	FY 25	
1	Beginning (Cash) Balance, 7/1/2021	\$4,034,724	\$2,458,591	\$3,233,157	\$5,217,028	
2a	Gross Projected Revenue	5,231,496	4,335,910	5,772,011	5,858,591	
2b	Interest & Dividend Income	313,395				
2c	Change in Investment	729				
2d	Proceeds from Debt Financing	20,479,334				
2	Total Revenue: (a + b + c + d)	26,024,953	4,335,910	5,772,011	5,858,591	
3	Sub-total Available Funds:	\$30,059,678	\$6,794,501	\$9,005,168	\$11,075,619	
4	Less: Expenses					
5	Contracts	543,120	518,765	590,872	536,244	
6	Equipment	938,950	1,071,493	1,126,110	1,116,500	
7	Grants	0	0	0	0	
8	Overhead	830,170	973,703	1,089,007	1,063,276	
9	Personnel	103,004	125,674	103,770	103,770	
10	Program	438,927	318,709	325,293	329,301	
11	Travel	0	0	0	0	
12	Sub-total:	\$2,854,171	\$3,008,344	\$3,235,052	\$3,149,091	
13	Less: Debt Service	20,763,075	553,000	553,088	603,112	
14	Sub-total Expenditure:	\$23,617,246	\$3,561,344	\$3,788,140	\$3,752,203	
15	Estimated Net Available Funds:	\$6,442,431	\$3,233,157	\$5,217,028	\$7,323,416	

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

Table 15a: Iwilei Properties – 500 North Nimitz Hwy - FY 24 & FY 25

ITEM ID	500 N NIMITZ	ACTUAL FY22	PROJECTED FY23 (12 mos)	PRELIMINARY		FN
				FY 24	FY 25	
1	Beginning (Cash) Balance, 9/30/2021	\$0	\$6,710,122	\$1,029,820	\$2,532,830	[1]
2a	Gross Projected Revenue	2,417,673	2,609,824	3,836,887	3,836,887	[2]
2b	Interest Income	402,200				
2c	Debt Financing	25,043,510				
2	Total Revenue: (a + b + c)	\$27,863,382	\$2,609,824	\$3,836,887	\$3,836,887	
3	Sub-total Available Funds:	\$27,863,382	\$2,609,824	\$4,866,708	\$6,369,717	
4	Less: Expenses					
5	Contracts	333,835	468,854	557,161	568,388	
6	Equipment	14,183	135,507	234,751	34,863	
7	Grants	0	0	0	0	
8	Overhead	145,663	169,405	132,390	136,344	
9	Personnel	0	0	0	0	
10	Program	34,318,137	441,000	631,933	649,217	
11	Travel	0	0	0	0	
12	Sub-total Expenditures:	34,811,818	808,294	1,556,235	1,388,812	
13	Less: Debt Service	527,857	771,710	777,643	1,275,831	
14	Total Expenditures:	\$35,339,675	\$1,580,004	\$2,333,878	\$2,664,643	
	Estimated Net Available Funds	(\$7,476,292)	\$1,029,820	\$2,532,830	\$3,705,075	

[1] OHA acquired property on 500 N. Nimitz on 9/30/2021.

[2] FY23 revenue figures used for FY24-FY25 and based on rent roll.

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

Table 15b: Iwilei Properties – 501 Sumner Street - FY 24 & FY 25

ITEM ID	501 SUMNER	ACTUAL FY22	PROJECTED FY23	PRELIMINARY		FN
				FY 24	FY 25	
1	Beginning (Cash) Balance, 9/30/2021	\$0	\$164,052	(\$636,056)	(\$1,353,117)	[1]
2a	Gross Projected Revenue	124,032	418,526	284,221	284,221	[2]
2b	Debt Financing	10,206,490				
2	Total Revenue: (a + b)	\$10,330,522	\$418,526	\$284,221	\$284,221	
3	Sub-total Available Funds:	\$10,330,522	\$582,578	(\$351,835)	(\$1,068,896)	
4	<i>Less: Expenses</i>					
5	Contracts	57,640	280,861	361,000	361,000	
	Debt Service		315,797			
6	Equipment	92,434	120,981	54,761	55,908	
7	Grants	0	0	0	0	
8	Overhead	22,687	86,709	88,458	88,860	
9	Personnel	0	0	0	0	
10	Program	13,988,217	180,205	180,205	180,205	
11	Travel	0	0	0	0	
12	Sub-total Expenditures:	14,160,978	984,553	684,424	685,973	
13	<i>Less: Debt Service</i>	215,290	234,081	316,858	519,849	
14	Total Expenditures:	\$14,376,268	\$1,218,634	\$1,001,282	\$1,205,822	
	Estimated Net Available Funds	(\$4,045,747)	(\$636,056)	(\$1,353,117)	(\$2,274,718)	

[1] OHA acquired property on 501 Sumner Street on 9/30/2021.

[2] FY23 revenue figures used for FY24-FY25 and based on rent roll.

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

M. Non-Core Land Legacy Property Operating Budget

The Legacy Property Budget consists of operational costs associated with the long-term stewardship kuleana of the Palauea Cultural Preserve on the island of Maui as well as Wao Kele O Puna (WKOP) in the Puna district of the island of Hawai‘i.

The Legacy Property Budget requests are summarized in **Tables 21 and 22** below.

Table 16: Palauea Culture Preserve – FY 24 & FY 25

ITEM ID	Palauea Culture Preserve	ACTUAL FY22	PROJECTED FY23	PRELIMINARY		FN
				FY 24	FY 25	
1	Beginning (Cash) Balance, 7/1/2021	326,783	445,000	648,388	519,788	
2	Gross Projected Revenue	208,550	207,608	0	0	[1]
3	<i>Sub-total Available Funds:</i>	\$535,333	\$652,608	\$648,388	\$519,788	
4	<i>Less: Expenses</i>					
5	Contracts	56,035	0	50,000	48,000	
6	Debt Service	0		0	0	
7	Equipment	14,590	900	68,000	68,000	
8	Grants	0	0	0	0	
9	Overhead	4,681	3,208	6,000	6,000	
10	Personnel	0	0	0	0	
11	Program	0	0	1,000	1,000	
12	Travel	1,780	112	3,600	3,600	
13	<i>Sub-total Expenditures:</i>	\$77,087	\$4,220	\$128,600	\$126,600	
14	Estimated Net Available Funds:	\$458,246	\$648,388	\$519,788	\$393,188	

NOTES:

[1] Proceeds from FY24 FY25 resale for Palauea. Fluctuate between years and therefore are not considered for projection purposes.

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

N. Non-Core 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.

WKOP will require support in FY22 and FY23 from the Native Hawaiian Trust Fund to meet its operational needs. An assessment of the continuing plans for Wao Kele O Puna, including future funding, will be addressed in OHA's fiscal biennium budget for 2022-2023.

Table 17: Wao Kele O Puna (WKOP) Management Fund – FY 24 & FY 25

ITEM ID	Wao Kele O Puna Fund	ACTUAL FY22	PROJECTED FY23	PRELIMINARY		FN
				FY 24	FY 25	
1	Beginning (Cash) Balance, 7/1/2021	\$0	(\$0)	\$241,379	\$145,369	[1]
2	Add: Financial Support from KM Net Revenue for Legacy Land Use	143,588	216,105		52,631	
3	Add: Financial Support from Federal Dept of Interior		231,045			
4	Sub-total Available Funds:	143,588	447,150	241,379	198,000	
5	Less: Expenses					
6	Contracts	0	895	10,000		
7	Debt Service	0				
8	Equipment	143,183	204,687	84,000	196,250	
9	Grants	0	0			
10	Overhead	0	0			
11	Personnel	0				
12	Program	0	189	1,500	1,750	
13	Travel	405	0	510	0	
14	Sub-total Expenditures:	143,588	205,771	96,010	198,000	
15	Estimated Net Available Funds:	(\$0)	\$241,379	\$145,369	(\$0)	

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Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

O. Other OHA Programs Budget

OHA's Other OHA Programs Budget reflects budgets for special programs funded through non-trust-fund sources, including federal funds and other fund sources. OHA's Other OHA Budget requests are summarized in **Tables 23**.

Table 18a: Federal-Funded – Native Hawaiian Revolving Loan Fund - FY24 & FY25

ITEM ID	NHRLF	ACTUAL FY22	PROJECTED FY23	PRELIMINARY		FN
				FY 24	FY 25	
1	Contracts	\$297,325	\$177,540	\$314,200	\$314,200	
2	Debt Service	0	0			
3	Equipment	0	0	28,000	28,000	
4	Grants	0	0			
5	Overhead	63,277	53,783	88,460	88,460	
6	Personnel	316,207	375,745	517,350	526,500	
7	Program	165,970	2,839	87,855	87,855	
8	Travel	0	1,170	23,908	28,123	
9	Total - NHRLF:	\$842,780	\$611,076	\$1,059,773	\$1,073,138	

Table 18b: Federal-Funded – Halawa Luluku Interpretive Development Project - FY24 & FY25

ITEM ID	HLID Project	ACTUAL FY22	PROJECTED FY23	PRELIMINARY		FN
				FY 24	FY 25	
1	Contracts	\$50,703	\$51,352	\$10,000		
2	Debt Service	0	0			
3	Equipment	315	0	300		
4	Grants	0	0			
5	Overhead	16,507	8,462	12,400		
6	Personnel	98,994	105,294	108,350		
7	Program	5,606	3,088	5,250		
8	Travel	0	0	-		
9	Total - HLID:	\$172,126	\$168,196	\$136,300	\$0	

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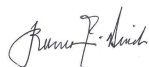
Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

Table 19: Other OHA Programs Budget - Others – FY 24 & FY 25

ITEM ID	Other OHA Program	ACTUAL FY22	PROJECTED FY23	PRELIMINARY		FN
				FY 24	FY 25	
1	Beginning (Cash) Balance, 7/1/2021	\$6,346,744	\$7,383,637	\$3,376,558	\$3,443,158	
2	Ka Wai Ola Revenues	\$66,633	\$57,858	\$66,600	\$66,600	
4	<i>Sub-total Available Funds:</i>	\$6,413,377	\$7,441,495	\$3,443,158	\$3,509,758	
5	<i>Less: Expenses</i>					
6	Hi'ilei Aloha & Subsidiaries Net Income	4,259,201	4,064,937	0	0	
7	Ho'okele Pono & Subsidiaries Net Loss	(3,320)	0	0	0	
8	<i>Sub-total Other:</i>	\$4,255,881	\$4,064,937	\$0	\$0	
9	Estimated Net Available Funds:	\$2,157,496	\$3,376,558	\$3,443,158	\$3,509,758	

IV. CHIEF FINANCIAL OFFICER CERTIFICATION

The following is the certification by the Chief Financial Officer that the funds are available to effect the OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25):



Ramona G Hinck

Chief Financial Officer

Date: 06/23/2023

Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY 24) and 2024-2025 (FY 25)

VI. RECOMMENDED ACTION

Administration recommends the Board of Trustees approve the OHA Biennium Budget for the Fiscal Biennium Period 2023-2024 (FY 24) and 2024-2025 (FY 25) as outlined in Attachment #1.

VII. ALTERNATIVE ACTIONS

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

VIII. ATTACHMENTS

- A. **ATTACHMENT 1** – 2023-2024 (FY24) Core and Non-Core Budgets and 2024-2025 (FY25) Core and Non-Core Budgets
- B. **ATTACHMENT 2** – Fiscal Year 2024 and 2025 Preliminary Biennium Budget Trustee Preview Prior to Community Input
- C. **ATTACHMENT 3** – Response to Beneficiary Comments
- D. **ATTACHMENT 4** – Organization Charts
- E. **ATTACHMENT 5** – Core Operating Budget Summary by Paia
- F. **ATTACHMENT 6** – Core Operating Program Expenditures

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ATTACHMENT 1

2023-2024 (FY24) Core and Non-Core Budgets and 2024-2025 (FY25) Core and Non-Core Budgets

**OFFICE OF
HAWAIIAN AFFAIRS
FY 2024 AND FY 2025**

**ATTACHMENT #1
FY24, FY25 (AI RM #23-17)**

Table 1. FY2024 Budget (June 2023)

FY 2024	FTE	Core	Commercial Property				Legacy Property		Other OHA Programs - Federal Funded		FY 2024 Total Operating Budget
			Kaka'ako Makai	Nä Lama Kukui	Iwilei Properties		Palauea Culture Preserve	WKOP Mgmt Fund	HLID	NHRLF	
					500 N Nimitz	501 Sumner					
Contracts		\$6,985,926	\$742,140	\$590,872	\$557,161	\$361,000	\$50,000	\$10,000	\$10,000	\$314,200	\$9,621,299
Debt Service		-	88,000	553,088	777,643	316,858	0	0	0	0	1,735,589
Equipment		1,155,030	647,253	1,126,110	234,751	54,761	68,000	84,000	300	28,000	3,398,205
Grants		17,585,921	0	0	0	0	0	0	0	0	17,585,921
Overhead		3,270,804	530,713	1,089,007	132,390	88,458	6,000	0	12,400	88,460	5,218,232
Personnel	153	13,696,430	94,620	103,770	0	0	0	0	108,350	517,350	14,520,520
Program		1,393,276	122,786	325,293	631,933	180,205	1,000	1,500	5,250	87,855	2,749,098
Travel		761,902	1,160	0	0	0	3,600	510	0	23,908	791,080
Totals:		\$44,849,289	\$2,226,672	\$3,788,140	\$2,333,878	\$1,001,282	\$128,600	\$96,010	\$136,300	\$1,059,773	\$55,619,943

Table 2. FY2025 Budget (June 2023)

FY 2025	FTE	Core	Commercial Property				Legacy Property		Other OHA Programs - Federal Funded		FY 2025 Total Operating Budget
			Kaka'ako Makai	Nā Lama Kukui	Iwilei Properties		Palauea Culture Preserve	WKOP Mgmt Fund	HLID	NHRLF	
					500 N Nimitz	501 Sumner					
Contracts		\$6,279,900	\$355,265	\$536,244	\$568,388	\$361,000	\$48,000	\$0	\$0	\$314,200	\$8,462,997
Debt Service		0	88,000	603,112	1,275,831	519,849	0	0	0	0	2,486,792
Equipment		959,530	198,489	1,116,500	34,863	55,908	68,000	196,250	0	28,000	2,657,540
Grants		17,585,921	0	0	0	0	0	0	0	0	17,585,921
Overhead		3,217,431	496,685	1,063,276	136,344	88,860	6,000	0	0	88,460	5,097,056
Personnel	153	13,771,210	94,620	103,770	0	0	0	0	0	526,500	14,496,100
Program		1,348,025	123,204	329,301	649,217	180,205	1,000	1,750	0	87,855	2,720,557
Travel		698,442	1,160	0	0	0	3,600	0	0	28,123	731,325
Totals:		\$43,860,459	\$1,357,423	\$3,752,203	\$2,664,643	\$1,205,822	\$126,600	\$198,000	\$0	\$1,073,138	\$54,238,287
2-Year Totals:		\$88,709,748	\$3,584,094	\$7,540,343	\$4,998,520	\$2,207,104	\$255,200	\$294,010	\$136,300	\$2,132,911	\$109,858,230

Mana i Mauli Ola

OHA's 15-YEAR STRATEGIC PLAN
FOR 2020-2035



Fiscal Year 2024 and 2025 Preliminary Biennium Budget Trustee Preview Prior to Community Input



Executive Summary

In 2020, the Office of Hawaiian Affairs' (OHA) new Strategic Plan, entitled Mana i Maui Ola (Strength to Wellbeing) was launched. This plan includes three foundations: 'Ohana (family), Mo'omeheu (culture), and 'Āina (land and water). OHA recognizes these foundations have the power to affect the wellbeing of Native Hawaiians. Therefore, they are woven into OHA's plans to affect change in the areas of education, health, housing, and economics. Over the next 12 years, OHA will be continuing to implement strategies, aligned with our foundations and directions to achieve our envisioned outcomes for a thriving and abundant Lāhui.

The Fiscal Years 2024 and 2025 biennium core budget is the financial expression of OHA's plans to implement this Strategic Plan and includes aligned spending priorities and contributing funding sources. The spending priorities for this biennium are to Continue Beneficiary and Community Investments to support Native Hawaiian 'ohana and communities; and to Maximize Personnel Utilization and Contracts to provide beneficiary services in communities and affect systemic policy change. Therefore, annual Beneficiary and Community Investments core budget increases to \$35.8 million, which continues to represent the largest share of OHA's core operating budget and includes OHA's prior year funding from the Public Land Trust Revenues, plus additional trust funds.



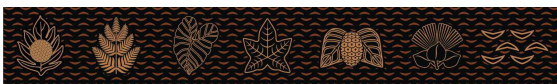
OHA's funding sources dictate the financial resources available to implement Mana i Maui Ola, and annually include: 5% of the Native Hawaiian Trust Fund investment portfolio; a fixed \$21.5 million of Public Land Trust revenues; appropriations of State of Hawai'i general funds of \$3 million; and Kaka'ako Makai's net resource allocation estimated at \$1.4 million. As OHA is able to increase these sources, so to will the services to Native Hawaiian beneficiaries be able to be expanded.

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Purpose



The purpose of this document is to explain more about OHA and its proposed budget for the next two years. OHA acknowledges its accountability to beneficiaries and communities, therefore, provides this explanation of the preliminary biennium budget for Fiscal Year (FY) 2024 and 2025. This description is part of OHA's community input phase and will allow greater accessibility, transparency and detailed level of information to beneficiaries.

Questions and comments are important and OHA welcomes them. This feedback will serve as an assessment of the preliminary budget and may inform revisions prior to Board action.

Please send your questions and comments to ohabudget@oha.org or visit www.oha.org/budget for more information.

The Office of Hawaiian Affairs

OHA grew out of organized efforts in the 1970s to right past wrongs suffered by Native Hawaiians for over 100 years. Hawaiians' newfound activism brought their plight to the consciousness of the general public, leading grassroots leaders to propose that income from land taken from the illegal overthrow of the Hawaiian Kingdom be used to benefit Hawaiians. After voters of all backgrounds agreed, OHA was born in 1978.

Nu'ukia (Vision)

Ho'oulu Lāhui Aloha - To Raise a Beloved Lāhui

He 'ōlelo mākia 'o "Ho'oulu Lāhui" na ke Ali'i Nui Kalākaua; a he kia ho'omana'o 'o. "Aloha" no ko ke Ali'i Nui Lili'uokalani 'ano kū a mau.

"Ho'oulu Lāhui" was King Kalākaua's motto. Aloha expresses the high values of Queen Lili'uokalani.

Ala Nu'ukia (Mission)

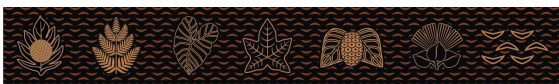
E ho'omalū i ko Hawai'i kanaka me ona mau waiwai honua a pau – pau pū nō me ko ke Ke'ena mau waiwai lewa me nā waiwai pa'a iho nō – e ō aku ai ka nohona mo'omeheu, e 'oi aku ai ka nohona kū i ka wā, a e malu iho ai ka nohona welo ho'oilina ma ka mea e ho'olaupa'i mau a'e ai he lāhui lamalama i 'ike 'ia kona kanaka mai 'ō a 'ō o ka poepoe honua nei he kanaka ehuehu, he kanaka ho'ohuliāmahi, he kanaka Hawai'i.

To mālama Hawai'i's people and environmental resources, and OHA's assets, toward ensuring the perpetuation of the culture, the enhancement of lifestyle and the protection of entitlements of Native Hawaiians, while enabling the building of a strong and healthy Hawaiian people and lāhui, recognized nationally and internationally.



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Governance Structure



The Office of Hawaiian Affairs is a public agency with a high degree of autonomy, principally responsible for the betterment of conditions of Native Hawaiians. OHA is governed by a Board of Trustees (BOT) made up of nine (9) members who are elected statewide to serve four-year terms, setting policy for the agency. The agency is administered by a Chief Executive Officer (Ka Pouhana) who is appointed by the BOT to oversee operations, including staffing.

Board of Trustees

Four of the nine positions on the Board are designated as at-large seats representing the state as whole, while the five other trustees represent each of the following districts: Hawai'i Island, Maui, Moloka'i and Lāna'i, O'ahu, and Kaua'i and Ni'ihau. While there are residency requirements for candidates seeking the district seats, all voters statewide are permitted to vote in each of the OHA races.

The BOT is responsible for setting OHA policy and determining the strategies of the agency's trust. The Board meets regularly at the agency's headquarters in Honolulu, and at least once annually on each of the major islands. Board meetings are currently held virtually, and proceedings live streamed.

Each of the trustees sits on the Board's two standing committees: Resource Management (RM) and Beneficiary Advocacy and Empowerment (BAE).

The RM Committee handles all fiscal and budgetary matters and ensures proper management, planning, evaluation, investment and use of OHA's trust funds, acquisition expenditures, including policies, related to real estate, debt management, economic development, investment and spending policies.

The BAE Committee focuses on the agency's legislative and advocacy efforts, that encourage Hawaiians to participate in governance; as well as programs that address issues relating to beneficiary health, human services, economic stability, education, native rights, housing, environment and natural resources.

The RM and BAE Committees convene regularly and approve actions and recommendations that are forwarded to the full Board for further consideration, if necessary, and action.

The Board's Governance Framework articulates OHA's dual identity as an organization serving the lāhui, balanced with its legal mandates as a state agency, its fiduciary duties as a trust, and its operating values, policies and practices.



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Administration Leadership Structure



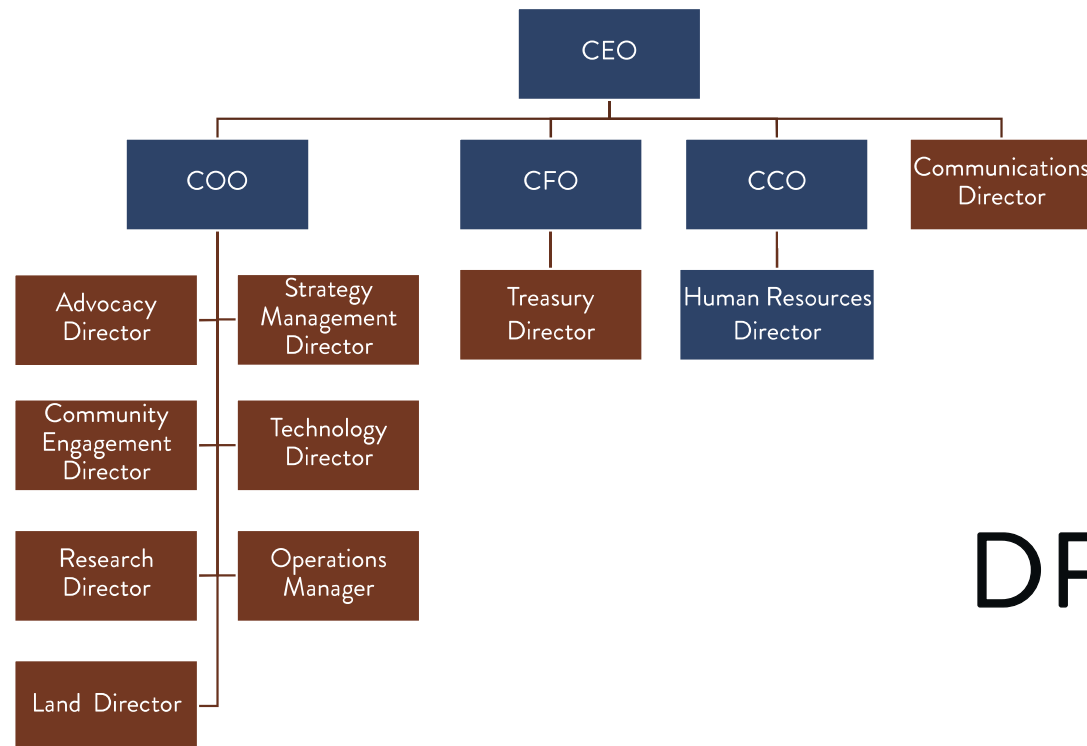
In FY2021, OHA underwent a reorganization which reduced the number of full-time positions to 153; and realigned the organization to ensure effective and efficient implementation of the new Mana i Maui Ola Strategic Plan. Like many organizations, OHA's position vacancy rate is higher than expected and intensified recruitment, 3rd party resourcing and other measures continue.

Executive Leadership Team

Five executives currently make up Administration's Executive Leadership Team (ELT). OHA's ELT provides the authority needed to guide the implementation of the strategic direction of the organization. This team is led by a Chief Executive Officer (CEO), who is appointed by the Board of Trustees. The CEO selects the other members of the ELT, which include the Chief Operating Officer (COO), the Chief Financial Officer (CFO), General Counsel (functioning as the Chief Compliance Officer (CCO) and the Human Resources Director.

Ka 'Aha

The Executive Leadership Team is supported by Ka 'Aha Team, which include nine Directors and one Manager. Together, OHA leadership works as a team to bring the right combination of staff skills, experiences and leadership to implement policies, perform various operational functions, and help OHA achieve its goals.

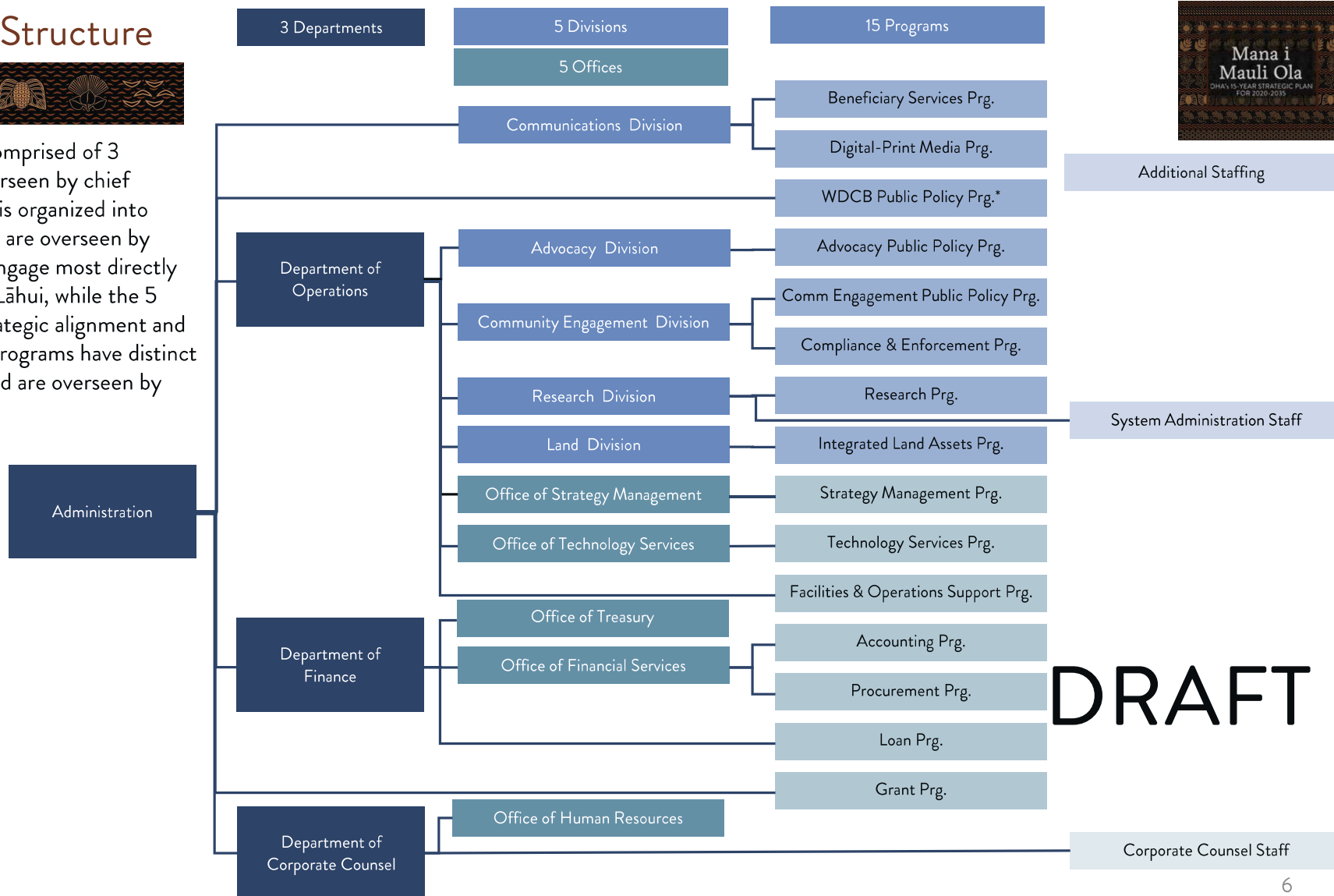


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Organizational Structure

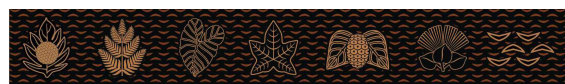


OHA's administration is comprised of 3 departments which are overseen by chief officers. Each department is organized into divisions and offices, which are overseen by directors. The 5 divisions engage most directly with beneficiaries and the Lāhui, while the 5 offices provide internal strategic alignment and infrastructure. OHA's 15 programs have distinct programmatic functions and are overseen by Managers.



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Mana i Maui Ola: OHA's 15-Year Strategic Plan For 2020-2035



OHA's Strategic Plan "Mana i Maui Ola" (Strength to Wellbeing) recognizes three foundations of historical strengths of the Native Hawaiian community as 'Ōhana (family), Mo'omeheu (culture), and 'Āina (land and water). The Mana i Maui Ola Strategies aim to build upon these foundations in order to overcome current barriers and disparities in the areas of education, health, housing, and economics. By relying on the traditional strengths (mana) of our communities within each of our four directions, OHA will affect positive change towards Native Hawaiian total wellbeing (maui ola).

Over 15 years, OHA is implementing eight external strategies aligned with our foundations and directions to achieve our envisioned outcomes for a thriving and abundant Lāhui. Additionally, the Board approved an additional endowment strategy, complemented by Administration's operational, internal strategy focused on strengthening human capital and operational capacity.

Directions:



Educational Pathways

STRATEGY 1:	STRATEGY 2:
Educational Resources	Hawaiian- Language Medium & Hawaiian Focused Charter Schools



Health Outcomes

STRATEGY 3:	STRATEGY 4:
Physical, Spiritual, Mental & Emotional Health	Health of the 'Āina (Land & Water) and Mo'omeheu (Culture)



Quality Housing

STRATEGY 5:	STRATEGY 6:
'Ōhana Resource Management & Housing	Hawaiian Homes Commission Act & Housing Supply



Economic Stability

STRATEGY 7:	STRATEGY 8:
'Ōhana's Economic Pathways	Community Economic Development



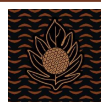
OHA Endowment

STRATEGY 9:	STRATEGY 10:
Financial & Commercial Resources	Land Resources

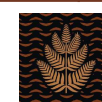
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<https://www.oha.org/strategicplan/>

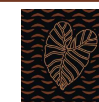
Foundations:



'Ōhana



Mo'omeheu



'Āina

Biennium Budget Construction Process



The development of OHA's biennium budget begins with the Strategic Plan. From this starting point, the Implementation Plan and tactics were created to guide all operational activities and projects that OHA intends to undertake in the next two fiscal years. The budget is the financial expression of these plans and activities.

The budget construction starts with all the funding sources available, i.e., a percentage of OHA's Investment Portfolio, Public Land Trust amount, General Funds appropriations, and Commercial Property revenue. These funding sources create the ceiling for budget expenditures. Beneficiary and Community Investments, non-personnel, and personnel related budgets are constructed with related assumptions. Non-personnel budgets and recurring expenses, which account for on-going operations, are accounted for first. Any remaining identified funds at this stage are allocated to specific projects in alignment with the Implementation Plan.

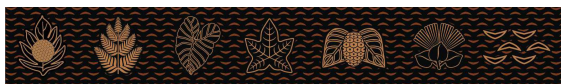
In alignment with Board approved strategies, Administration determines where resources are optimally deployed to achieve strategic outcomes. We are seeking community input on the development of the biennium budget. This step will help to inform Administration of observations and mana'o prior to the submission of the final biennium budget to the Board of Trustees for action in June 2023.

Please send questions and comments to ohabudget@oha.org or visit www.oha.org/budget for more information.

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Spending Priorities



As part of the budget construction process, the Executive Leadership Team balances the budget based upon the following priorities and constraints.

OHA has a range of functions and related activities it performs. Spending priorities are identified as a way to illustrate certain activities (among many) OHA will focus on over the biennium. For this biennium, OHA identified three priorities aligned with Mana i Maui Ola:

1. **Strengthen grants deployment.**
2. **Strengthen stewardship of land assets** across legacy and commercial portfolios (e.g., policy update, portfolio strategy dvlpt, Hakuone development).
3. **Solidify infrastructure.** Continue to focus on recruit, retain and reward program design(s), update IT systems, procurement and payment process improvements, budget and reporting functionality.

Each direction within Mana i Maui Ola contains two distinct Strategies. The first Strategy in each direction outlines OHA's work to improve Native Hawaiian conditions through supporting individual and 'ohana level change.

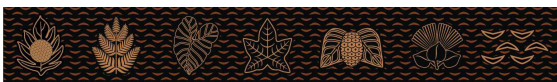
The second Strategy within each direction outlines OHA's work to change the systems that create or contribute to unequitable or unjust conditions for Native Hawaiians. Therefore, this budget proposes a **balance between individual support and system change**. To create this balance, the annual Beneficiary and Community Investments budget includes \$15.1 million, equal to 100% of the prior year Public Land Trust Fund revenue amount plus additional trust fund amounts. Beneficiary and Community Investments funds are allocated to traditional grant programs, event sponsorships, and other funding mechanism to support the Department of Hawaiian Homelands. This funding increase moves the Beneficiary and Community Investments allocations to become the ***largest share of OHA's core operating budget***. Additionally, personnel and contract costs are streamlined and refocused to increase services OHA directly provides to beneficiaries.

Correspondingly, personnel and contract costs are streamlined and refocused to strategically affect systemic policy change. This work includes ceded lands and public land trust work (e.g., inventory, working group); research to identify systemic disparities and barriers to Native Hawaiian equality and justice; advocacy to implement policy change and protect Native Hawaiian rights and land; and convening community groups to amplify Native Hawaiian voice in all public spheres.



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Key Constraints



Once spending priorities are identified, constraints on funding sources and spending decisions are considered. Constraints include both restrictions on the funds that OHA receives, as well as previous commitments the agency has made to further the mandate and mission. Therefore, constraints need not be viewed as negative, but rather a part of the process to determine the additional budgetary decisions that must be made.



First, in 2006, the state set the interim native Hawaiians' pro rata share of Public Land Trust revenues at \$15.1m annually. This amount is outdated and represents a fraction of what Native Hawaiians should be receiving, thereby significantly restricting OHA's resources. In 2022, via Act 226, the interim amount was increased to \$21.5m annually.

Second, OHA adheres to a Spending Policy, that is calculated to spend up to 5% of a rolling 20 quarter average of the Native Hawaiian Trust Fund.



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Third, the budget accounts for the actual calculated fringe benefit rate of 52.6%. This adds a significant amount to Payroll. Every \$1 of salary requires \$0.526 of fringe benefits. The approved rate from the state was 63.28% which was lowered to 52.83% due to COVID; the interim FY23 rate of 52.6% is used for budgeting purposes; and the actual rate must be recognized when paid.

Fourth, OHA honors large standing commitments, including provisos from the state general fund appropriations with matching funds from OHA; DHHL debt servicing agreement, and pledging over \$19 million each year to beneficiary and community investments.



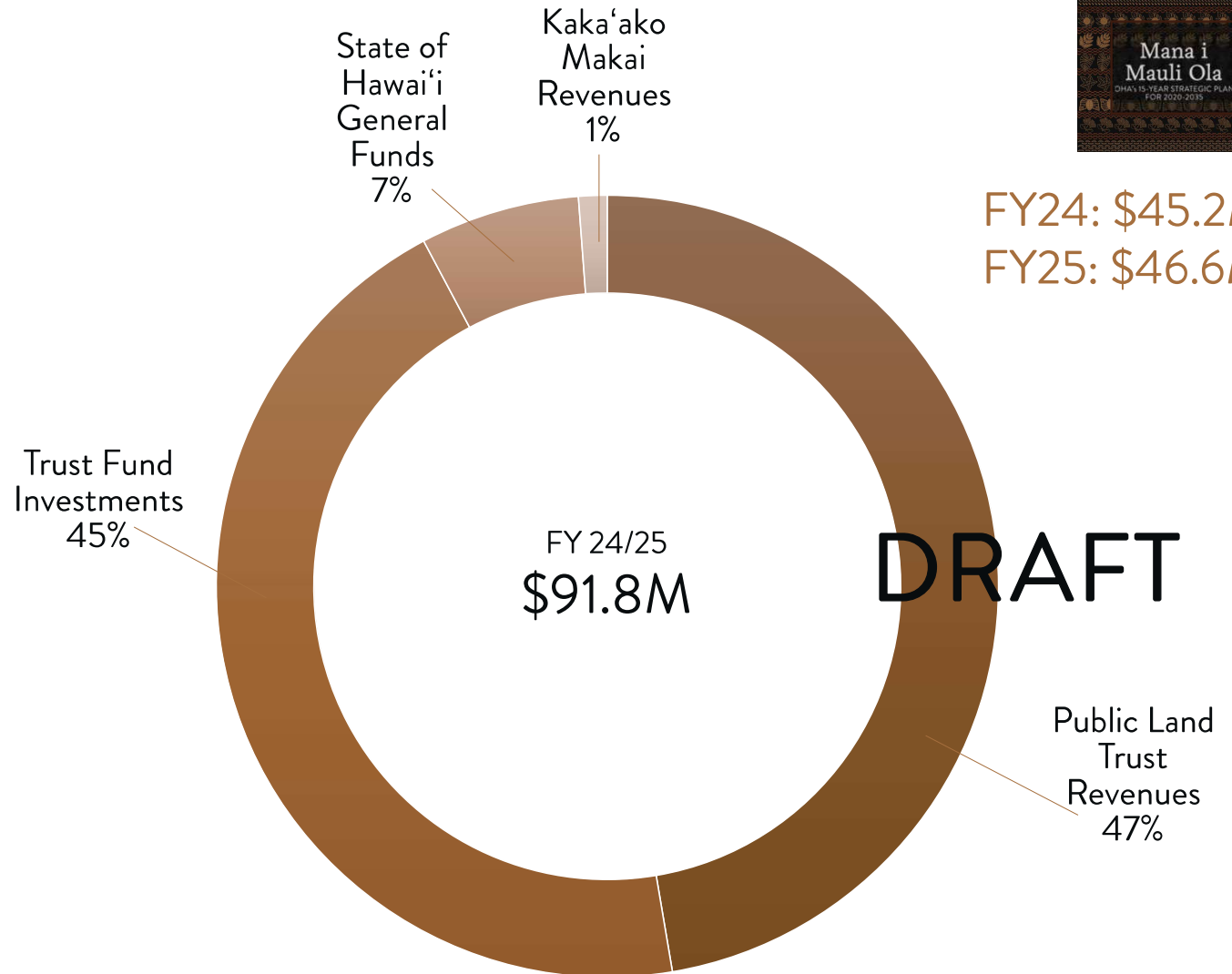
Core Funding



OHA operation consists of “core” and “non-core” budgets. Items in the non-core operating budget have their own designated funding sources, these include revenues from commercial leasing activities and federal grants received. OHA’s core operating budget is dependent upon four sources of funding including:

1. Public Land Trust (PLT) allotments (\$43M);
2. A percentage of the investment portfolio (Native Hawaiian Trust Fund) (\$41M);
3. Appropriations of State of Hawai‘i general fund (\$6M); and
4. Kaka‘ako Makai allocated resources (\$1.8M).

These sources are projected to generate approximately \$91.8 million in FY24 and FY25.



Budget data presented are preliminary and subject to change

Core Funding



1. Annual Public Land Trust Revenues

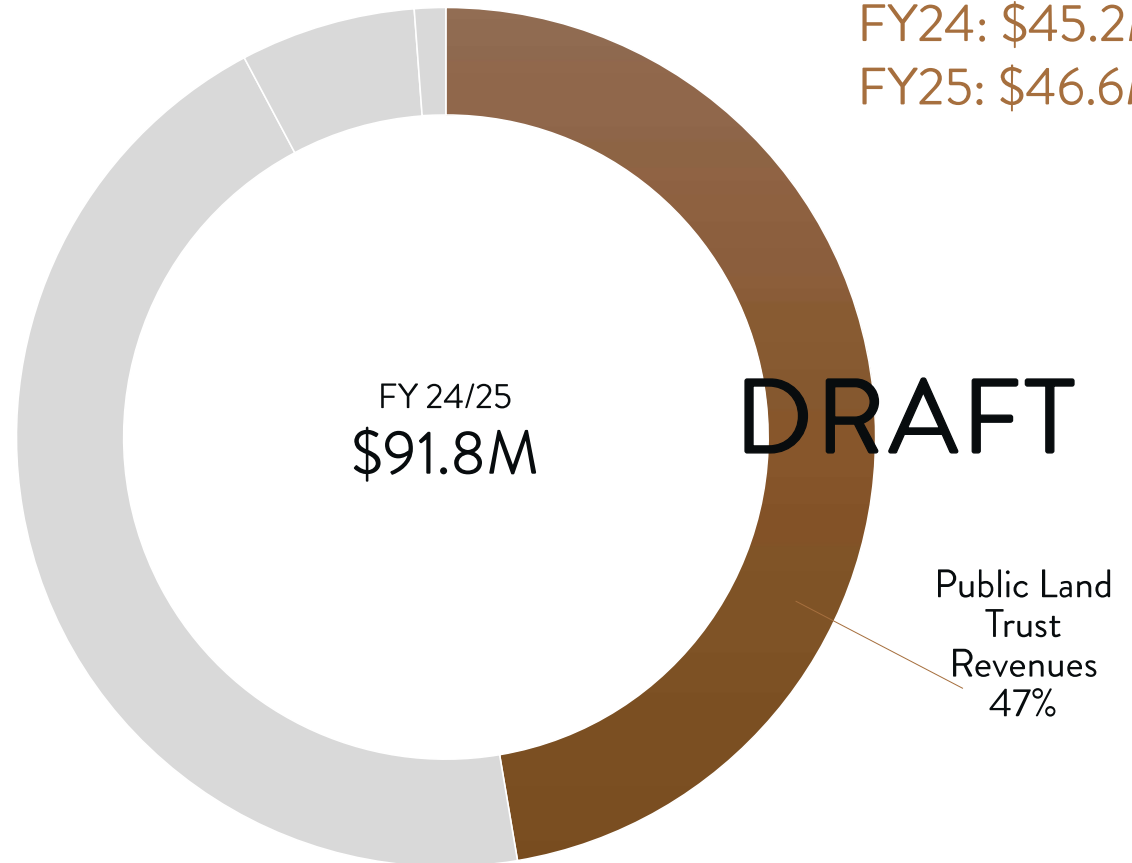
The Public Land Trust (PLT) is a subset of ceded lands which is held in trust for the betterment of the conditions of Native Hawaiians, and the general public. PLT lands are comprised of former Crown and Government lands of the Hawaiian Kingdom.

Hawai'i's constitution establishes OHA in part to receive and administer Native Hawaiians' pro rata share of revenues derived from the PLT. The pro rata share is generally understood to be 20% of the revenues from PLT lands. How this 20% should be calculated is a matter of longstanding debate between OHA and the State.

In 2022, via Act 226, the State of Hawai'i increased the fixed annual revenue payments to OHA at \$21.5 million as a temporary approximation of the PLT share. At 47% of OHA core operating budget, for the first time PLT revenues constitute OHA's largest source of funding. Act 226 also established a working group to account for all ceded lands, account for all income and proceeds; and subsequently determine the twenty percent pro rata share of income and proceeds.



FY24: \$45.2M
FY25: \$46.6M



Budget data presented are preliminary and subject to change

Core Funding



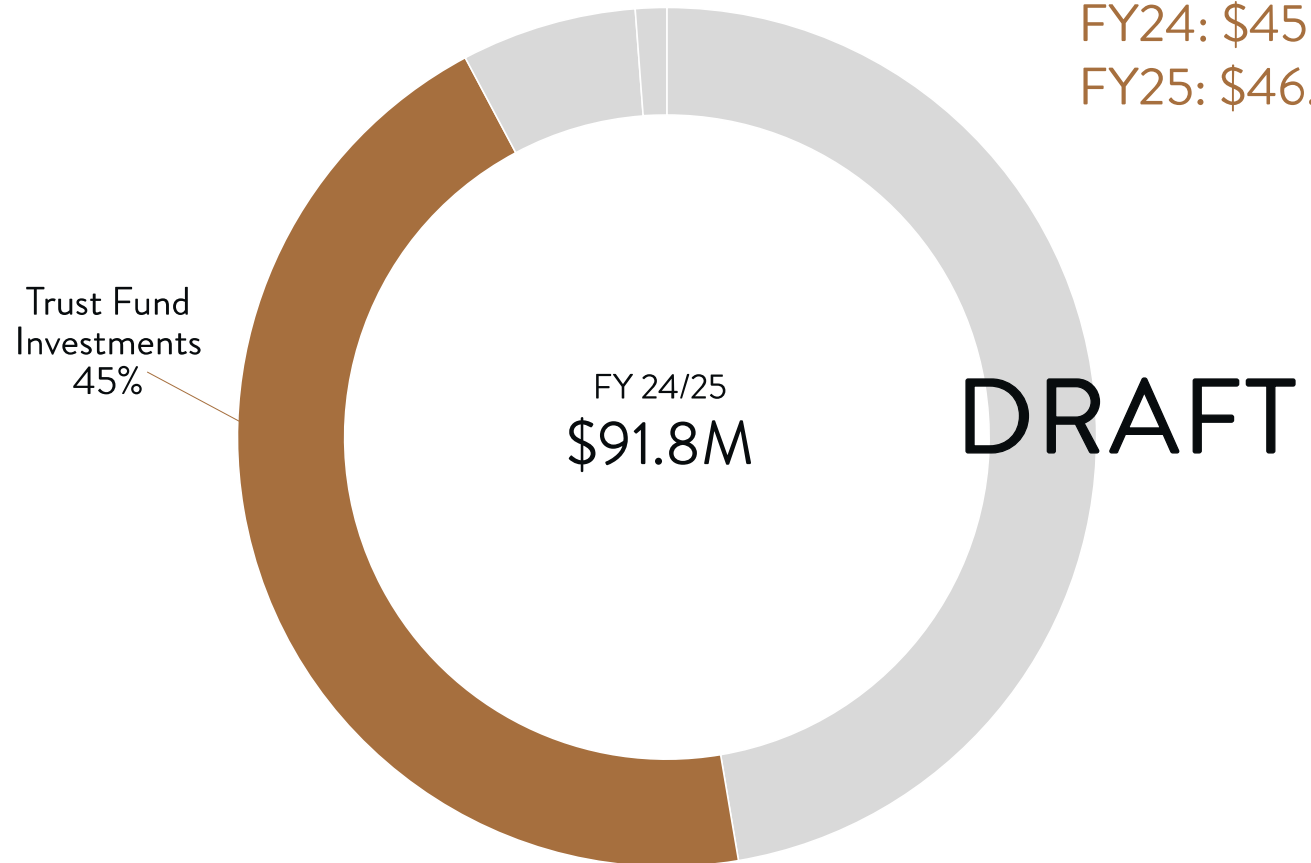
2. Investment Portfolio

The second largest source of funding is derived from OHA's Native Hawaiian Trust Fund investments, pursuant to its Spending Policy, which allows for a maximum 5% allocation of funding based upon a 20-quarter rolling average market value.

For FY24, the 5% spending amounts to approximately \$19.9 million. For FY25, the computed 5% spending increased to \$21.0 million for a total of \$40.9 million over the two-year period or 45% of OHA's total core operating budget.



FY24: \$45.2M
FY25: \$46.6M



Budget data presented are preliminary and subject to change

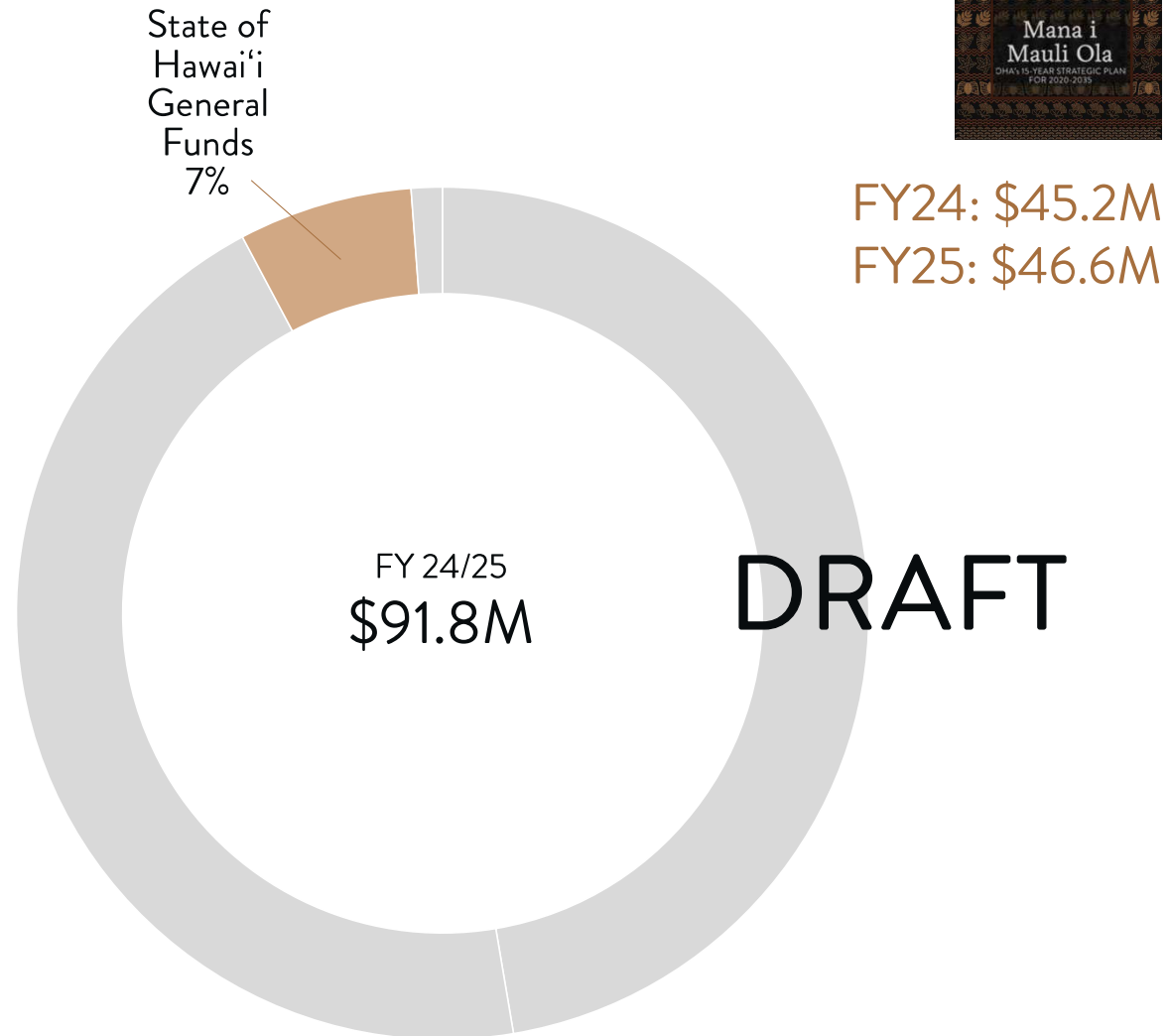
Core Funding



3. State of Hawai'i General Funds

The third source of funding is provided through the State of Hawai'i General Funds. OHA fulfills its fiduciary responsibilities to beneficiaries by advocating at the state legislature each year for general fund appropriations.

In FY22 FY23, OHA received \$2.3 million in general fund appropriations annually. For FY24 and FY25, OHA anticipates an annual funding of approximately \$3 million; for a total of \$6 million over the two years, constituting 7% of OHA's core operating budget.



Budget data presented are preliminary and subject to change

Core Funding



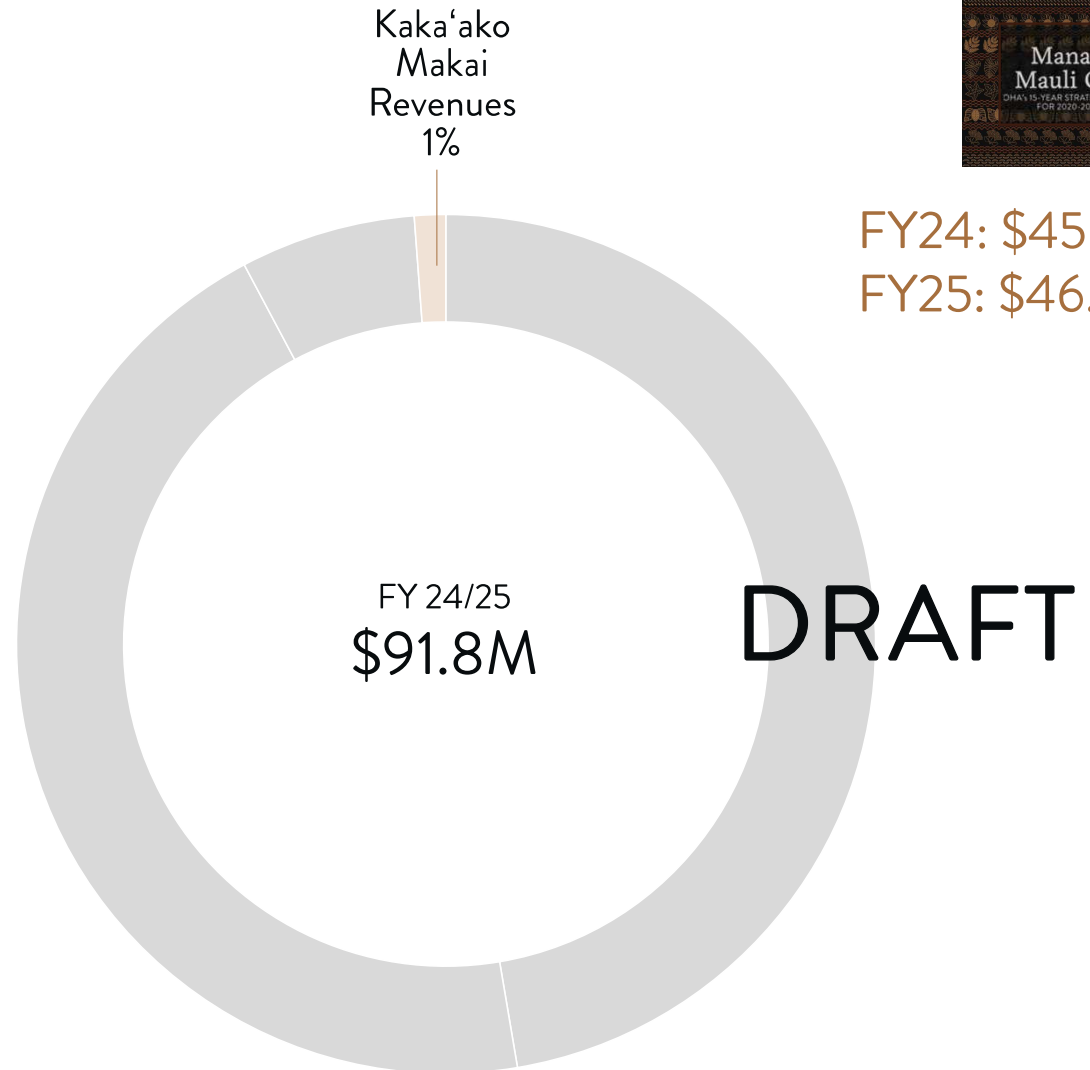
4. Kaka‘ako Makai Revenues

The final source of funding, albeit a small percentage of OHA’s total core operating budget, reflects a commitment by OHA’s Board of Trustees to ensure maximum funding for stewardship of legacy lands.

In 2012, OHA officially took title of 30 acres of prime real estate in Kaka‘ako Makai as a settlement amount from the State of Hawai‘i. Prior to any substantive development activity, the estimated net revenue amount is approximately \$776 thousands in FY24 and \$1.1 million in FY25, for a total of \$1.1 million.



FY24: \$45.2M
FY25: \$46.6M



Budget data presented are preliminary and subject to change

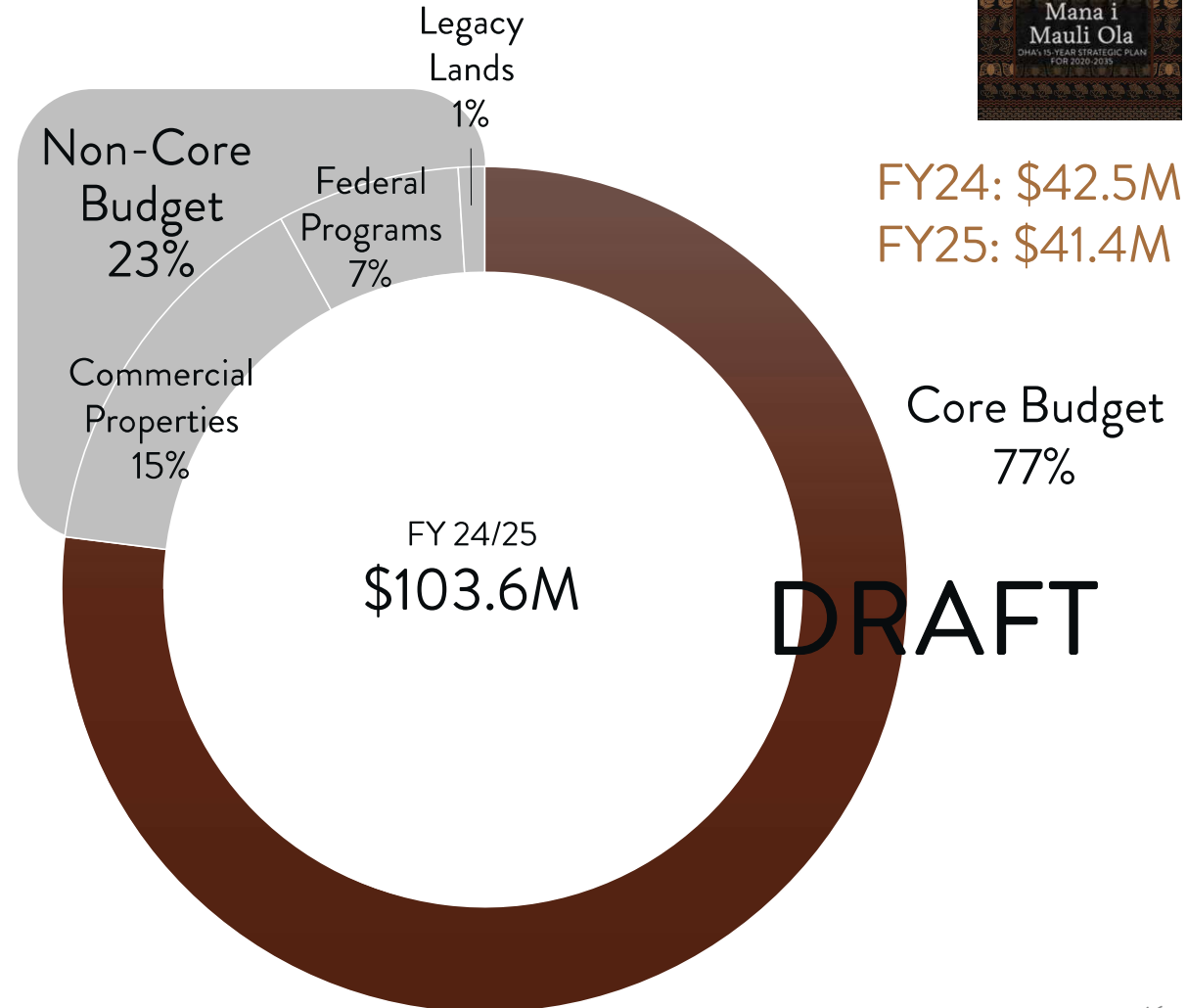
Total Operating Budget



OHA's total operating budget consists of core and non-core budget items. The two-year core operating budget (\$83.9M) is the focus of this document, as the non-core operating budget items are those that have their own designated funding source and operations.

The non-core budget contains designated separate revenue sources: for its two-year budget - commercial properties (\$16.8M), federal programs (\$2.3M), and other programs (\$549K).

OHA's legacy land program expenses are not reflected in the core operating budget as they are covered by a portion of commercial property net income and accounted for in the Legacy Land Program budget.



Budget data presented are preliminary and subject to change

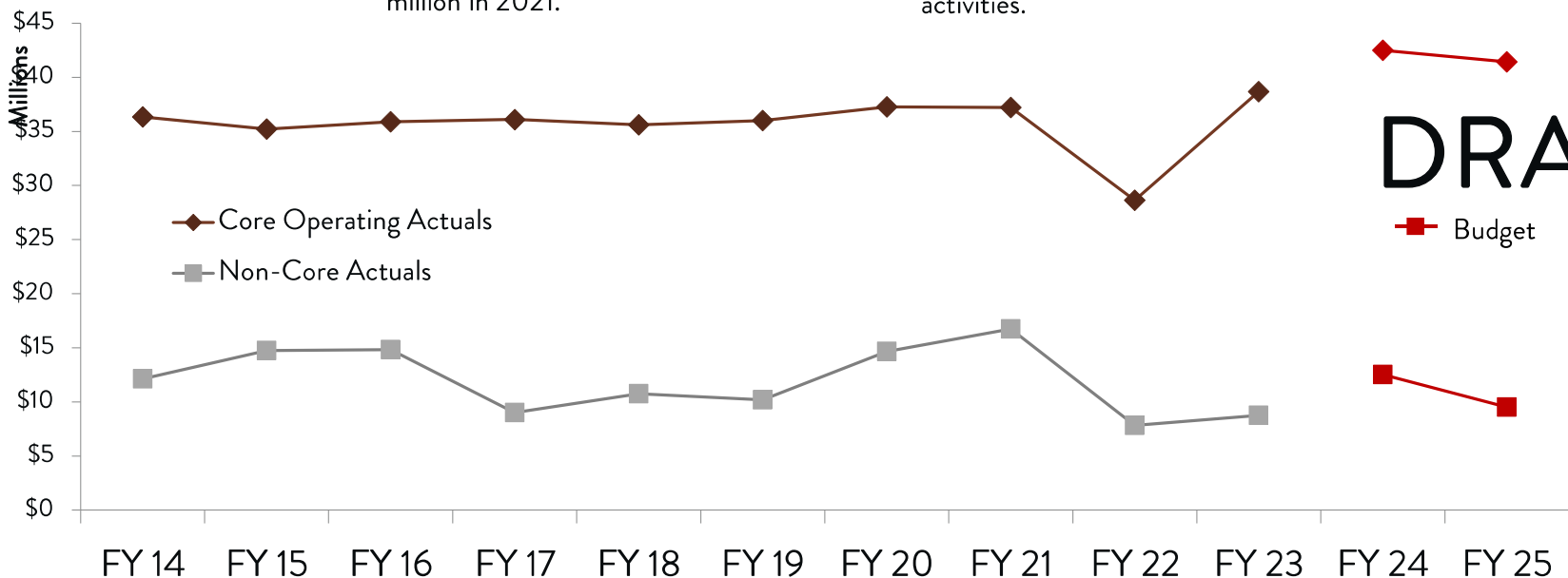
Historical Operating Actuals and FY24/ FY25 Budget



As shown in the figure below, the core operating budget has remained fairly consistent between FY12 and FY23, ranging between \$35-37 million, with the increase in inflation, the operating budgets absorbed the increasing costs without a corresponding increase in an overall amount.

The non-core budget has fluctuated over time, increasing from \$5.6 million in 2012, to \$14.8 million in 2016, primarily due to increased revenues and expenses in commercial properties and federal funds, including acquisition activities. Since 2016, these amounts dropped in 2017 and then steadily increased until they reached \$16.7 million in 2021.

Moving forward, OHA projects another increase in the non-core budget to approximately \$12.5 million in 2024, then slightly decreasing to \$9.5 million in 2025. Again, commercial properties and other program budgets are based on their own revenues and thus self-sustaining and does not reflect any development activities.



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— Budget

* FY22 Non-Core operational actuals do not include \$69.1M in Iwilei purchase and related Loan Refinancing. Budget data presented are preliminary and subject to change

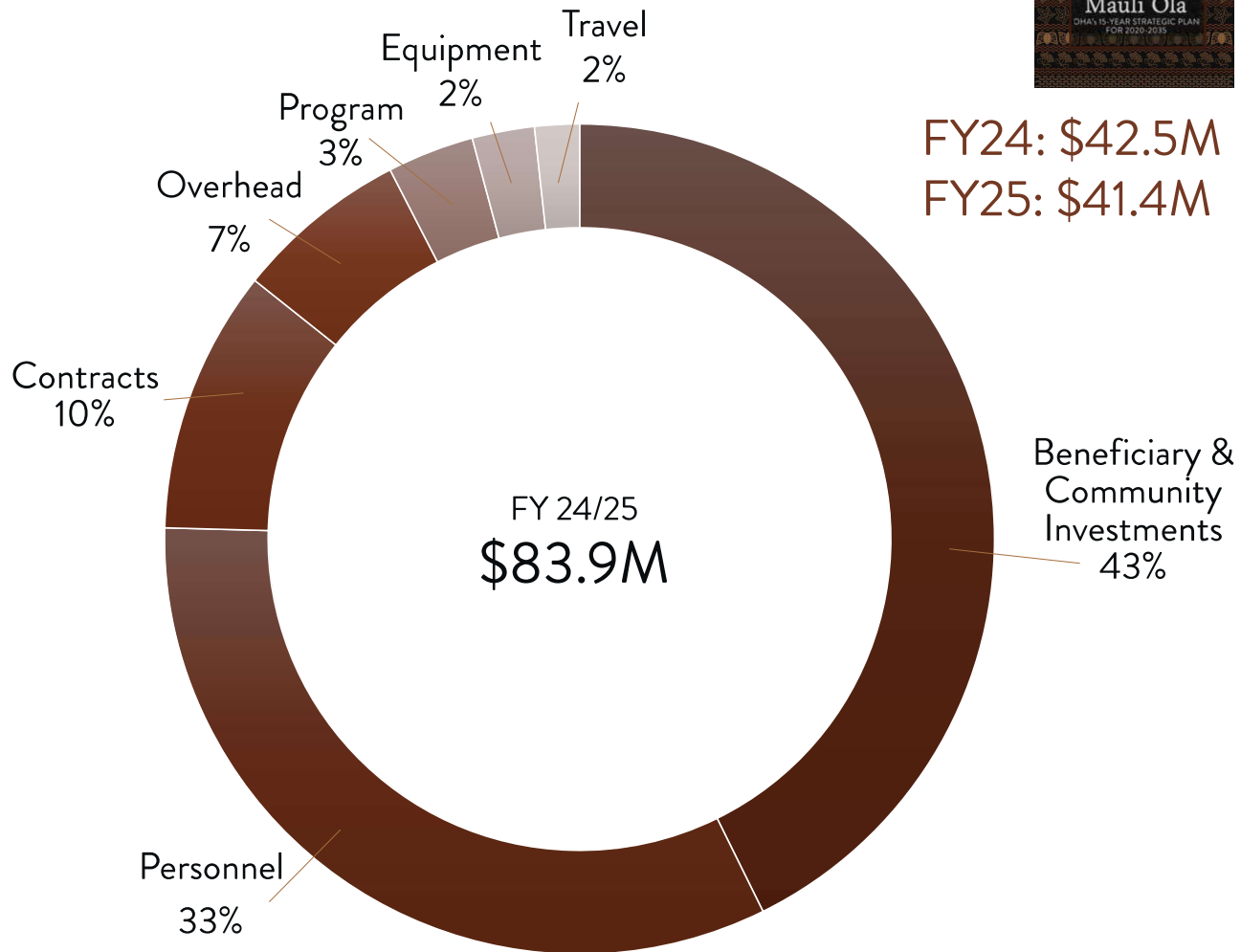
Core Operating Budget



Over the next two fiscal years, OHA allocates 43% of its core operating budget to its beneficiary and community investments (\$35.8m), 33% to personnel (\$27.5m), 10% to contracts (\$8.6m), and 7% to overhead costs (\$5.7m). The smaller categories include 3% for programs (\$2.8m), 2% for equipment (\$2.0m), and 2% for travel costs (\$1.5m).

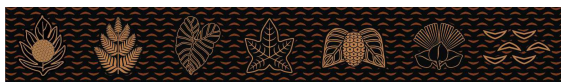
The following slides will provide a more detailed breakdown of each category.

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Budget data presented are preliminary and subject to change

Beneficiary & Community Investments Portfolio



In FY23, OHA continued to better define and expand the budget category of Beneficiary & Community Investments. This work has clearly delineated both Beneficiary & Community Investments Classifications, based on funding recipient, and Funding Mechanisms, based on the procurement code authority.

Beneficiary & Community Investments Definition:

OHA funds disbursed:

- To **Native Hawaiian individuals, organizations, and systems**;
- For the **direct and primary benefit** of OHA beneficiaries and Native Hawaiian communities;
- Through **diverse funding mechanisms**, such as procurement by competitive means or exemptions to the Procurement Code in HRS §103D-102 including grants, loans, etc. Beneficiary and Community Investments funds do not include OHA personnel and administrative costs to disburse funds.

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Funding Mechanisms	Classifications		
	DIRECT BENEFICIARY AID	ORGANIZATION IMPACT FUNDING	SYSTEM STRENGTHENING INVESTMENTS
Solicited Grants	Emergency Financial Assistance	Project Support Grants	
		Event Support Grants	
		Capacity Building Grants	
Board Directed Grants		Emergency Aid Grants	Hawaiian Focused Charter School (HFCS) Grants
		Community Grants	
		Legacy Grants	
Loans	OHA Personal Loans		
	OHA Business Loans		
Intra-Government Funding		Community Legal Resources Funding	Dept. of Hawaiian Homelands Funding Native Hawaiian Law Training Funding
Procured Contracts		Beneficiary Legal Service Funding	

Beneficiary & Community Investments



In the FY24-FY25 biennium budget, OHA allocates \$35.8 million to various beneficiary and community investments, which constitutes 43% of the core operating budget. An additional \$3M will also be disbursed via OHA Loan Programs. There are three major classification within this category:

DIRECT BENEFICIARY AID (\$1.6M +\$3M in Lending):

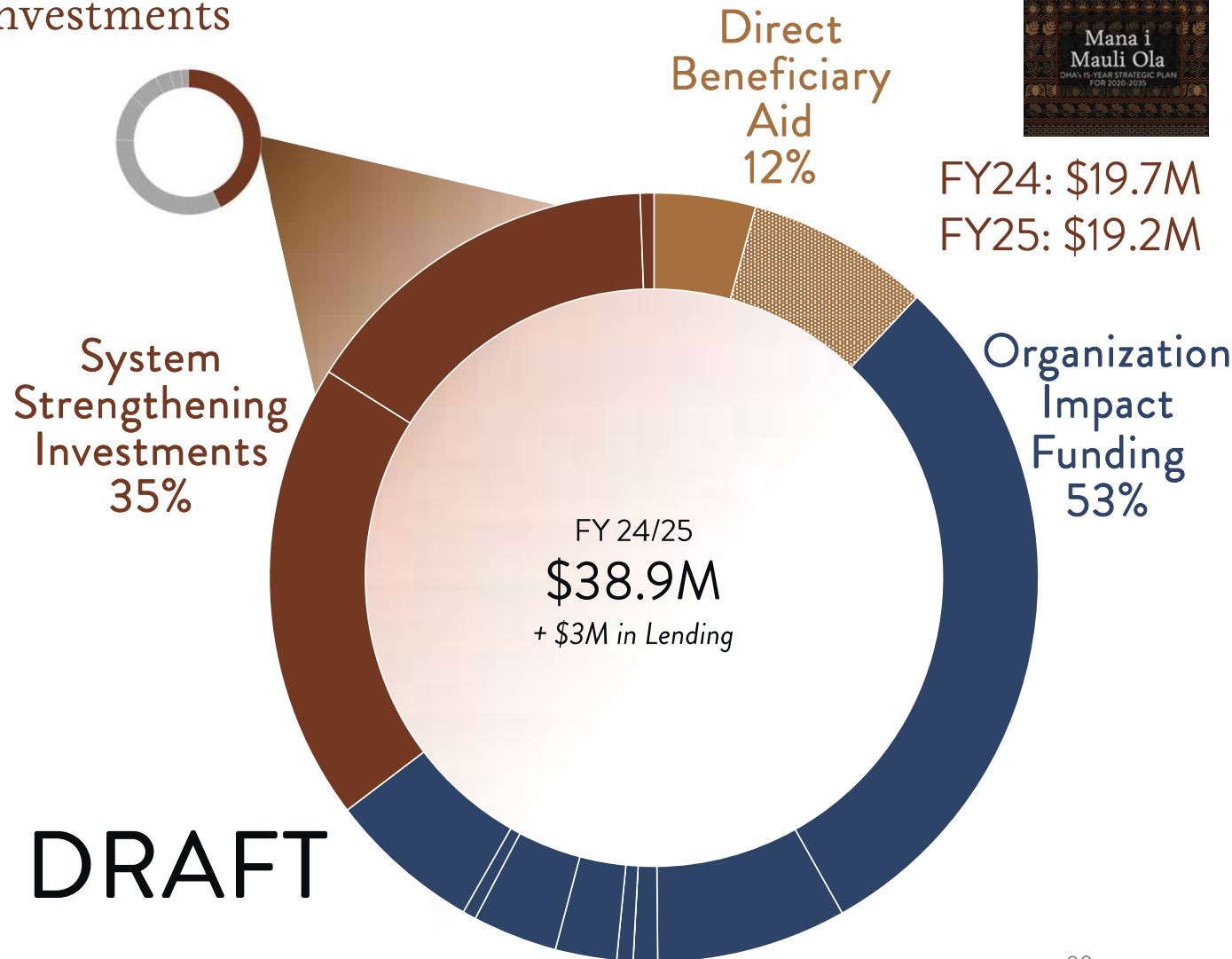
To a **Native Hawaiian individual**; for the betterment of conditions of an OHA beneficiary individual, family, or household demonstrating an **unmet need**.

ORGANIZATION IMPACT FUNDING

(\$20.5M): To **organizations**; for the support of **recipient activities** that are consistent with OHA's purposes, including the betterment of conditions of Native Hawaiians.

SYSTEM STRENGTHENING INVESTMENTS (\$13.7M):

To **institutions**, and multi-organization **collaborations**; for the strengthening of **community-wide structural systems** that address complex Native Hawaiian conditions.



Beneficiary & Community Investments

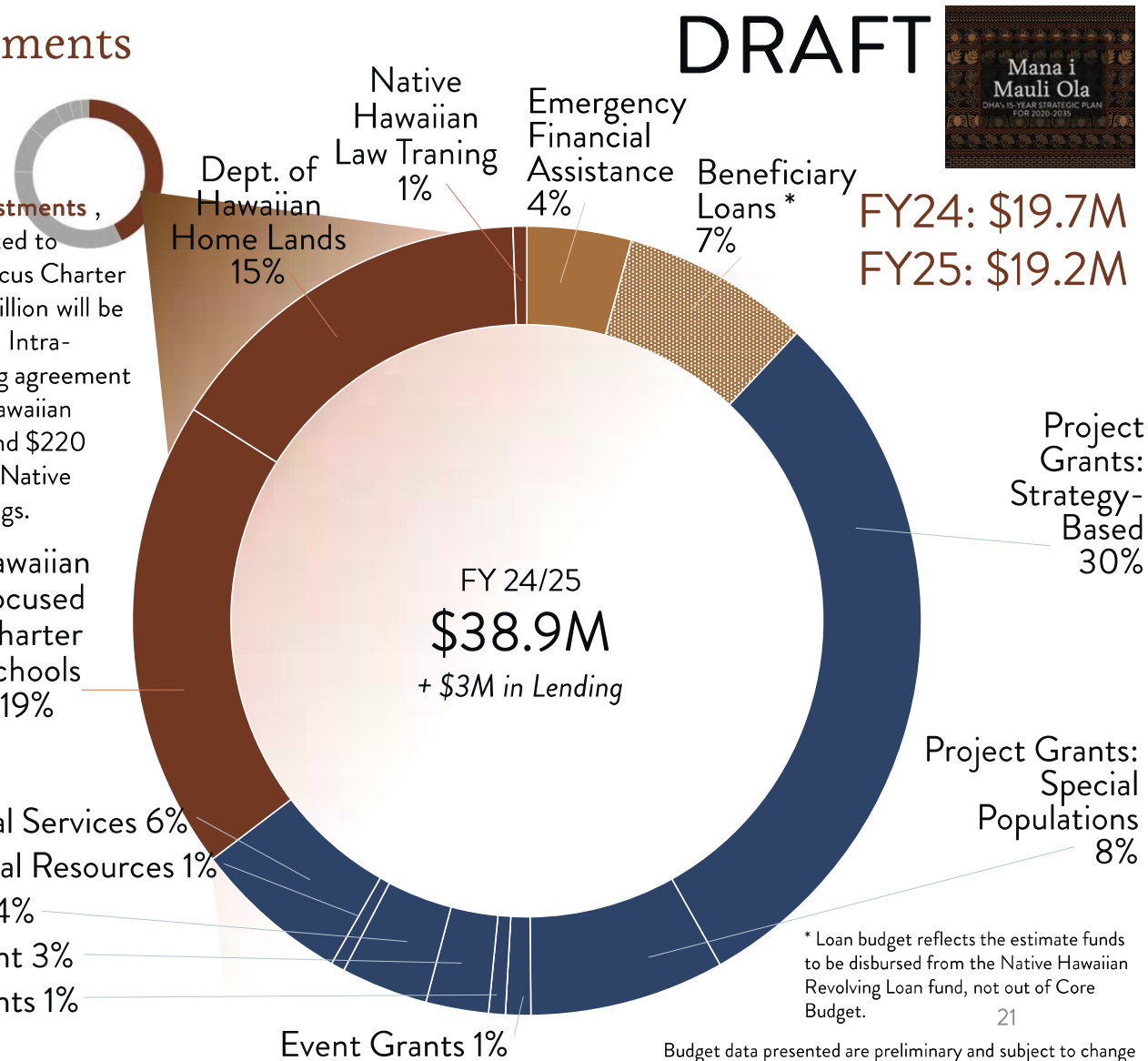


Of this budget: \$4.6 million is allocated to **Direct Beneficiary Aid**. \$1.7 million is allocated to OHA's own Emergency Financial Assistance program (4%) and \$3 million will be disbursed through loans directly to Native Hawaiian individuals and business (not reflected in the overall Core Budget).

\$20.5 million is allocated to **Organization Impact Funding**, with \$11.6 million for Project Grants aligned with OHA Mana i Maui Ola (30%), \$3.1 million for Special Populations (8%), and \$400 thousand to support community events (1%). Additionally, \$133 thousand is allocated to Emergency Grants (1%), \$500 thousand for Higher Education Scholarship Grants (3%), and \$941 thousand for Legacy Grants (4%). Finally, one investment is made through an Intra-Government Funding agreement for Legal Resources for the community (\$220K, 1%) and one investment through a Procured Contract to provide direct legal services to beneficiaries.

Under the **System Strengthening Investments**, \$7.5 million is allocated to support Hawaiian Focus Charter Schools (19%), \$6 million will be disbursed through an Intra-Government Funding agreement to Department of Hawaiian Homelands (15%), and \$220 thousand to support Native Hawaiian Law Trainings.

Hawaiian Focused Charter Schools 19%
 Beneficiary Legal Services 6%
 Community Legal Resources 1%
 Legacy Grants 4%
 Scholarship Grant 3%
 Emergency Grants 1%



Personnel

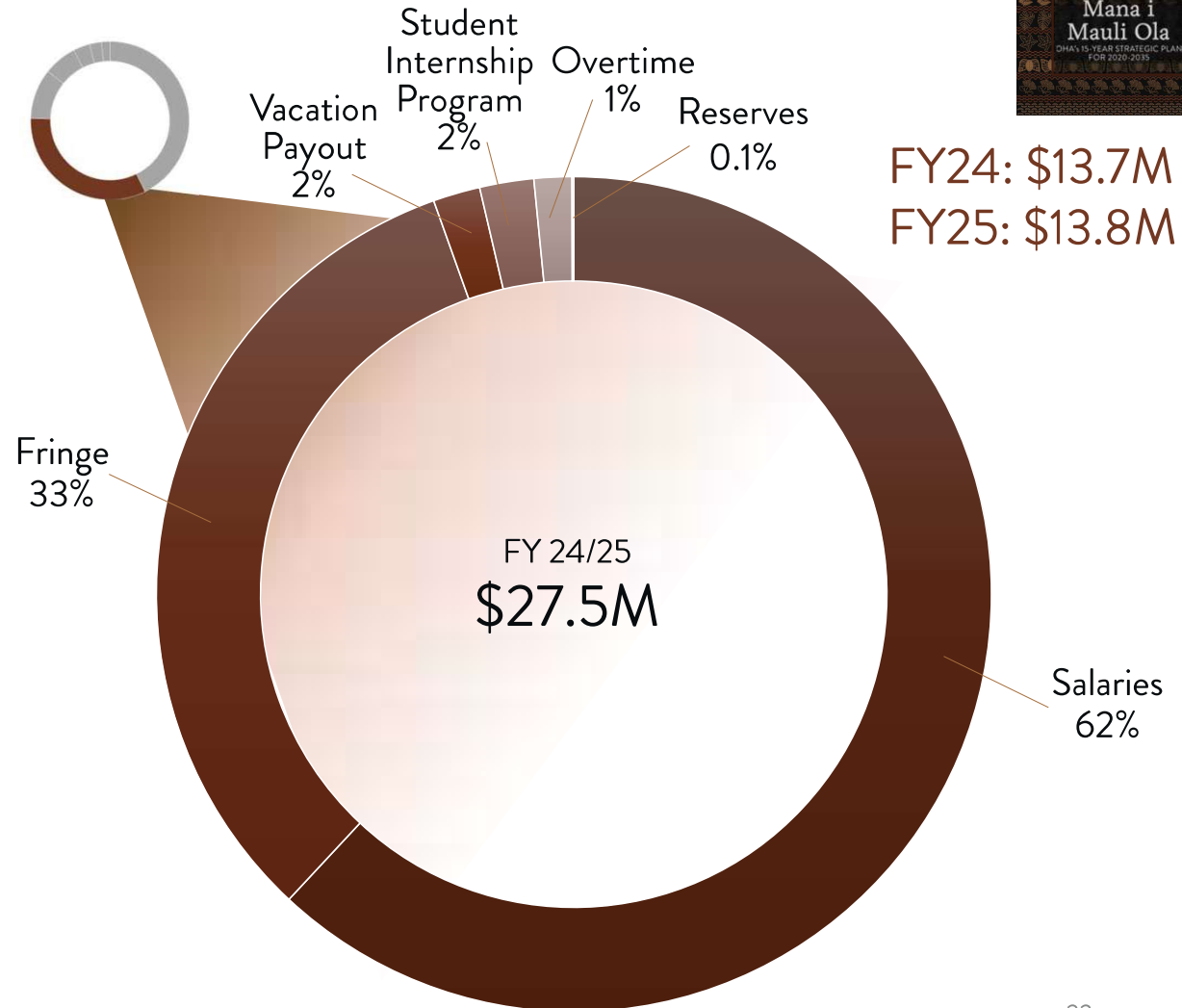


OHA allocates approximately \$27.5 million of the biennium budget to personnel costs, including the 53% fringe benefit rate, in support of employees under the core budget; constituting 33% of the core operating budget. This core budget does not include non-core employees whose positions are either funded by commercial properties or federal grants. The personnel budget construction is based on a 25% vacancy rate.

\$17 million of the personnel cost is employee salaries (62%), and \$9 million goes to fringe benefits (33%), based on the actual benefit load rate of FY23. Small portions are allotted to fund the internship program (\$575K), vacation payouts (\$500), and reserves for overtime and other costs (\$420K).



FY24: \$13.7M
FY25: \$13.8M



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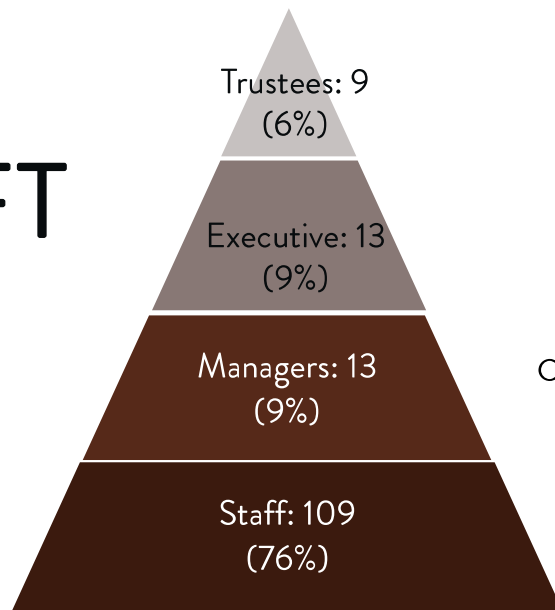
Budget data presented are preliminary and subject to change

Personnel



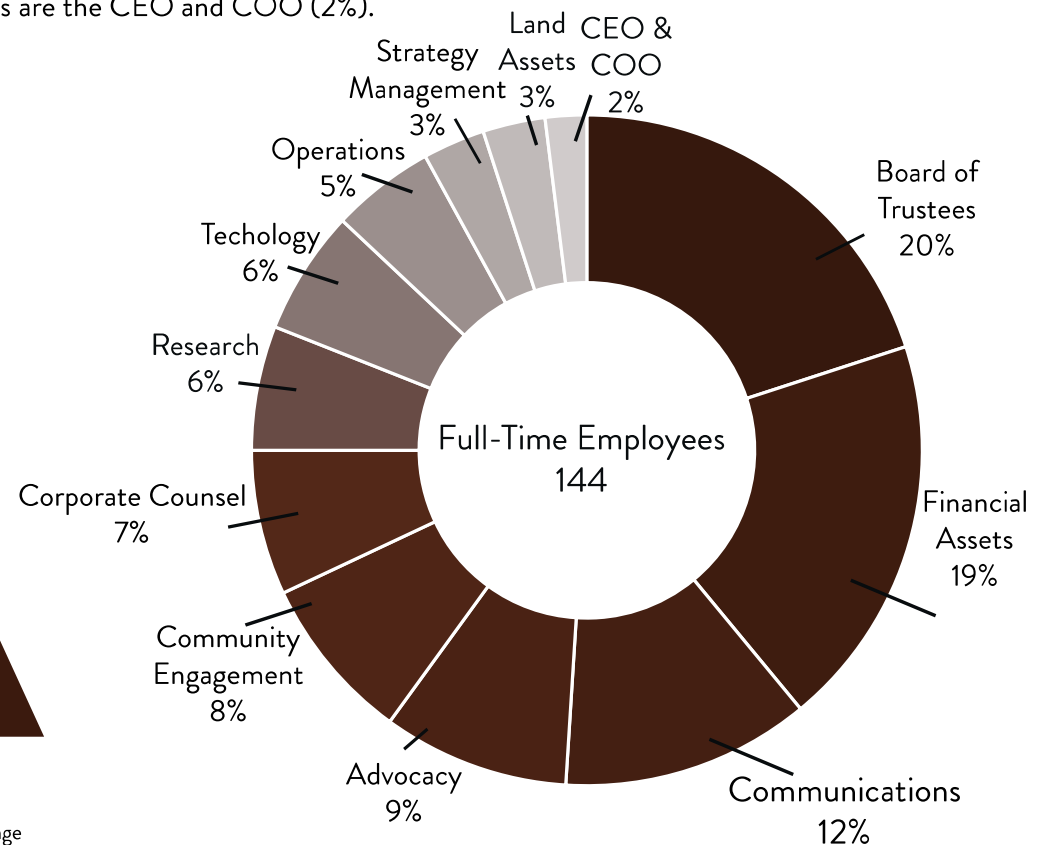
Of OHA's proposed 144 employees under the core budget, 109 are staff members, including Board support staff (76% of employees); 13 are managers (9%); 13 are executives (9%); and 9 are Trustees (6%). The figure below represent an average ratio of approximately 1 manager for every 8 staff.

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Budget data presented are preliminary and subject to change

Of OHA's proposed 144 employees: 29 are Trustees and related Board support staff, which was not impacted by reorganization activities; 27 are within Financial Assets (19%) which includes 11 Grants staff; 17 are within Communications (12%) which includes 9 Beneficiary Service Staff; 13 are within Advocacy (9%); 12 are within Community Engagement (8%); 10 within Corporate Counsel, including Human Resources; 9 are within Research (6%); 8 are within Technology (6%); 7 are within Operations (7%); 5 are within Strategy Management (3%); 5 are within Land Assets (3%); and the remaining 2 positions are the CEO and COO (2%).

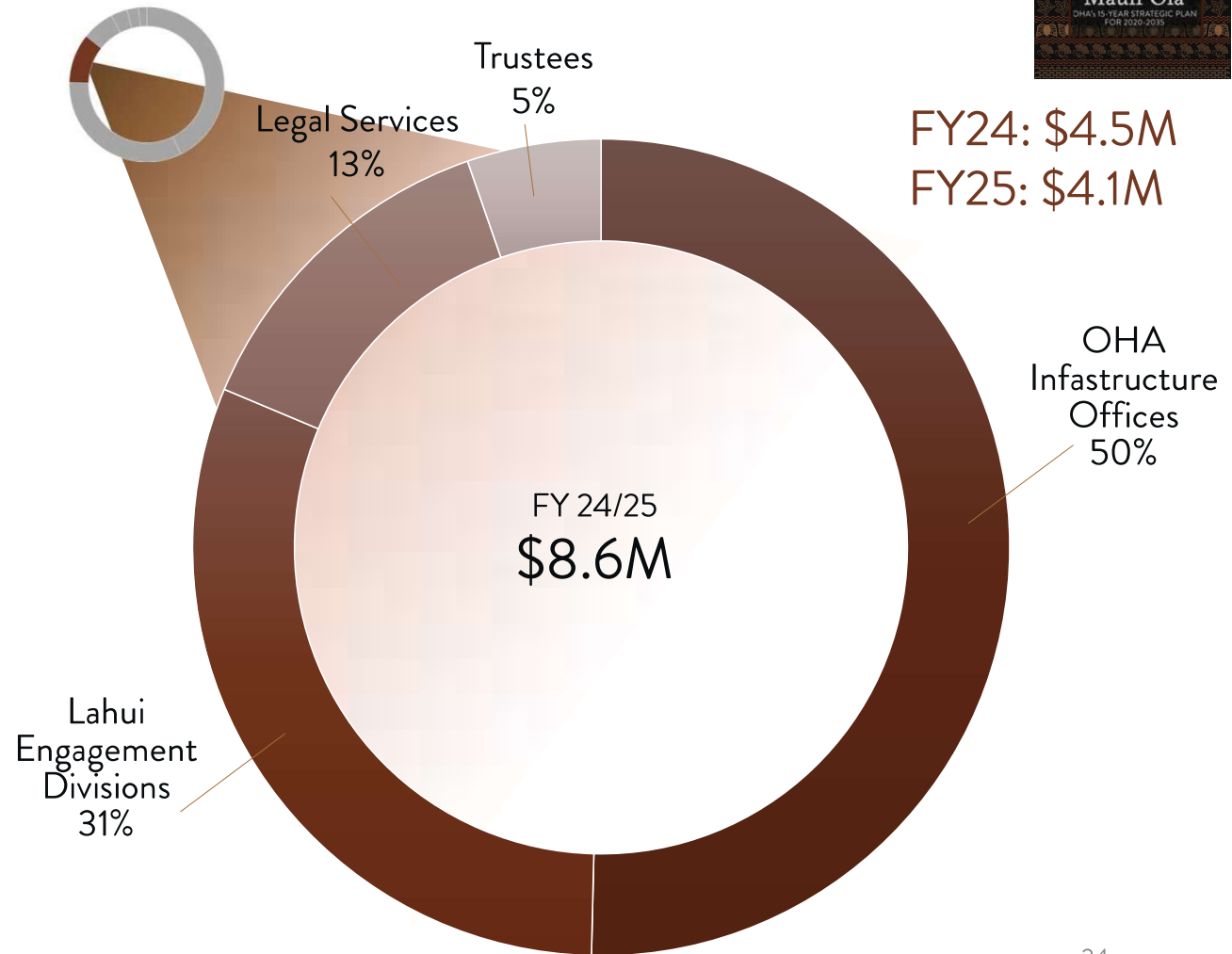


Contracts



Contracts constitute 10% of OHA's core operating budget. Approximately, \$4.5 million of the Contracts budget is allocated to support the work of OHA Offices focusing on internal Infrastructure (50%), including Financial Services, Human Resources, Strategy Management, and Technology Services. While \$2.6 million is allocated to support the work of the OHA Divisions and Program focused Lāhui engagement (31%), including Communications, Advocacy, Land, the Grants Program, and the Washington D.C. Bureau Program. \$1.1 million of the Contract budget is used for OHA Legal Services, which includes outside attorneys for consultation (13%); and \$460 thousand is used for Board-related contracts.

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Budget data presented are preliminary and subject to change

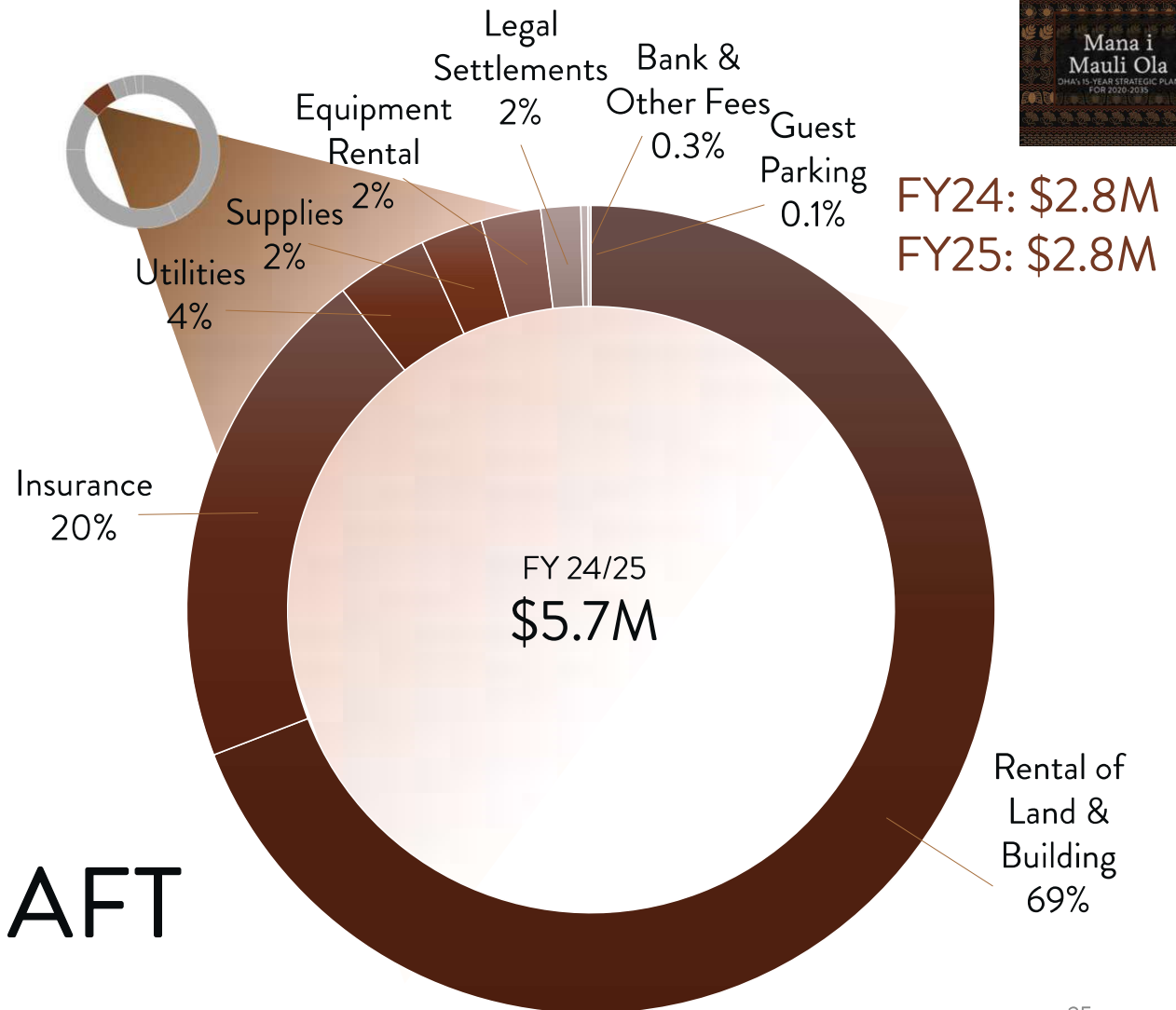
Overhead



OHA allocates approximately \$5.7 million to Overhead or 7% of the core biennium budget. Of these amounts, office leases account for \$3.9 million (69%) which support six (6) offices across the State of Hawai'i, and 1 office in Washington, D.C. Utilities for these offices make up another \$200 thousand (4%) and include electricity, telephone / internet services, and water.

\$1.2 million is insurance premiums for liability insurance, workers compensation, board and officer insurance, and other related coverages (20%).

Additionally, \$100 thousand to office and other supplies (2%), \$135 thousand is allocated to rental equipment for offices (2%), \$90 thousand to legal settlements (2%), \$16 thousand to Bank and Other Fee, and \$7 thousand to parking validations for stakeholders and beneficiaries (1%).



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Budget data presented are preliminary and subject to change

Program

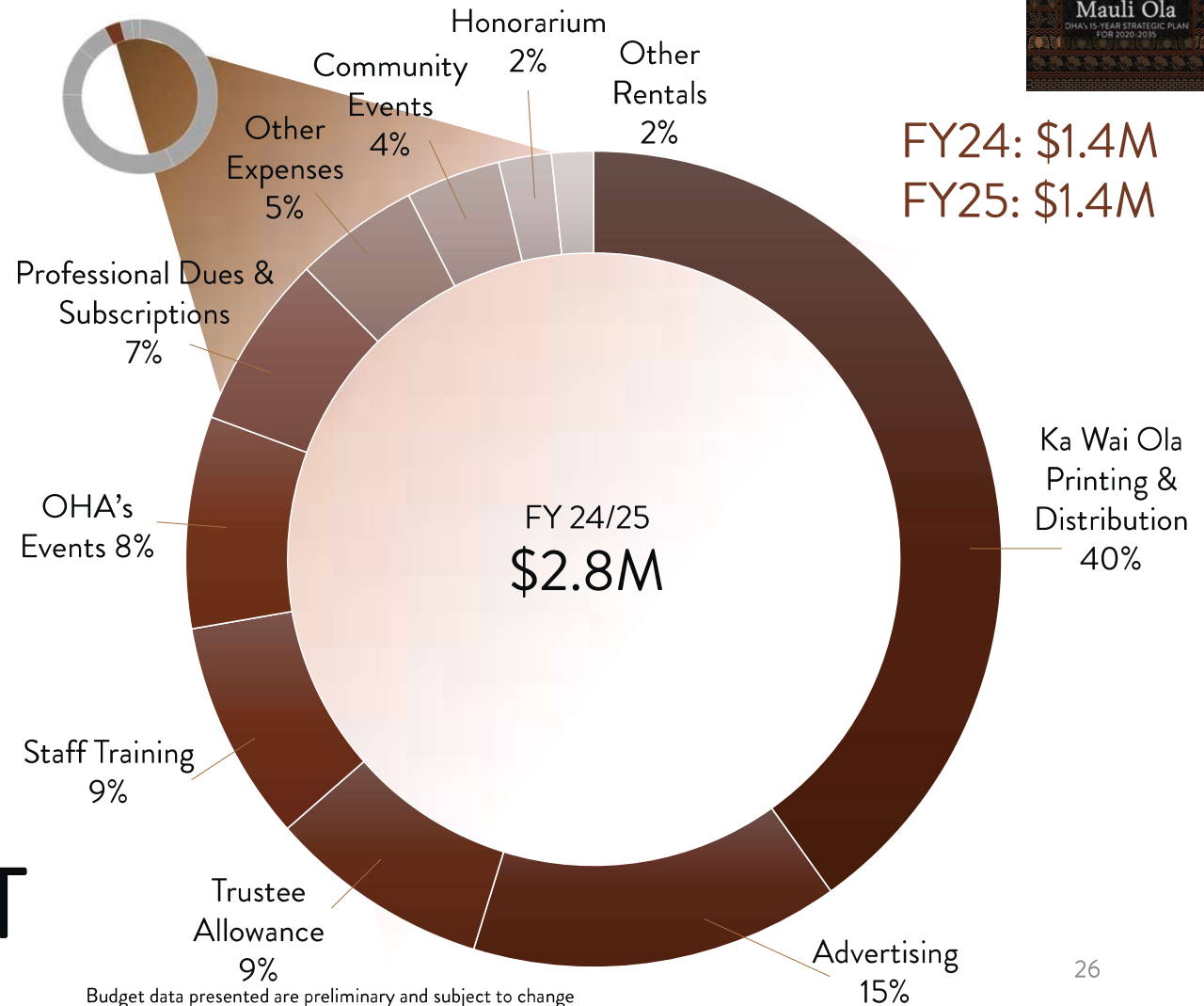


The next budget category is Program, to which OHA allocates approximately \$2.8 million or 3% of the core biennium budget. These are costs directly related to programs such as printing and distributing of Ka Wai Ola publications (\$1.14M), advertising for OHA initiatives (\$415K), trustee protocol allowance (\$248K), staff training (\$248K), hosting conferences, meetings, and events (\$238K), professional dues and subscriptions (\$196K), other expenses (\$140K) including promotional items, books and reference materials, freight and delivery, and automobile allowance, partnering with community organizations to host events (\$106K), honorarium for OHA event participants (\$59K), and other rentals needed to conduct business (\$47K).

The quarterly utilization (or non-utilization) of the Trustee Protocol Allowance is reported on the organization's website under the Financial Transparency link:

<https://www.oha.org/financials>

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Equipment



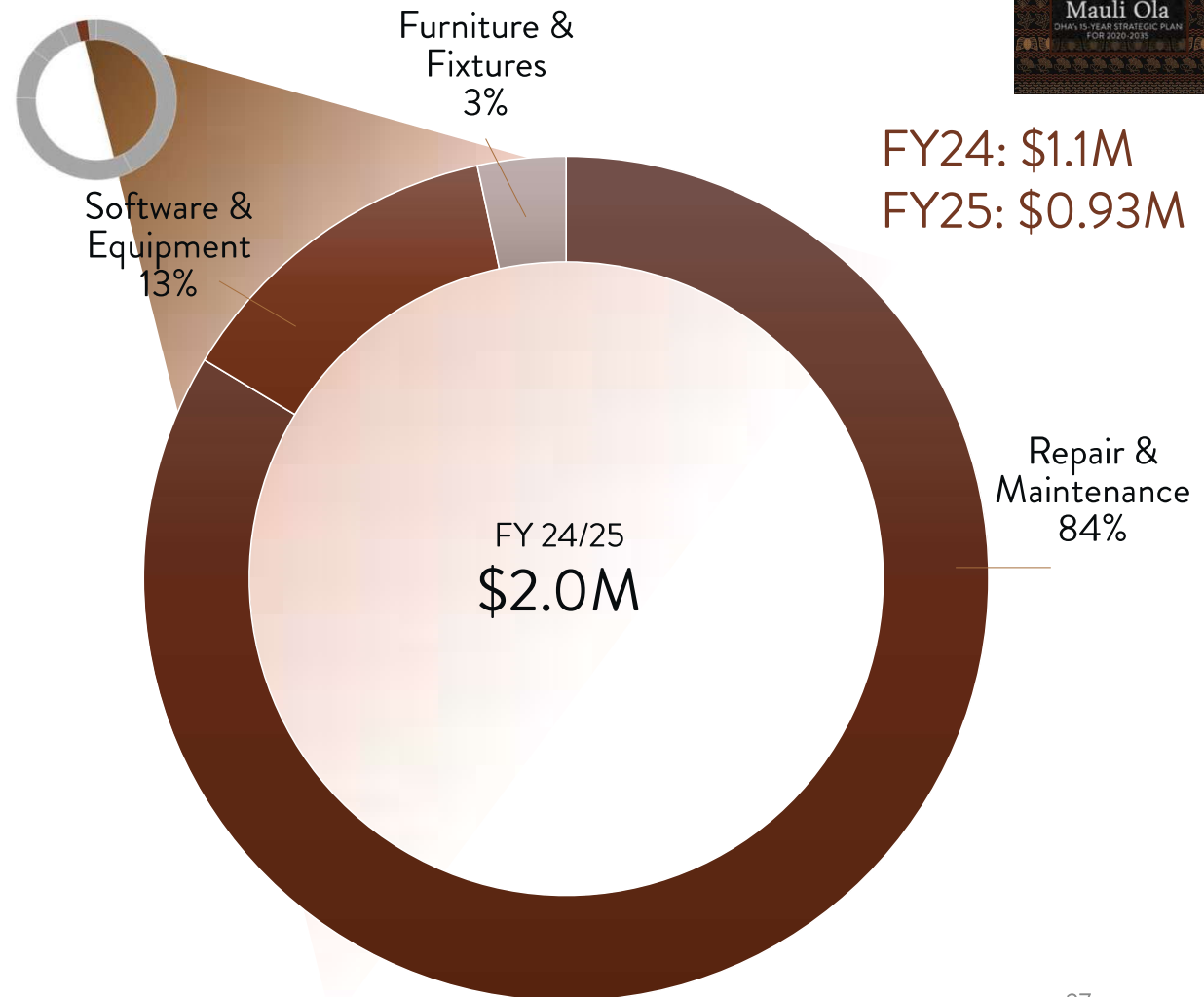
OHA allocates \$2.0 million or 2% of the core biennium budget to equipment; including repair & maintenance, and software & equipment.

Repair & maintenance includes various upkeep work for OHA's facilities (\$1.7M).

Software and equipment includes IT software, hardware and other purchases required for on-going operations (\$264K).

While \$68.7 thousand of the equipment budget is reserved for needed office furniture & fixtures.

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Budget data presented are preliminary and subject to change

Equipment



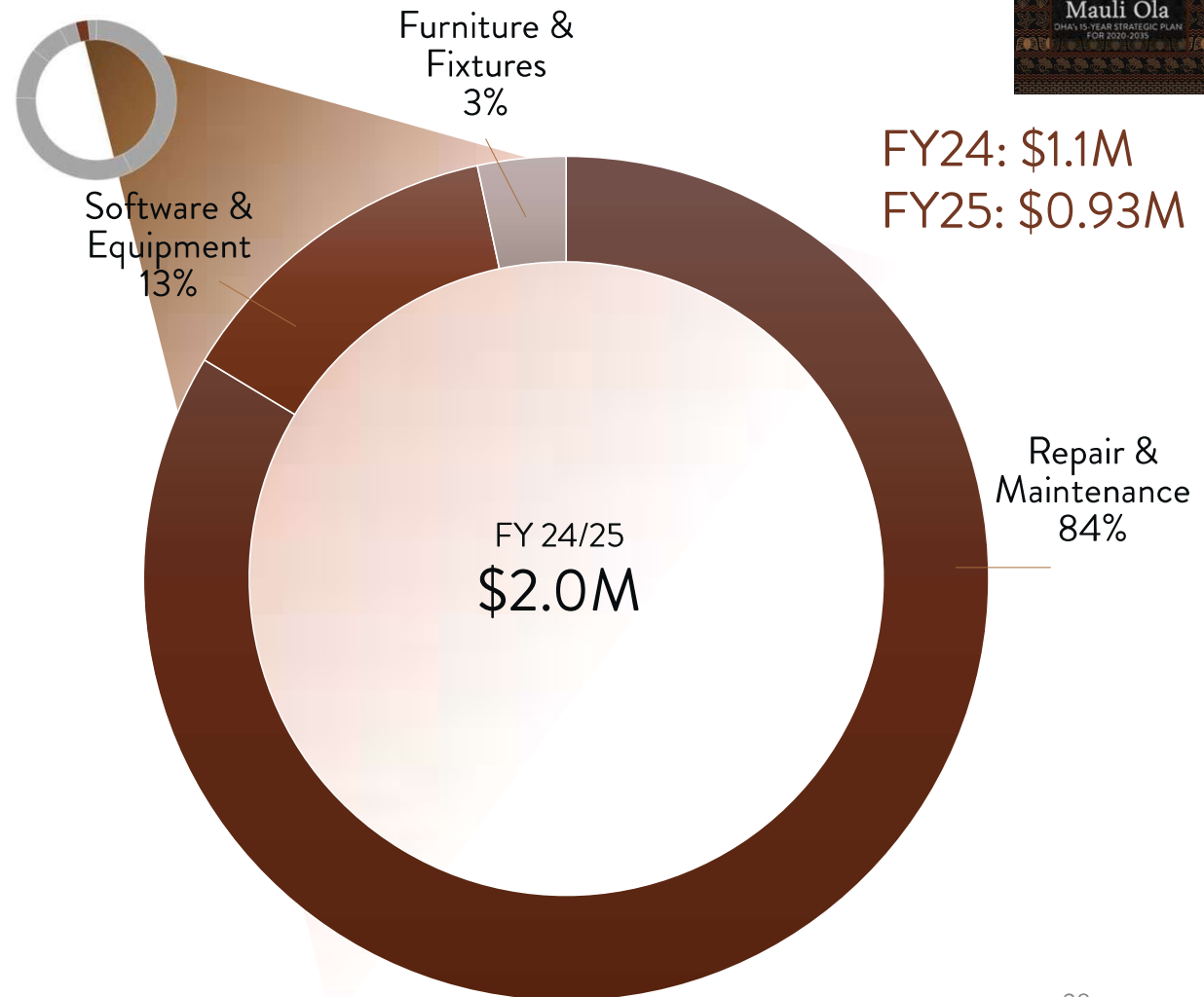
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While \$68.7 thousand of the equipment budget is reserved for needed office furniture & fixtures.

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Budget data presented are preliminary and subject to change

Please send your questions and comments to ohabudget@oha.org or visit www.oha.org/budget for more information.

A schedule of Zoom meetings (varying days and times) will also be announced for more interactive opportunities to learn about and provide feedback regarding the 2024-2025 biennium budget.



he nīnau kau
a me mahalo



Tuesday, 5/16/2023, 2:02 p.m. E-mail via ohabudget@oha.org

Aloha,

Thank you for the distribution of this document. After reviewing it I had the following concerns.

1) Charter Schools

Of the \$38.9mil, \$7.5mil will be directed to charter schools. What is this investment buying? What are the expected metrics as compared to the historical metrics? How many schools will benefit? Will all islands gain from this investment? How was it identified as \$7.5 mil to be awarded?

6/18/2023 OHA Administration: It looks like your comments reference Slide 21, however, not sure where the \$38.9mil is on the slide. Investments in Charter Schools are specifically focused on the 17 Hawaiian Focused Public Charter Schools, listed below, and provide supports in two key ways: 1) Resources allocated to each school on a per pupil basis (based on their reported enrollment) for programmatic operations; and 2) Resources allocated to each school evenly (same amount) to address facilities related needs. The \$7.5 mil identified is based on historical need and awarding levels.

School	Island
1. Hakipu'u Learning Center	O'ahu
2. Hālau Kū Mana Public Charter School	O'ahu
3. Ka 'Umeke Kā'eo	Hawai'i Island
4. Ka Waihona o ka Na'auao Public Charter School	O'ahu
5. Kamaile Academy Public Charter School	O'ahu
6. Kula Aupuni Ni'ihau A Kahelelani Aloha	Kaua'i
7. Kanuikapono Public Charter School	Kaua'i
8. Kawaikini New Century Public Charter School	Kaua'i
9. Ke Ana La'ahana Public Charter School	Hawai'i Island
10. Ke Kula 'o Nāwahīokalani'ōpu'u Iki Lab Public Charter School	Hawai'i Island

School	Island
11. Ke Kula ‘o Samuel M. Kamakau Laboratory Public Charter School	O‘ahu
12. Ke Kula Ni‘ihau o Kekaha Learning Center	Kaua‘i
13. Kua o ka Lā New Century Public CharterSchool	Hawai‘i Island
14. Kualapu‘u School: A Public Conversion Charter	Moloka‘i
15. Mālama Honua	O‘ahu
16. Waimea Middle Public Conversion CharterSchool	Hawai‘i Island
17. Kanu o ka ‘Āina New Century Public Charter School	Hawai‘i Island

2) Personnel

The projection of the personnel budget. Is this to assume all vacancies are filled? Or is this demonstrating current operations with vacancies not accounted for?

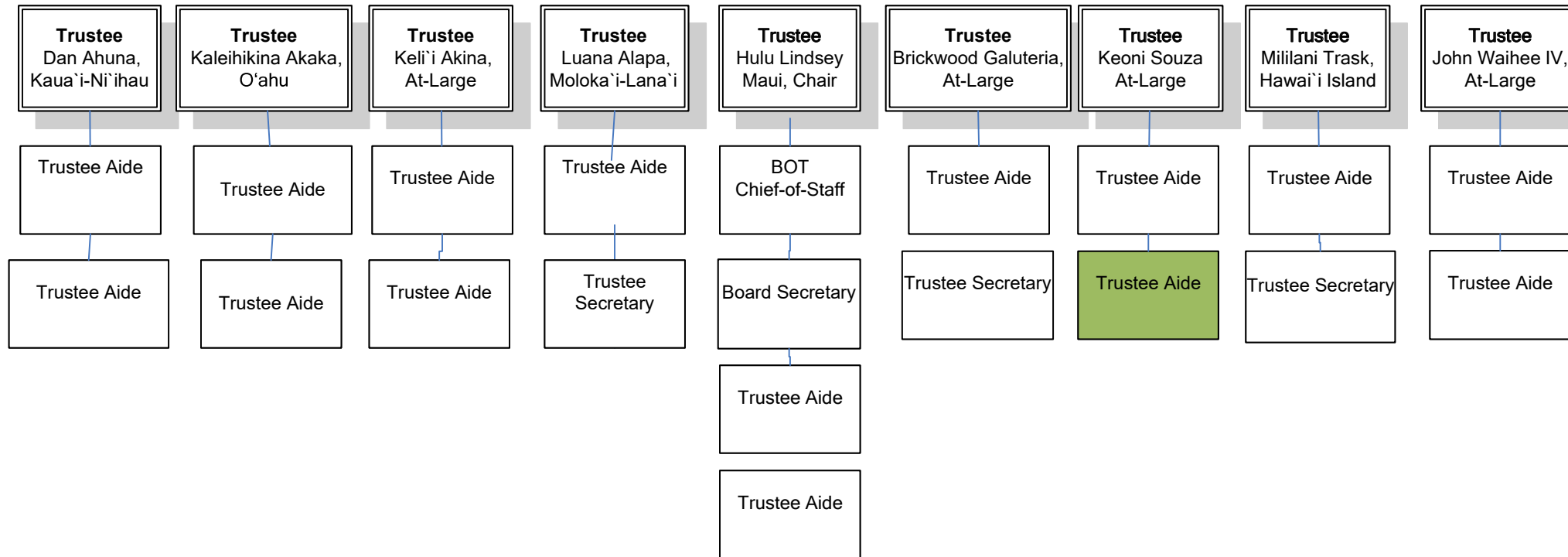
6/18/2023 OHA Administration: The current operating vacancy rate is approximately 30% and the projected personnel budget for FY24 and FY25 projects a vacancy rate of 20%. While Administration continues to recruit for all open positions, it projects that the difficulty in filling all positions will persist.

3) Equipment

Are there any major expected maintenance/availability costs in the foreseeable future? Should this be accounted for/broken out in this section?

6/18/2023 OHA Administration: This category accounts for expenditures associated with repair and maintenance, furniture and fixtures, and software and equipment. Therefore, repairs and maintenance and related resourcing for OHA offices statewide (Kaua‘i, O‘ahu, Moloka‘i, Maui, Kona and Hilo) and in Washington, D.C., along with software and hardware needs for a technology enabled workforce, is accounted for in this category.

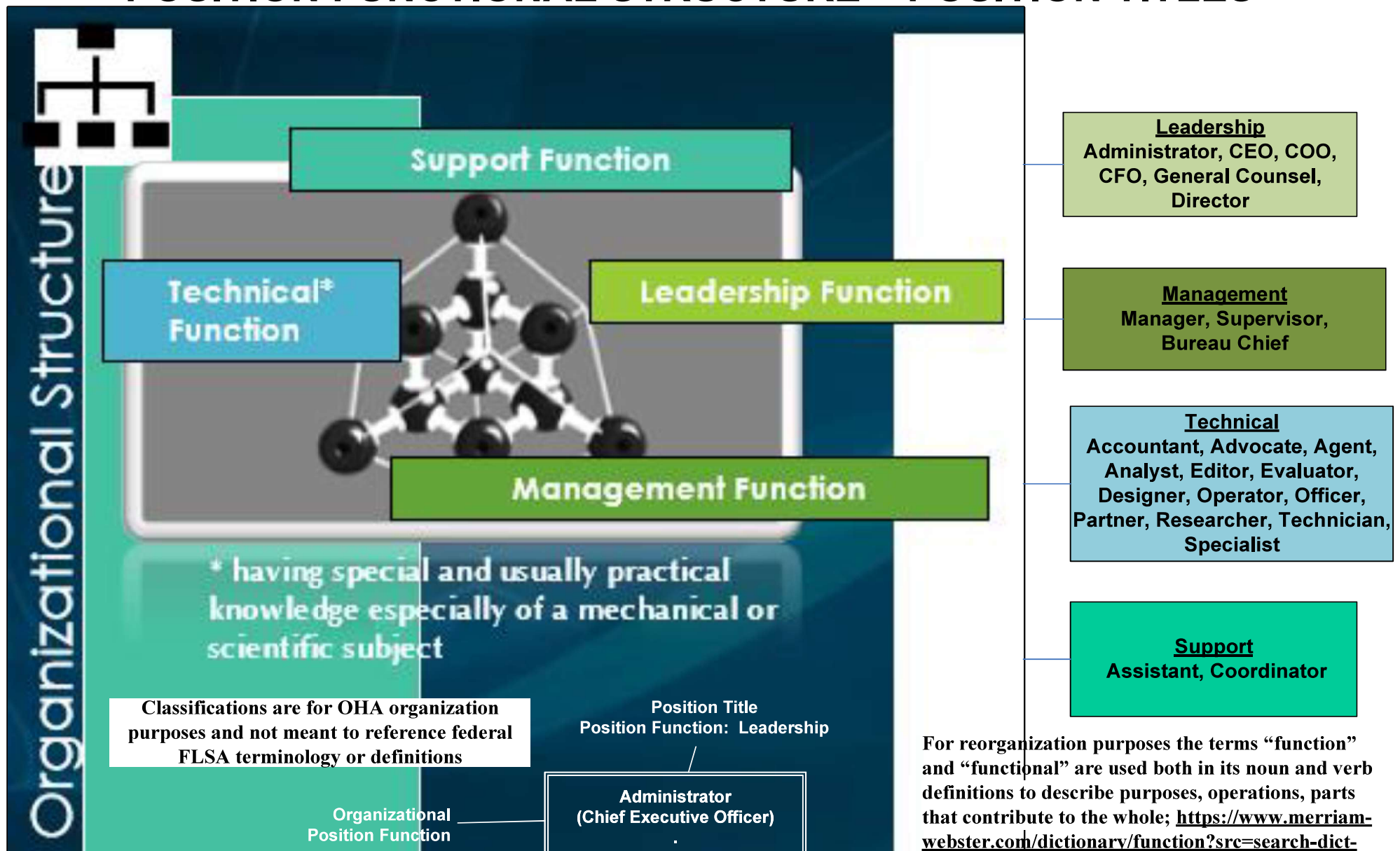
BOARD OF TRUSTEES

**Legend**

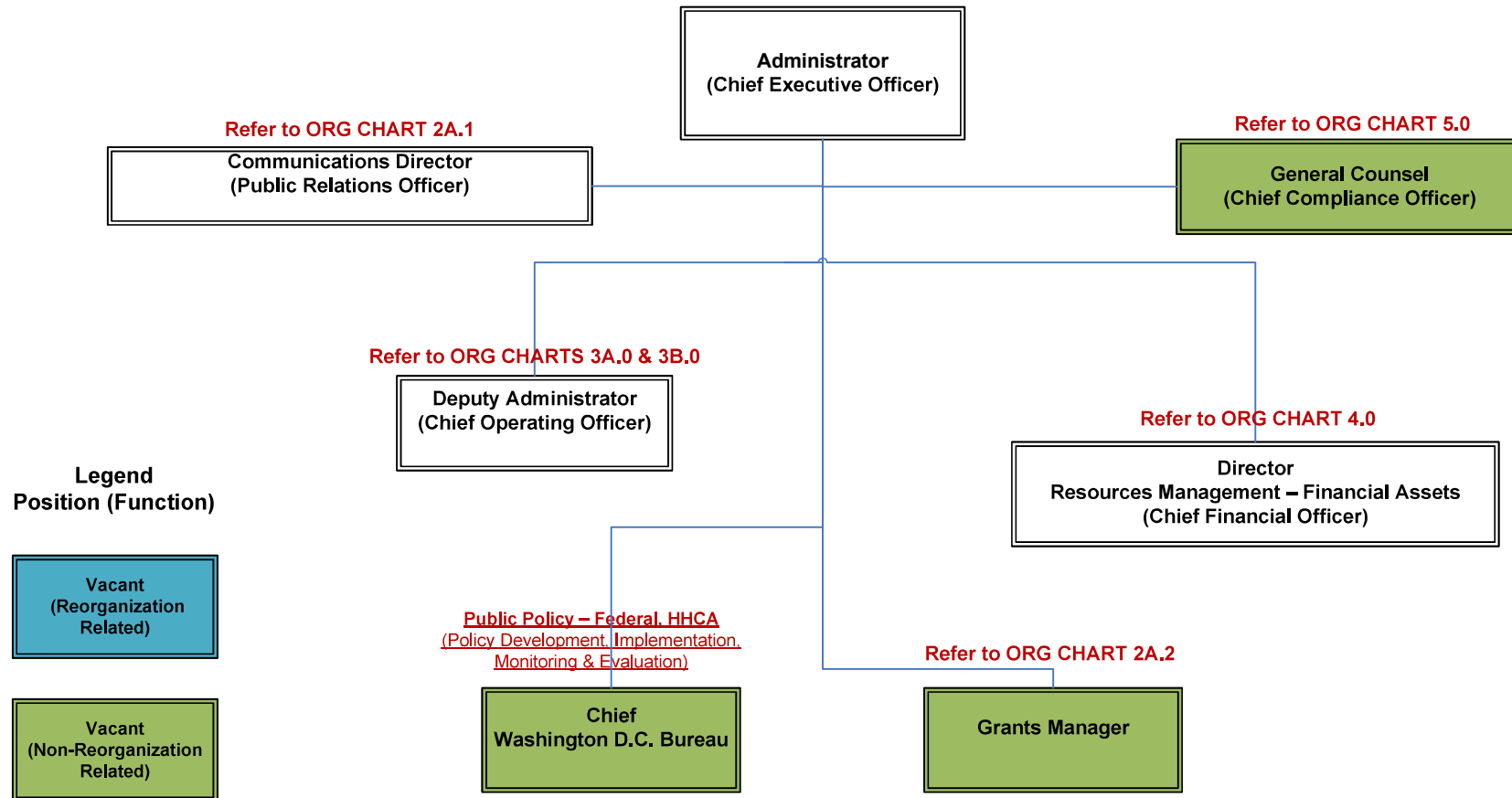
**Vacant
(Non-Reorganization
Related)**

ADMINISTRATION

POSITION FUNCTIONAL STRUCTURE – POSITION TITLES

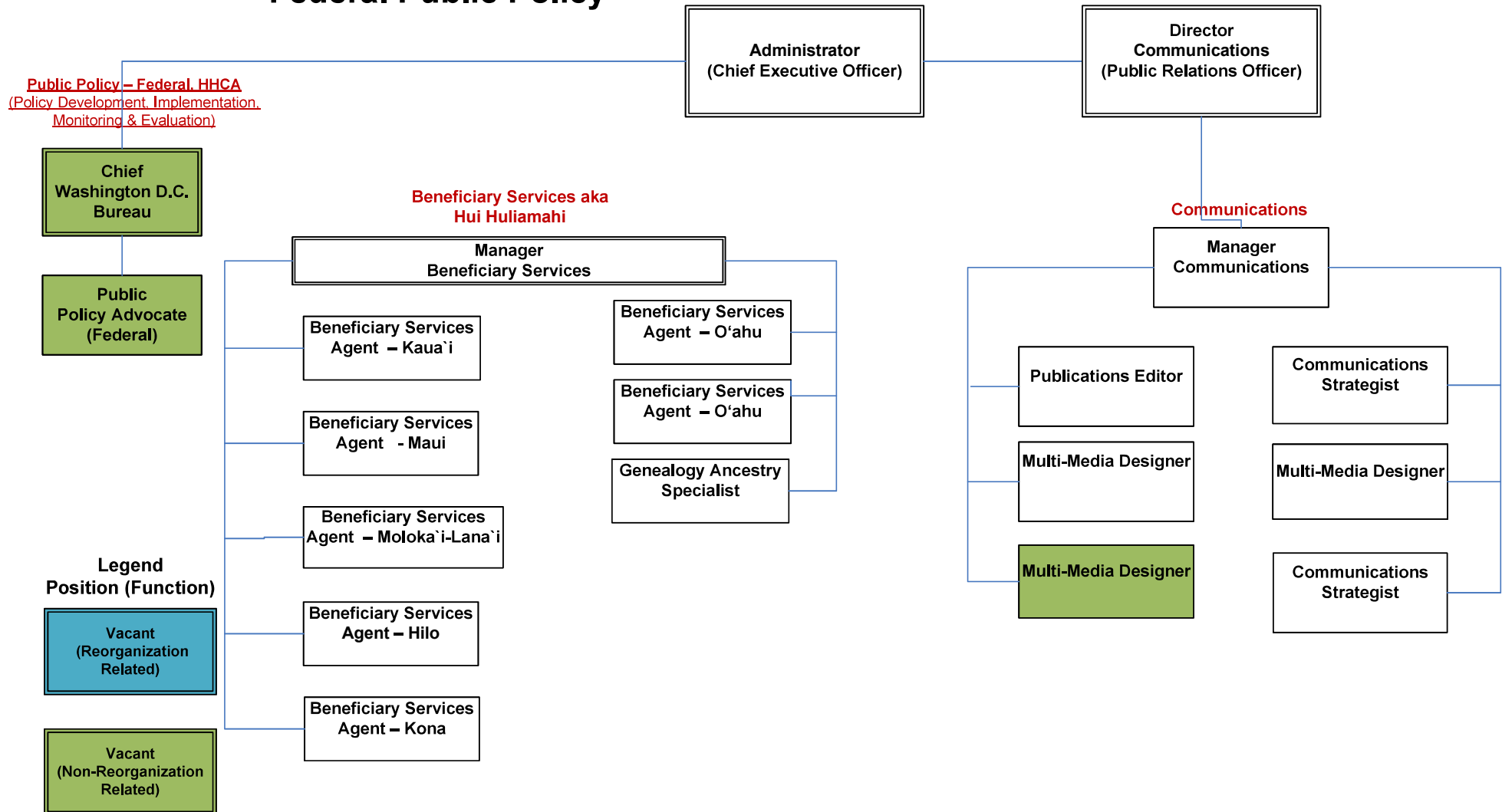


Administrator, CEO



Administrator, CEO

Functions: Beneficiary Services, Communications,
Federal Public Policy

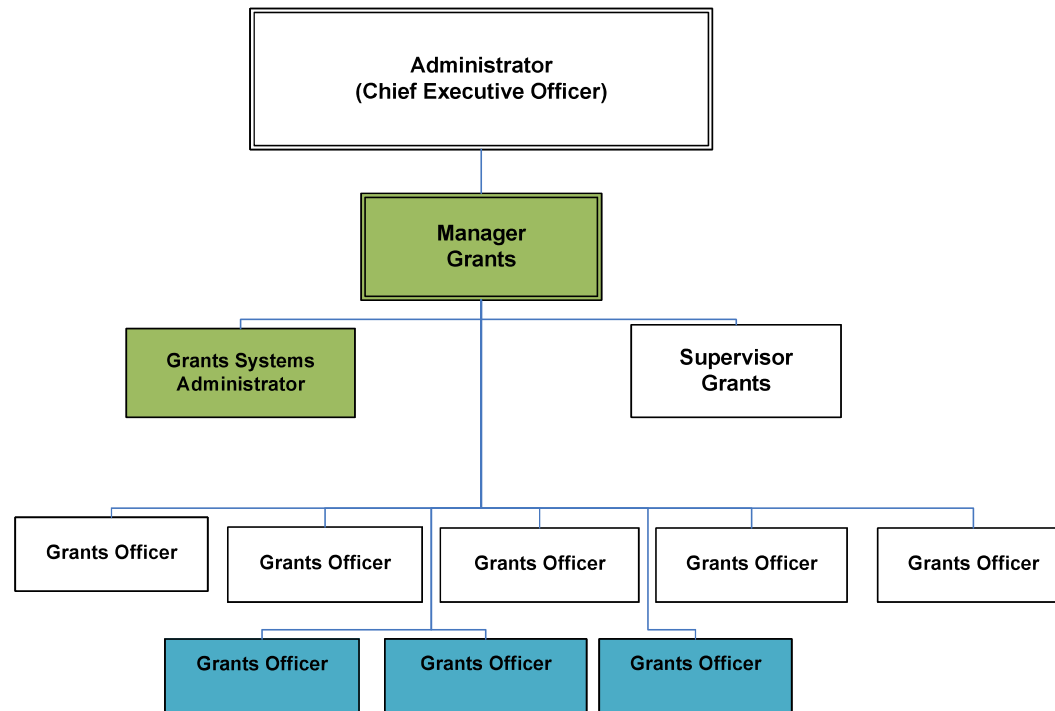


ADMINISTRATOR, CEO Grants Program

Legend Position (Function)

Vacant
(Reorganization
Related)

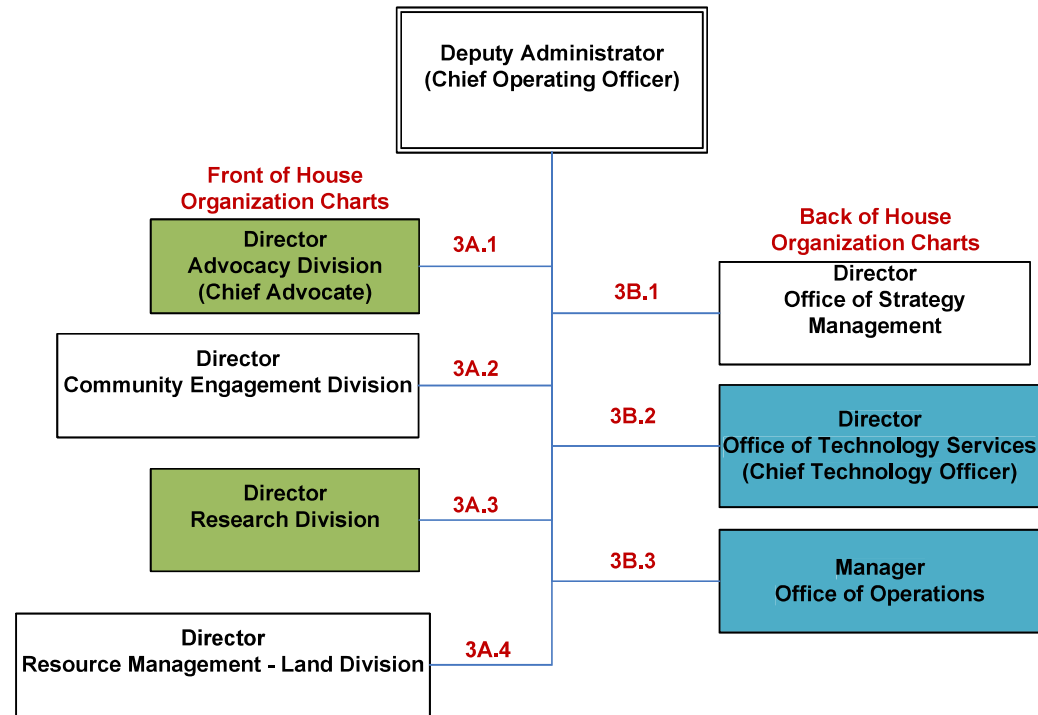
Vacant
(Non-Reorganization
Related)



Deputy Administrator, COO

Functions: Front of House, Back of House

ORG CHART 3A.0, 3B.0
06/2023



Legend Position (Function)

Vacant
(Reorganization
Related)

Vacant
(Non-Reorganization
Related)

Advocacy Division

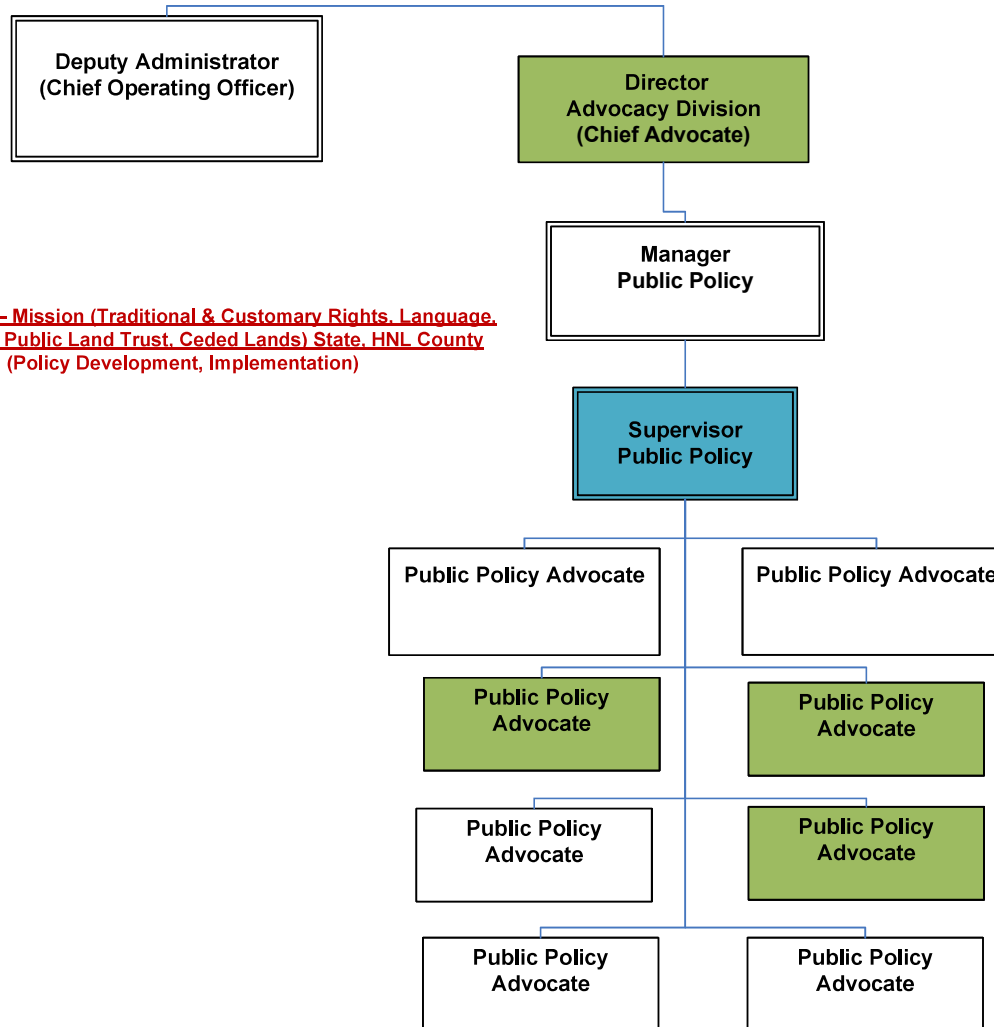
ORG CHART 3A.1
Front of the House
6/2023

Public Policy – Mission (Traditional & Customary Rights, Language, Land, Water, Public Land Trust, Ceded Lands) State, HNL County
(Policy Development, Implementation)

Legend Position (Function)

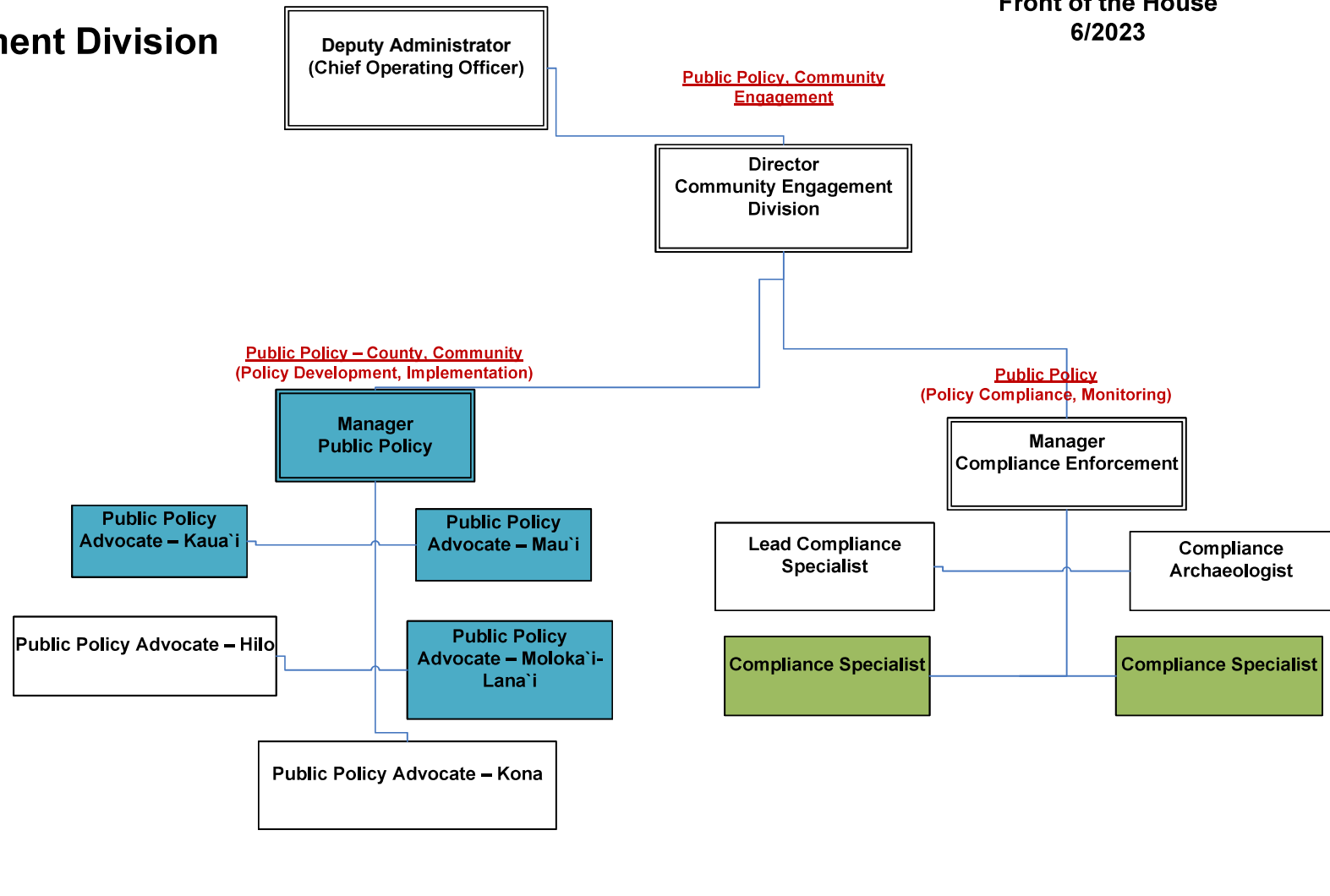
Vacant
(Reorganization
Related)

Vacant
(Non-Reorganization
Related)



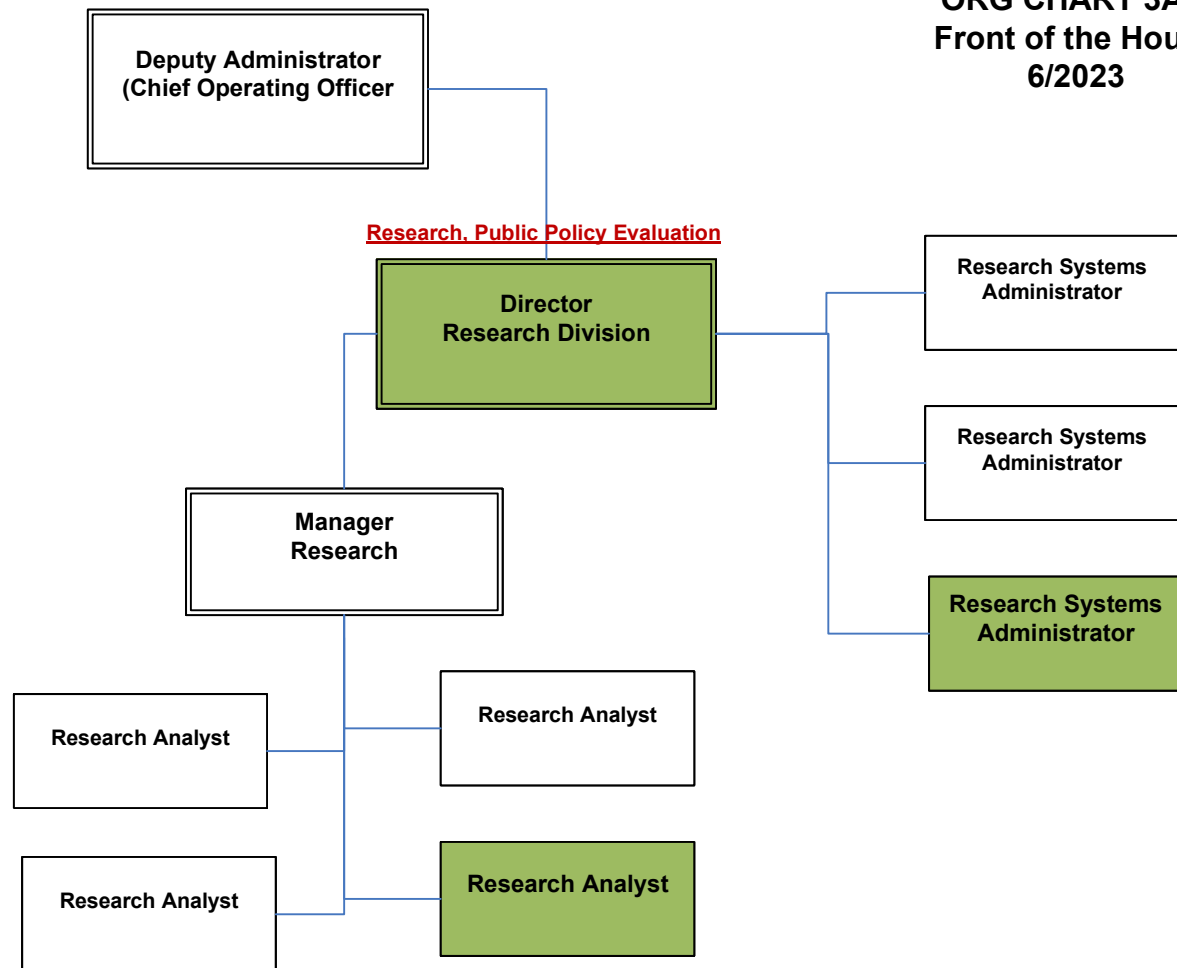
Community Engagement Division

ORG CHART 3A.2
Front of the House
6/2023



Research Division

ORG CHART 3A.3
Front of the House
6/2023

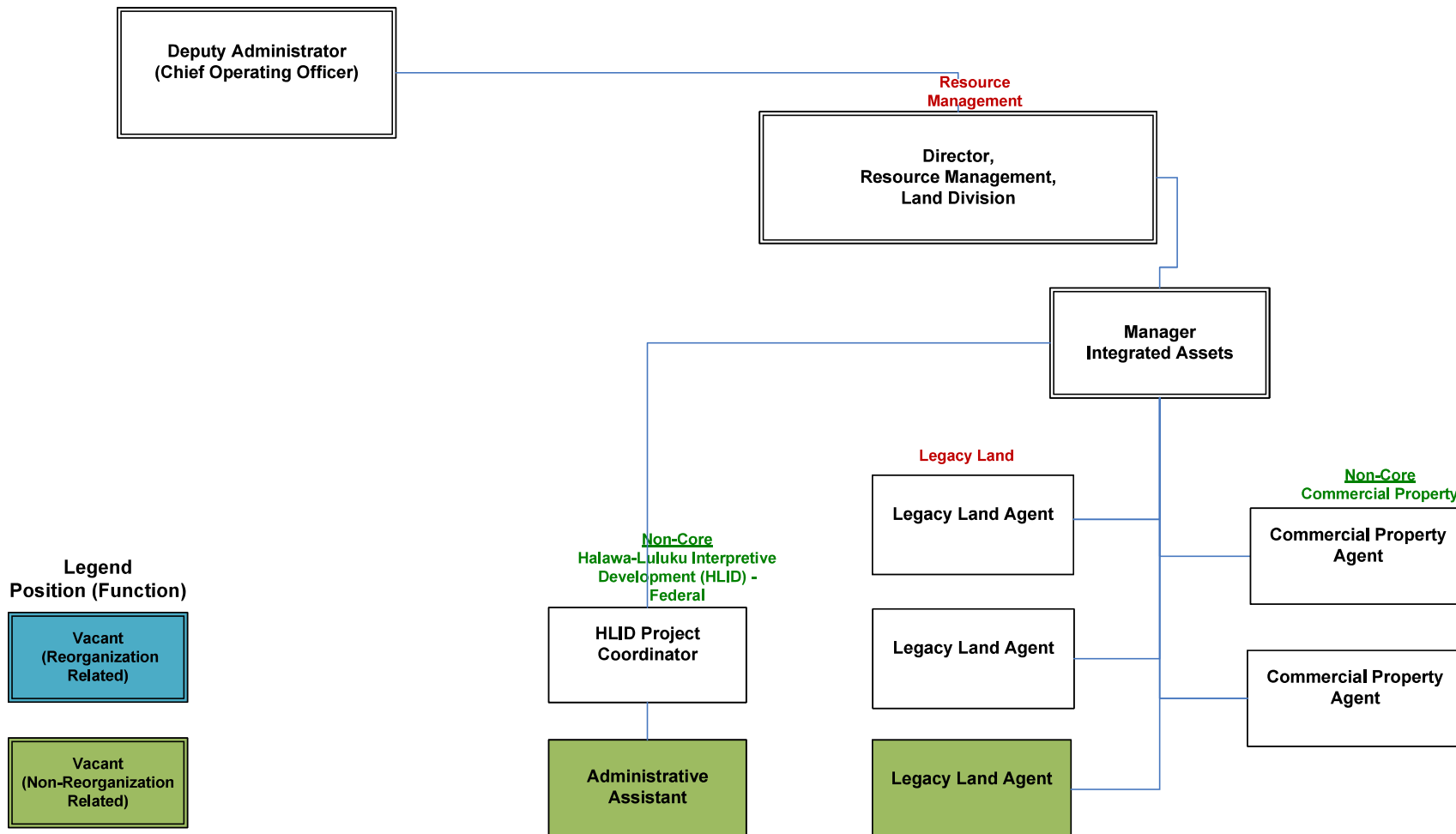


Legend Position (Function)

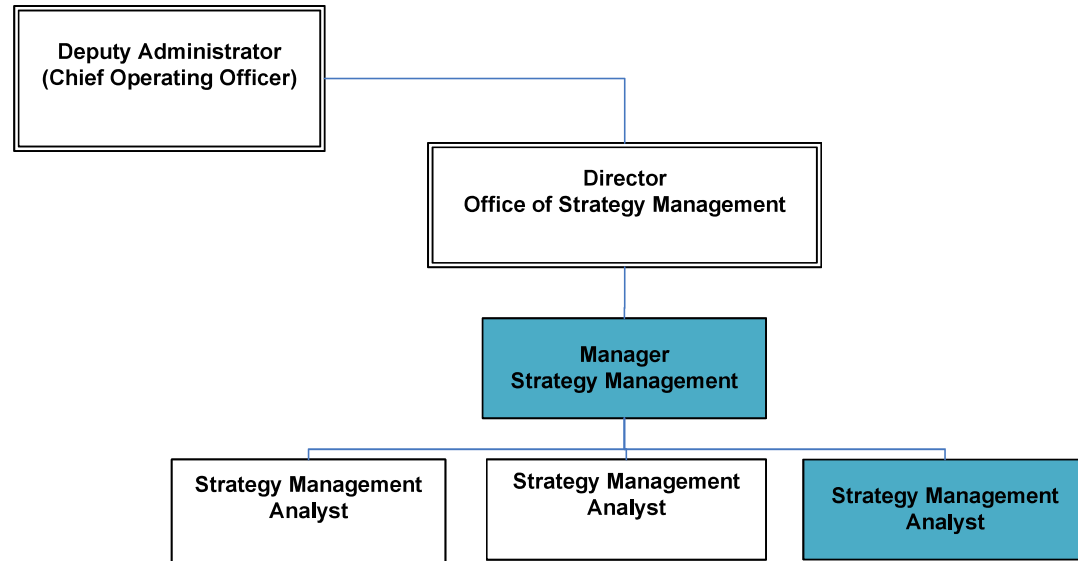
Vacant
(Reorganization
Related)

Vacant
(Non-Reorganization
Related)

Resource Management – Land Division



Office of Strategy Management

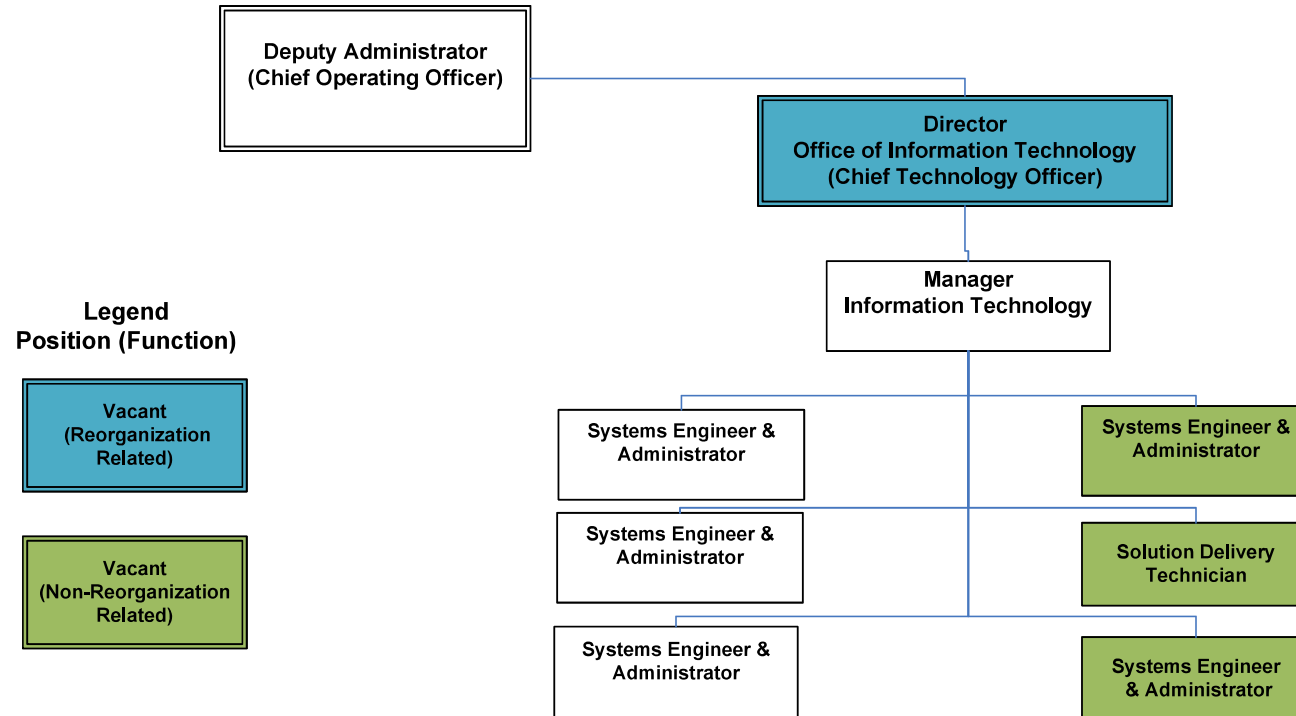


Legend Position (Function)

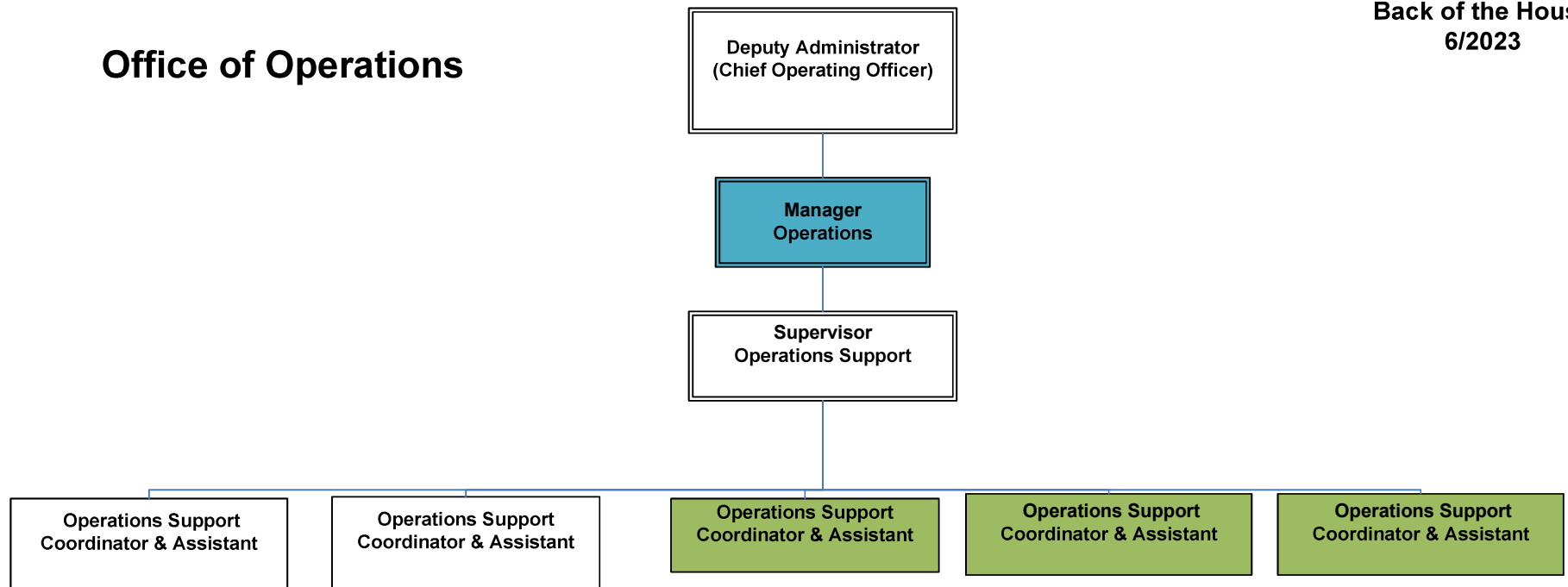


Office of Information Technology

ORG CHART 3B.2
Back of the House
6/2023



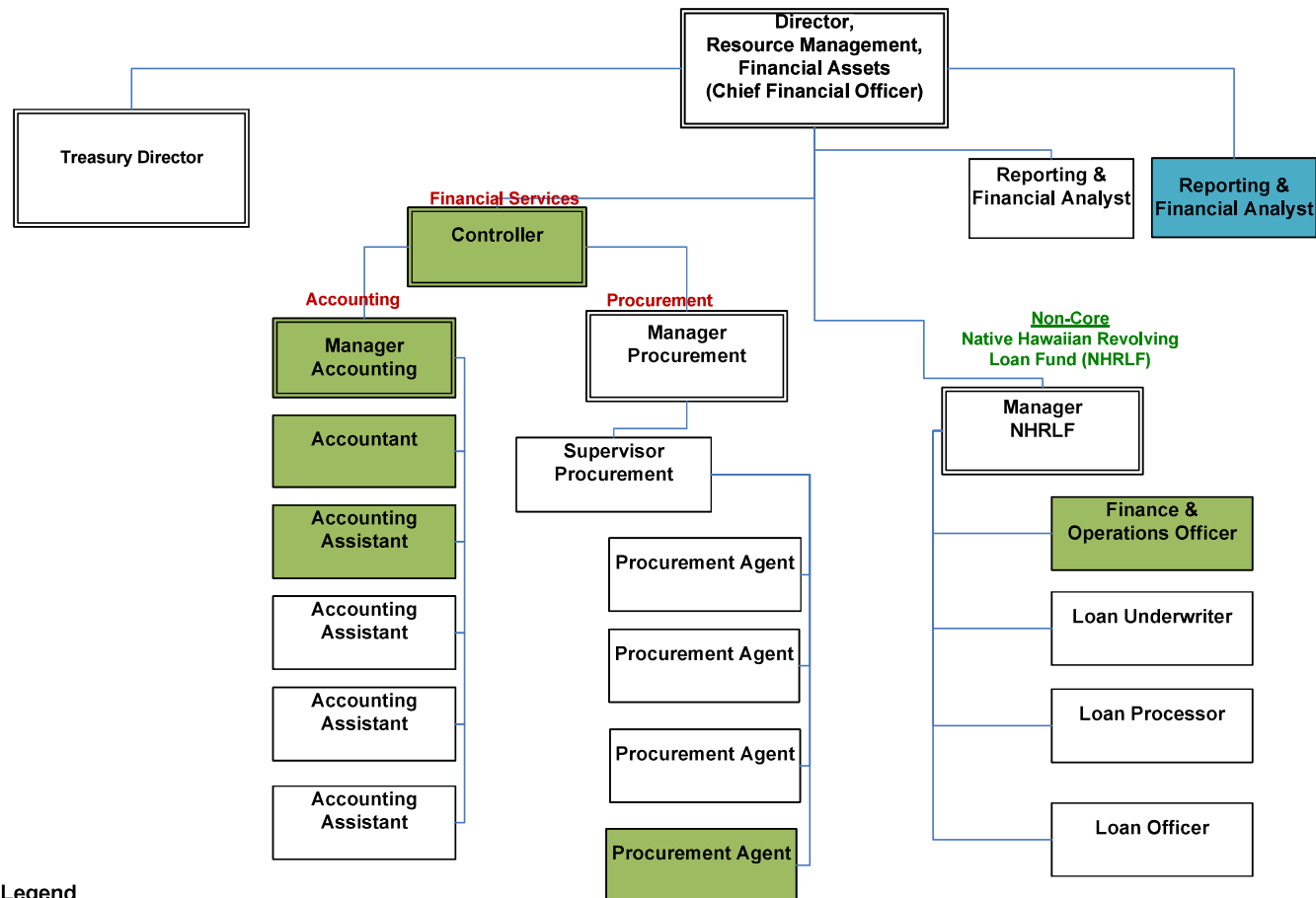
Office of Operations



Legend Position (Function)



RESOURCE MANAGEMENT-FINANCIAL ASSETS DIVISION

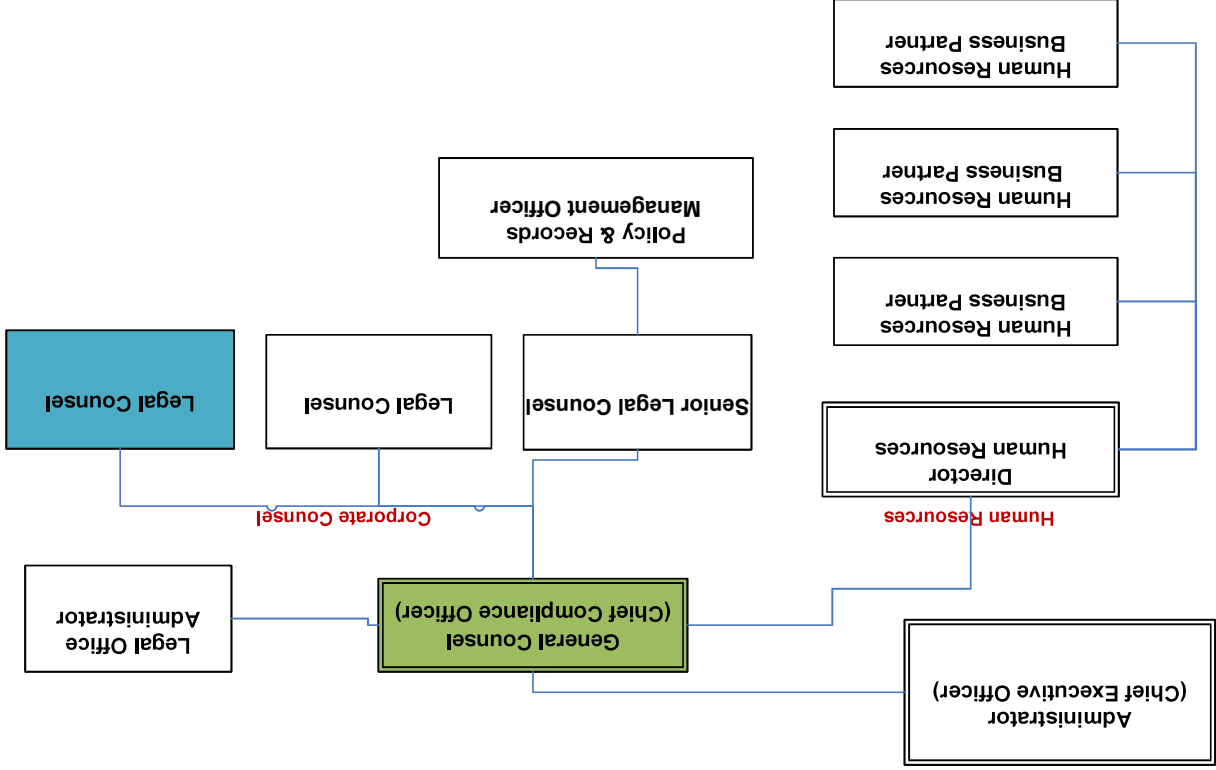


Legend Position (Function)

Vacant
(Reorganization
Related)

Vacant
(Non-Reorganization
Related)

Corporate Counsel



Vacant
(Reorganization
Related)

Vacant
(Non-Reorganization
Related)

Legend
Position (Function)

CORE OPERATING BUDGET SUMMARY

CORE OPERATING BUDGET by PROGRAM	FY22-Actual	FY23 - Projected	FY24	FY25
Beneficiary & Community Investment	10,334,241	18,689,408	22,456,299	22,420,379
Board of Trustee	2,763,834	2,883,022	3,839,306	3,736,216
CFO w/o Beneficiary & Community Investment	2,147,033	3,264,912	2,774,405	2,558,905
COO - Back of the House	3,969,747	5,420,938	5,845,230	5,345,077
COO - Front of the House	3,755,945	3,580,609	4,102,367	3,894,511
Executive	2,104,039	1,804,818	805,912	805,912
General Counsel	3,554,720	4,676,210	5,025,770	5,099,460
Grand Total	\$28,629,559	\$40,319,918	\$44,849,289	\$43,860,459

CORE OPERATING BUDGET SUMMARY

CORE OPERATING BUDGET by COST CATEGORY by PROGRAM	FY22-Actual	FY23 - Projected	FY24	FY25
CONTRACTS	3,469,106	5,505,171	6,985,926	6,279,900
Beneficiary & Community Investment	165,487	225,556	1,396,000	1,370,000
Board of Trustee	214,723	350,000	520,926	430,000
CFO w/o Beneficiary & Community Investment	622,746	1,462,616	1,195,000	980,750
COO - Back of the House	135,257	274,000	695,000	379,000
COO - Front of the House	692,337	623,199	674,000	570,150
Executive	0	0	0	0
General Counsel	1,638,556	2,569,800	2,505,000	2,550,000
DEBT SERVICE	1,300,477	1,044,597	0	0
COO - Back of the House	6,210	0	0	0
COO - Front of the House	3,476	0	0	0
Executive	1,290,791	1,044,597	0	0
EQUIPMENT	675,112	1,069,459	1,155,030	959,530
Beneficiary & Community Investment	45,712	16,750	22,000	21,000
Board of Trustee	0	0	30,000	2,200
CFO w/o Beneficiary & Community Investment	154	0	0	0
COO - Back of the House	459,902	697,288	900,380	715,380
COO - Front of the House	168,774	351,372	180,650	200,650
Executive	0	0	0	0
General Counsel	571	4,050	22,000	20,300
GRANTS	7,182,715	15,203,500	17,585,921	17,585,921
Beneficiary & Community Investment	7,162,715	15,203,500	17,585,921	17,585,921
COO - Front of the House	20,000	0	0	0
OVERHEAD	2,642,520	3,622,627	3,270,804	3,217,431
Beneficiary & Community Investment	3,622	6,700	1,500	1,000
Board of Trustee	0	0	3,000	3,000
CFO w/o Beneficiary & Community Investment	33,059	48,645	30,300	30,300
COO - Back of the House	2,105,961	2,792,023	2,532,759	2,536,711
COO - Front of the House	73,483	85,856	86,125	9,800
Executive	10,752	7,500	6,000	6,000
General Counsel	415,643	681,903	611,120	630,620
PERSONNEL & FRINGE	12,020,779	12,198,672	13,696,430	13,771,210
Beneficiary & Community Investment	2,357,551	2,258,157	2,437,160	2,452,420
Board of Trustee	2,543,641	2,509,672	2,820,230	2,820,230
CFO w/o Beneficiary & Community Investment	1,298,546	1,308,330	1,504,720	1,524,570
COO - Back of the House	1,001,328	1,619,612	1,587,150	1,587,150
COO - Front of the House	2,601,569	2,451,549	2,859,910	2,876,690
Executive	794,110	743,229	764,290	764,290
General Counsel	1,424,034	1,308,123	1,722,970	1,745,860
PROGRAM	752,246	1,236,250	1,393,276	1,348,025
Beneficiary & Community Investment	599,155	978,745	887,775	872,675
Board of Trustee	5,470	23,350	113,400	121,400
CFO w/o Beneficiary & Community Investment	2,997	6,680	12,000	10,000
COO - Back of the House	21,152	37,015	52,985	50,030
COO - Front of the House	39,171	68,634	149,024	127,828
Executive	8,385	9,492	13,412	13,412
General Counsel	75,916	112,334	164,680	152,680
TRAVEL	189,529	439,642	761,902	698,442
Beneficiary & Community Investment	0	0	125,943	117,363
Board of Trustee	0	0	351,750	359,386
CFO w/o Beneficiary & Community Investment	189,529	438,642	32,385	13,285
COO - Back of the House	0	1,000	76,956	76,806
COO - Front of the House	0	0	152,658	109,393
Executive	0	0	22,210	22,210
General Counsel	0	0	0	0
Grand Total	\$28,232,485	\$40,319,918	\$44,849,289	\$43,860,459

ITEM ID	OHA ELT	STEP 1 PROGRAM DESC	Step 2 EXPENSE CATEGORY	GL ACCOUNT DESC	FY24	FY25
1	BOT	1100 BOARD OF TRUSTEES	CONTRACTS	57110-SERVICES ON A FEE BASIS	320,926	230,000
2				57115-LEGAL SERVICES	200,000	200,000
3			CONTRACTS Total		520,926	430,000
4			EQUIPMENT	55810-REPAIR & MAINTENANCE	2,200	2,200
5				58300-FURNITURE & FIXTURES	27,800	
6			EQUIPMENT Total		30,000	2,200
7			OVERHEAD	53200-OTHER SUPPLIES	3,000	3,000
8			OVERHEAD Total		3,000	3,000
9			PERSONNEL & FRIN	52100-SALARIES	539,000	539,000
10				57000-FRINGE BENEFITS	283,570	283,570
11			PERSONNEL & FRINGE Total		822,570	822,570
12			PROGRAM	53520-SUBSCRIPTION	800	800
13				57120-HONORARIUM	1,500	4,500
14				57240-OTHER EXPENSES	13,000	8,000
15				57250-SEMINAR & CONFERENCE FEES	22,500	22,500
16				57255-CONFERENCES, MEETINGS, EVENTS-ORG BY OHA	10,800	20,800
17				57280-TRUSTEE ALLOWANCE REPORTS	64,800	64,800
18			PROGRAM Total		113,400	121,400
19			TRAVEL	54110-MILEAGE		66
20				54130-PARKING	5,760	6,060
21				54260-TRANSPORTATION - IN STATE	65,400	66,600
22				54310-SUBSISTENCE - IN STATE	137,060	141,540
23				54460-TRANSPORTATION - OUT OF STATE	32,400	32,400
24				54510-SUBSISTENCE - OUT OF STATE	59,810	59,810
25				54610-CAR RENTAL - IN STATE	39,600	40,080
26				54620-CAR RENTAL - OUT OF STATE	8,640	8,640
27				54810-OTHER TRAVEL - IN STATE	1,250	2,360
28				54820-OTHER TRAVEL - OUT OF STATE	1,830	1,830
29			TRAVEL Total		351,750	359,386
30			1100 BOARD OF TRUSTEES Total		1,841,646	1,738,556
31		1200 BOARD OF TR	PERSONNEL & FRIN	52100-SALARIES	1,309,000	1,309,000
32				57000-FRINGE BENEFITS	688,660	688,660
33			PERSONNEL & FRINGE Total		1,997,660	1,997,660
34			1200 BOARD OF TRUSTEES - STAFF Total		1,997,660	1,997,660
35		BOT Total			3,839,306	3,736,216
36	CCO	2300 CORPORATE COUNSEL	CONTRACTS	57110-SERVICES ON A FEE BASIS	1,500,000	1,495,000
37				57115-LEGAL SERVICES	351,000	351,000
38			CONTRACTS Total		1,851,000	1,846,000
39			EQUIPMENT	58400-SOFTWARE & EQUIPMENT	15,000	15,000
40			EQUIPMENT Total		15,000	15,000
41			OVERHEAD	53100-OFFICE SUPPLIES	120	120
42				55910-INSURANCE	550,000	600,000
43				56810-SETTLEMENT - LAWSUITS	60,000	30,000
44			OVERHEAD Total		610,120	630,120
45			PERSONNEL & FRIN	52100-SALARIES	375,000	381,000
46				57000-FRINGE BENEFITS	197,290	200,440
47			PERSONNEL & FRINGE Total		572,290	581,440
48			PROGRAM	53400-BOOKS & REFERENCE MATLS	480	480
49				53510-DUES	2,200	2,200
50				53520-SUBSCRIPTION	15,000	15,000
51				55750-OTHER RENTALS	18,000	18,000
52				57250-SEMINAR & CONFERENCE FEES	1,500	1,500
53			PROGRAM Total		37,180	37,180

ITEM ID	OHA ELT	STEP 1 PROGRAM DESC	Step 2 EXPENSE CATEGORY	GL ACCOUNT DESC	FY24	FY25
54	CCO	2300 CORPORATE COUNSEL Total			3,085,590	3,109,740
55		2500 HUMAN RESOURCES	CONTRACTS	57110-SERVICES ON A FEE BASIS	124,000	124,000
56				57115-LEGAL SERVICES	30,000	30,000
57			CONTRACTS Total		154,000	154,000
58			EQUIPMENT	55810-REPAIR & MAINTENANCE	4,000	4,000
59				58300-FURNITURE & FIXTURES	2,500	1,000
60				58400-SOFTWARE & EQUIPMENT	500	300
61			EQUIPMENT Total		7,000	5,300
62			OVERHEAD	53200-OTHER SUPPLIES	1,000	500
63			OVERHEAD Total		1,000	500
64			PERSONNEL & FRIN	52100-SALARIES	428,000	437,000
65				52110-SALARIES - STUDENT HELPER PROGRAM	250,000	250,000
66				52130-EMPLOYEE INCENTIVE PROGRAM	10,000	10,000
67				52300-OVERTIME	200,000	200,000
68				57000-FRINGE BENEFITS	225,180	229,920
69				57011-FRINGE BENEFITS - STUDENT HELPER PROGRAM	37,500	37,500
70			PERSONNEL & FRINGE Total		1,150,680	1,164,420
71			PROGRAM	53300-PROMOTIONAL ITEMS	2,500	2,500
72				53510-DUES	31,000	31,000
73				53910-PRINTING	8,000	8,000
74				54010-ADVERTISING	10,000	10,000
75				57240-OTHER EXPENSES	8,500	8,500
76				57250-SEMINAR & CONFERENCE FEES	57,000	45,000
77				57255-CONFERENCES, MEETINGS, EVENTS-ORG BY OHA	500	500
78				57256-CONFERENCES, MEETINGS, EVENTS-NOT ORG BY OHA	10,000	10,000
79			PROGRAM Total		127,500	115,500
80		2500 HUMAN RESOURCES Total			1,440,180	1,439,720
81		2510 HUMAN RESOURCES EXTENSION	CONTRACTS	57110-SERVICES ON A FEE BASIS	500,000	550,000
82			CONTRACTS Total		500,000	550,000
83		2510 HUMAN RESOURCES EXTENSION Total			500,000	550,000
84		4110 PUBLIC RELATIONS OFFICER	TRAVEL	54110-MILEAGE	66	66
85				54130-PARKING	570	570
86				54260-TRANSPORTATION - IN STATE	1,500	1,500
87				54310-SUBSISTENCE - IN STATE	2,500	2,500
88				54460-TRANSPORTATION - OUT OF STATE	1,800	1,800
89				54510-SUBSISTENCE - OUT OF STATE	1,825	1,825
90				54610-CAR RENTAL - IN STATE	1,300	1,300
91				54620-CAR RENTAL - OUT OF STATE	310	310
92			TRAVEL Total		9,871	9,871
93		4110 PUBLIC RELATIONS OFFICER Total			9,871	9,871
94		4210 COMMUNICATIONS	TRAVEL	54110-MILEAGE	131	131
95				54130-PARKING	3,030	2,670
96				54260-TRANSPORTATION - IN STATE	6,300	5,100
97				54310-SUBSISTENCE - IN STATE	15,600	11,880
98				54460-TRANSPORTATION - OUT OF STATE	10,800	10,800
99				54510-SUBSISTENCE - OUT OF STATE	13,870	13,870
100				54610-CAR RENTAL - IN STATE	6,300	4,980
101				54620-CAR RENTAL - OUT OF STATE	2,140	2,140

ITEM ID	OHA ELT	STEP 1 PROGRAM DESC	Step 2 EXPENSE CATEGORY	GL ACCOUNT DESC	FY24	FY25
102	CCO	4210 COMMUNICATI	TRAVEL Total		58,171	51,571
103		4210 COMMUNICATIONS Total			58,171	51,571
104		4510 BENEFICIARY SERVICES	TRAVEL	54110-MILEAGE	197	197
105				54130-PARKING	2,610	2,700
106				54260-TRANSPORTATION - IN STATE	6,600	6,900
107				54310-SUBSISTENCE - IN STATE	22,060	19,360
108				54460-TRANSPORTATION - OUT OF STATE	5,400	5,400
109				54510-SUBSISTENCE - OUT OF STATE	9,685	9,685
110				54610-CAR RENTAL - IN STATE	6,980	7,310
111				54620-CAR RENTAL - OUT OF STATE	90	90
112			TRAVEL Total		53,622	51,642
113		4510 BENEFICIARY SERVICES Total			53,622	51,642
114	CCO Total				5,147,433	5,212,543
115	CEO	2100 CHIEF EXECUTIVE OFFICER	OVERHEAD	59015-BANK FEES	6,000	6,000
116			OVERHEAD Total		6,000	6,000
117			PERSONNEL & FRIN	52070-VACATION TRANSFERS AND PAYOUTS	250,000	250,000
118				52100-SALARIES	171,000	171,000
119				57000-FRINGE BENEFITS	89,960	89,960
120			PERSONNEL & FRINGE Total		510,960	510,960
121			PROGRAM	53510-DUES	1,000	
122				53520-SUBSCRIPTION		1,000
123				54190-AUTO ALLOWANCE	3,912	3,912
124				57120-HONORARIUM	1,500	1,500
125				57250-SEMINAR & CONFERENCE FEES	3,000	3,000
126			PROGRAM Total		9,412	9,412
127			TRAVEL	54260-TRANSPORTATION - IN STATE	1,500	1,500
128				54310-SUBSISTENCE - IN STATE	3,780	3,780
129				54460-TRANSPORTATION - OUT OF STATE	3,600	3,600
130				54510-SUBSISTENCE - OUT OF STATE	5,890	5,890
131				54610-CAR RENTAL - IN STATE	600	600
132				54620-CAR RENTAL - OUT OF STATE	960	960
133			TRAVEL Total		16,330	16,330
134		2100 CHIEF EXECUTIVE OFFICER Total			542,702	542,702
135		3800 GRANTS	CONTRACTS	57110-SERVICES ON A FEE BASIS	1,230,000	1,230,000
136			CONTRACTS Total		1,230,000	1,230,000
137			EQUIPMENT	53530-SUBSCRIPTION BASED IT AGREEMENTS	16,000	16,000
138				55810-REPAIR & MAINTENANCE	-	-
139			EQUIPMENT Total		16,000	16,000
140			GRANTS	56510-GRANTS IN AID PROGRAM & PROVISIO GRANTS	5,300,000	5,300,000
141				56530-GRANTS IN AID - COMMUNITY GRANTS	4,350,000	4,350,000
142				56540-GRANTS IN AID LEVEL II GRANTS	6,250,000	6,250,000
143				56560-GRANTS IN AID - SPONSORSHIPS	535,921	535,921
144				56570-GRANTS IN AID - DISASTER AID	150,000	150,000
145				56578-GRANTS IN AID - COLLABORATIONS	1,000,000	1,000,000
146				56580-GRANTS IN AID - FEDERAL GRANTS	-	-
147			GRANTS Total		17,585,921	17,585,921
148			PERSONNEL & FRIN	52100-SALARIES	423,000	427,000
149				57000-FRINGE BENEFITS	222,540	224,640
150			PERSONNEL & FRINGE Total		645,540	651,640
151			PROGRAM	57120-HONORARIUM	8,000	8,000
152			PROGRAM Total		8,000	8,000

ITEM ID	OHA ELT	STEP 1 PROGRAM DESC	Step 2 EXPENSE CATEGORY	GL ACCOUNT DESC	FY24	FY25
153	CEO	3800 GRANTS	TRAVEL	54130-PARKING	180	180
154				54260-TRANSPORTATION - IN STATE	900	900
155				54310-SUBSISTENCE - IN STATE	2,420	2,420
156				54610-CAR RENTAL - IN STATE	780	780
157			TRAVEL Total		4,280	4,280
158		3800 GRANTS Total			19,489,741	19,495,841
159		4110 PUBLIC RELATIONS OFFICER	OVERHEAD	53200-OTHER SUPPLIES	500	
160			OVERHEAD Total		500	
161			PERSONNEL & FRIN	52100-SALARIES	134,000	134,000
162				57000-FRINGE BENEFITS	70,500	70,500
163			PERSONNEL & FRINGE Total		204,500	204,500
164			PROGRAM	53400-BOOKS & REFERENCE MATLS	200	200
165				57240-OTHER EXPENSES		500
166				57250-SEMINAR & CONFERENCE FEES	300	800
167			PROGRAM Total		500	1,500
168		4110 PUBLIC RELATIONS OFFICER Total			205,500	206,000
169		4210 COMMUNICATIONS	CONTRACTS	57110-SERVICES ON A FEE BASIS	65,000	65,000
170			CONTRACTS Total		65,000	65,000
171			EQUIPMENT	58400-SOFTWARE & EQUIPMENT	6,000	5,000
172			EQUIPMENT Total		6,000	5,000
173			OVERHEAD	53100-OFFICE SUPPLIES	300	300
174				53200-OTHER SUPPLIES	500	500
175				53750-POSTAGE	200	200
176			OVERHEAD Total		1,000	1,000
177			PERSONNEL & FRIN	52100-SALARIES	475,000	479,000
178				57000-FRINGE BENEFITS	249,890	251,990
179			PERSONNEL & FRINGE Total		724,890	730,990
180			PROGRAM	53510-DUES	1,500	1,500
181				53520-SUBSCRIPTION	8,000	8,000
182				53610-FREIGHT & DELIVERY	45,000	46,200
183				53710-BULK MAIL	280,000	290,000
184				53910-PRINTING	210,000	210,000
185				54010-ADVERTISING	220,000	200,000
186				57120-HONORARIUM	7,000	7,000
187				57240-OTHER EXPENSES	3,000	3,000
188				57250-SEMINAR & CONFERENCE FEES	5,000	5,000
189			PROGRAM Total		779,500	770,700
190		4210 COMMUNICATIONS Total			1,576,390	1,572,690
191		4510 BENEFICIARY SERVICES	CONTRACTS	57110-SERVICES ON A FEE BASIS	101,000	75,000
192			CONTRACTS Total		101,000	75,000
193			EQUIPMENT	55810-REPAIR & MAINTENANCE	-	-
194			EQUIPMENT Total		-	-
195			PERSONNEL & FRIN	52100-SALARIES	565,000	567,000
196				57000-FRINGE BENEFITS	297,230	298,290
197			PERSONNEL & FRINGE Total		862,230	865,290
198			PROGRAM	53300-PROMOTIONAL ITEMS	12,000	12,000
199				53400-BOOKS & REFERENCE MATLS	-	-
200				53510-DUES	1,000	1,000
201				53520-SUBSCRIPTION	3,475	3,475
202				53610-FREIGHT & DELIVERY	1,000	1,000
203				53710-BULK MAIL	-	-

ITEM ID	OHA ELT	STEP 1 PROGRAM DESC	Step 2 EXPENSE CATEGORY	GL ACCOUNT DESC	FY24	FY25
204	CEO	4510 BENEFICIARY	PROGRAM	53910-PRINTING	-	-
205				54010-ADVERTISING	-	-
206				54190-AUTO ALLOWANCE	-	-
207				55750-OTHER RENTALS	1,500	1,500
208				57120-HONORARIUM	8,300	6,000
209				57220-VOLUNTEER STIPEND	-	-
210				57240-OTHER EXPENSES	-	10,000
211				57250-SEMINAR & CONFERENCE FEES	-	-
212				57255-CONFERENCES, MEETINGS, EVENTS- ORG BY OHA	66,000	51,000
213				57256-CONFERENCES, MEETINGS, EVENTS- NOT ORG BY OHA	6,500	6,500
214				57280-TRUSTEE ALLOWANCE REPORTS	-	-
215				58800-REAL PROPERTY TAXES	-	-
216			PROGRAM Total		99,775	92,475
217			4510 BENEFICIARY SERVICES Total		1,063,005	1,032,765
218		6200 WDC BUREAU	CONTRACTS	57110-SERVICES ON A FEE BASIS		85,000
219			CONTRACTS Total			85,000
220			EQUIPMENT	55810-REPAIR & MAINTENANCE	5,890	5,890
221				58300-FURNITURE & FIXTURES	600	600
222				58400-SOFTWARE & EQUIPMENT	960	960
223			EQUIPMENT Total		7,450	7,450
224			OVERHEAD	55010-ELECTRICITY	170	
225				55510-RENTAL OF LAND & BUILDING	34,380	
226			OVERHEAD Total		34,550	
227			PERSONNEL & FRIN 52100-SALARIES		86,000	86,000
228				57000-FRINGE BENEFITS	45,240	45,240
229			PERSONNEL & FRINGE Total		131,240	131,240
230			PROGRAM	53520-SUBSCRIPTION	9,300	9,300
231			PROGRAM Total		9,300	9,300
232			6200 WDC BUREAU Total		182,540	232,990
233			CEO Total		23,059,878	23,082,988
234	CFO	3100 CHIEF FINANCIAL OFFICER	PERSONNEL & FRIN 52100-SALARIES		244,000	249,000
235				57000-FRINGE BENEFITS	128,360	131,000
236			PERSONNEL & FRINGE Total		372,360	380,000
237			PROGRAM	57250-SEMINAR & CONFERENCE FEES	5,500	4,500
238			PROGRAM Total		5,500	4,500
239			TRAVEL	54460-TRANSPORTATION - OUT OF STATE	5,400	1,800
240				54510-SUBSISTENCE - OUT OF STATE	8,275	2,385
241				54620-CAR RENTAL - OUT OF STATE	90	30
242			TRAVEL Total		13,765	4,215
243			3100 CHIEF FINANCIAL OFFICER Total		391,625	388,715
244		3200 FINANCIAL SERVICES	CONTRACTS	57110-SERVICES ON A FEE BASIS	1,195,000	980,750
245			CONTRACTS Total		1,195,000	980,750
246			PERSONNEL & FRIN 52100-SALARIES		247,000	247,000
247				57000-FRINGE BENEFITS	129,950	129,950
248			PERSONNEL & FRINGE Total		376,950	376,950
249			PROGRAM	57250-SEMINAR & CONFERENCE FEES	2,500	1,500
250			PROGRAM Total		2,500	1,500
251			TRAVEL	54460-TRANSPORTATION - OUT OF STATE	3,600	
252				54510-SUBSISTENCE - OUT OF STATE	5,890	
253				54620-CAR RENTAL - OUT OF STATE	60	
254			TRAVEL Total		9,550	

ITEM ID	OHA ELT	STEP 1 PROGRAM DESC	Step 2 EXPENSE CATEGORY	GL ACCOUNT DESC	FY24	FY25
255	CFO	3200 FINANCIAL SERVICES Total			1,584,000	1,359,200
256		3400 INVESTMENT	PERSONNEL & FRIN	52100-SALARIES	153,000	153,000
257				57000-FRINGE BENEFITS	80,490	80,490
258			PERSONNEL & FRINGE Total		233,490	233,490
259			PROGRAM	53520-SUBSCRIPTION	1,000	1,000
260				57256-CONFERENCES, MEETINGS, EVENTS-NOT ORG BY OHA	3,000	3,000
261			PROGRAM Total		4,000	4,000
262			TRAVEL	54460-TRANSPORTATION - OUT OF STATE	3,600	3,600
263				54510-SUBSISTENCE - OUT OF STATE	5,110	5,110
264				54620-CAR RENTAL - OUT OF STATE	360	360
265			TRAVEL Total		9,070	9,070
266		3400 INVESTMENT Total			246,560	246,560
267		3900 PROCUREMENT	OVERHEAD	53100-OFFICE SUPPLIES	15,000	15,000
268				53200-OTHER SUPPLIES	10,000	10,000
269				53750-POSTAGE	-	-
270				54150-PARKING VALIDATIONS	300	300
271				55640-RENTAL OF EQUIPMENT	5,000	5,000
272			OVERHEAD Total		30,300	30,300
273			PERSONNEL & FRIN	52100-SALARIES	342,000	350,000
274				57000-FRINGE BENEFITS	179,920	184,130
275			PERSONNEL & FRINGE Total		521,920	534,130
276		3900 PROCUREMENT Total			552,220	564,430
277	CFO Total				2,774,405	2,558,905
278	COO	2200 CHIEF OPERATING OFFICER	PERSONNEL & FRIN	52100-SALARIES	166,000	166,000
279				57000-FRINGE BENEFITS	87,330	87,330
280			PERSONNEL & FRINGE Total		253,330	253,330
281			PROGRAM	53510-DUES	500	500
282				57240-OTHER EXPENSES	3,000	3,000
283				57255-CONFERENCES, MEETINGS, EVENTS-ORG BY OHA	500	500
284			PROGRAM Total		4,000	4,000
285			TRAVEL	54260-TRANSPORTATION - IN STATE	1,500	1,500
286				54310-SUBSISTENCE - IN STATE	3,780	3,780
287				54610-CAR RENTAL - IN STATE	600	600
288			TRAVEL Total		5,880	5,880
289		2200 CHIEF OPERATING OFFICER Total			263,210	263,210
290		2700 OFFICE OF STRATEGY MANAGEMENT	CONTRACTS	57110-SERVICES ON A FEE BASIS	450,000	200,000
291			CONTRACTS Total		450,000	200,000
292			EQUIPMENT	53530-SUBSCRIPTION BASED IT AGREEMENTS	3,340	3,340
293				58400-SOFTWARE & EQUIPMENT	-	-
294			EQUIPMENT Total		3,340	3,340
295			PERSONNEL & FRIN	52100-SALARIES	308,000	308,000
296				57000-FRINGE BENEFITS	162,040	162,040
297			PERSONNEL & FRINGE Total		470,040	470,040
298			PROGRAM	53510-DUES	1,375	1,390
299				53910-PRINTING	1,000	1,000
300				57250-SEMINAR & CONFERENCE FEES	8,140	5,670
301			PROGRAM Total		10,515	8,060

ITEM ID	OHA ELT	STEP 1 PROGRAM DESC	Step 2 EXPENSE CATEGORY	GL ACCOUNT DESC	FY24	FY25
302	COO	2700 OFFICE OF ST	TRAVEL	54110-MILEAGE	131	131
303				54130-PARKING	300	300
304				54260-TRANSPORTATION - IN STATE	900	900
305				54310-SUBSISTENCE - IN STATE	3,330	3,330
306				54460-TRANSPORTATION - OUT OF STATE	5,400	5,400
307				54510-SUBSISTENCE - OUT OF STATE	7,400	7,400
308				54610-CAR RENTAL - IN STATE	990	990
309				54620-CAR RENTAL - OUT OF STATE	240	240
310			TRAVEL Total		18,691	18,691
311			2700 OFFICE OF STRATEGY MANAGEMENT Total		952,586	700,131
312		3600 OFFICE OF TECHNOLOGY SERVICES	CONTRACTS	57110-SERVICES ON A FEE BASIS	158,000	92,000
313			CONTRACTS Total		158,000	92,000
314			EQUIPMENT	53530-SUBSCRIPTION BASED IT AGREEMENTS	346,200	371,200
315				55810-REPAIR & MAINTENANCE	58,000	8,000
316				58300-FURNITURE & FIXTURES		
317				58400-SOFTWARE & EQUIPMENT	95,000	95,000
318			EQUIPMENT Total		499,200	474,200
319			OVERHEAD	53810-TELEPHONE & RELATED SVCS	56,000	56,000
320				53850-CELLULAR PHONE	30,000	30,000
321			OVERHEAD Total		86,000	86,000
322			PERSONNEL & FRIN	52100-SALARIES	422,000	422,000
323				57000-FRINGE BENEFITS	222,020	222,020
324			PERSONNEL & FRINGE Total		644,020	644,020
325			PROGRAM	53400-BOOKS & REFERENCE MATLS	800	800
326				53510-DUES	250	250
327				53520-SUBSCRIPTION	2,000	2,000
328				53610-FREIGHT & DELIVERY	2,000	2,000
329				57120-HONORARIUM	500	500
330				57250-SEMINAR & CONFERENCE FEES	5,000	5,000
331			PROGRAM Total		10,550	10,550
332			TRAVEL	54130-PARKING	510	360
333				54260-TRANSPORTATION - IN STATE	3,000	3,000
334				54310-SUBSISTENCE - IN STATE	7,350	7,350
335				54460-TRANSPORTATION - OUT OF STATE	1,800	1,800
336				54510-SUBSISTENCE - OUT OF STATE	2,945	2,945
337				54610-CAR RENTAL - IN STATE	2,390	2,390
338				54620-CAR RENTAL - OUT OF STATE	30	30
339			TRAVEL Total		18,025	17,875
340			3600 OFFICE OF TECHNOLOGY SERVICES Total		1,415,795	1,324,645
341		5100 RESEARCH DIRECTOR	CONTRACTS	57110-SERVICES ON A FEE BASIS	255,000	255,000
342			CONTRACTS Total		255,000	255,000
343			EQUIPMENT	58400-SOFTWARE & EQUIPMENT	1,000	1,000
344			EQUIPMENT Total		1,000	1,000
345			OVERHEAD	54150-PARKING VALIDATIONS	150	150
346			OVERHEAD Total		150	150
347			PERSONNEL & FRIN	52100-SALARIES	134,000	134,000
348				57000-FRINGE BENEFITS	70,500	70,500
349			PERSONNEL & FRINGE Total		204,500	204,500
350			PROGRAM	53400-BOOKS & REFERENCE MATLS	250	250
351				53510-DUES	400	300
352				53520-SUBSCRIPTION	2,520	2,520
353				53710-BULK MAIL	-	-
354				53910-PRINTING	-	-
355				57240-OTHER EXPENSES	-	-

ITEM ID	OHA ELT	STEP 1 PROGRAM DESC	Step 2 EXPENSE CATEGORY	GL ACCOUNT DESC	FY24	FY25
356	COO	5100 RESEARCH DI	PROGRAM	57250-SEMINAR & CONFERENCE FEES	3,000	3,000
357				57255-CONFERENCES, MEETINGS, EVENTS-ORG BY OHA	3,500	
358				57256-CONFERENCES, MEETINGS, EVENTS-NOT ORG BY OHA	11,500	10,000
359			PROGRAM Total		21,170	16,070
360			TRAVEL	54460-TRANSPORTATION - OUT OF STATE	3,600	1,800
361				54510-SUBSISTENCE - OUT OF STATE	6,015	2,800
362				54620-CAR RENTAL - OUT OF STATE	160	80
363			TRAVEL Total		9,775	4,680
364			5100 RESEARCH DIRECTOR Total		491,595	481,400
365		5210 RESEARCH DIVISION	CONTRACTS	57110-SERVICES ON A FEE BASIS	130,000	-
366			CONTRACTS Total		130,000	-
367			OVERHEAD	53750-POSTAGE	3,000	
368				54150-PARKING VALIDATIONS	150	150
369			OVERHEAD Total		3,150	150
370			PERSONNEL & FRIN	52100-SALARIES	424,000	428,000
371				57000-FRINGE BENEFITS	223,060	225,160
372			PERSONNEL & FRINGE Total		647,060	653,160
373			PROGRAM	53300-PROMOTIONAL ITEMS	1,500	1,500
374				53400-BOOKS & REFERENCE MATLS	250	250
375				53510-DUES	400	400
376				53520-SUBSCRIPTION	500	500
377				53710-BULK MAIL	2,000	
378				53910-PRINTING	5,000	2,000
379				57120-HONORARIUM	30,000	
380				57250-SEMINAR & CONFERENCE FEES	3,000	3,000
381			PROGRAM Total		42,650	7,650
382			TRAVEL	54130-PARKING	360	120
383				54260-TRANSPORTATION - IN STATE	600	600
384				54310-SUBSISTENCE - IN STATE	360	360
385				54460-TRANSPORTATION - OUT OF STATE	3,600	
386				54510-SUBSISTENCE - OUT OF STATE	3,660	
387				54610-CAR RENTAL - IN STATE	520	520
388				54620-CAR RENTAL - OUT OF STATE	620	
389			TRAVEL Total		9,720	1,600
390			5210 RESEARCH DIVISION Total		832,580	662,560
391		6100 CHIEF ADVOCATE	CONTRACTS	57110-SERVICES ON A FEE BASIS	78,000	78,000
392			CONTRACTS Total		78,000	78,000
393			OVERHEAD	54150-PARKING VALIDATIONS	500	500
394			OVERHEAD Total		500	500
395			PROGRAM	53300-PROMOTIONAL ITEMS	5,000	2,000
396				53910-PRINTING	2,000	2,000
397				57250-SEMINAR & CONFERENCE FEES	2,250	2,250
398			PROGRAM Total		9,250	6,250
399			TRAVEL	54110-MILEAGE	800	800
400				54130-PARKING	1,140	1,140
401				54260-TRANSPORTATION - IN STATE	3,300	3,300
402				54310-SUBSISTENCE - IN STATE	3,040	3,040
403				54460-TRANSPORTATION - OUT OF STATE	3,600	3,600
404				54510-SUBSISTENCE - OUT OF STATE	5,600	5,600
405				54610-CAR RENTAL - IN STATE	2,440	2,440
406				54620-CAR RENTAL - OUT OF STATE	760	760
407			TRAVEL Total		20,680	20,680
408			6100 CHIEF ADVOCATE Total		108,430	105,430

ITEM ID	OHA ELT	STEP 1 PROGRAM DESC	Step 2 EXPENSE CATEGORY	GL ACCOUNT DESC	FY24	FY25
409	COO	6400 POLICY POLICY - COMMUNITY ENGAGEMENT DIR	OVERHEAD	54150-PARKING VALIDATIONS	500	500
410			OVERHEAD Total		500	500
411			PERSONNEL & FRIN	52100-SALARIES	106,000	106,000
412				57000-FRINGE BENEFITS	55,770	55,770
413			PERSONNEL & FRINGE Total		161,770	161,770
414			PROGRAM	53300-PROMOTIONAL ITEMS	4,000	2,000
415				53520-SUBSCRIPTION	600	
416				53910-PRINTING	2,000	2,000
417				57120-HONORARIUM	1,800	1,800
418				57250-SEMINAR & CONFERENCE FEES	3,000	3,000
419				57255-CONFERENCES, MEETINGS, EVENTS-ORG BY OHA	2,000	2,000
420			PROGRAM Total		13,400	10,800
421			TRAVEL	54110-MILEAGE	3,181	3,181
422				54130-PARKING	1,830	1,530
423				54260-TRANSPORTATION - IN STATE	6,300	6,300
424				54310-SUBSISTENCE - IN STATE	10,100	10,100
425				54460-TRANSPORTATION - OUT OF STATE	3,600	3,600
426				54510-SUBSISTENCE - OUT OF STATE	5,600	5,600
427				54610-CAR RENTAL - IN STATE	5,460	5,460
428				54620-CAR RENTAL - OUT OF STATE	760	760
429			TRAVEL Total		36,831	36,531
430			6400 POLICY POLICY - COMMUNITY ENGAGEMENT DIR Total		212,501	209,601
431		6410 POLICY POLICY - COMPLIANCE ENFORCEMENT	PERSONNEL & FRIN	52100-SALARIES	257,000	261,000
432				57000-FRINGE BENEFITS	135,210	137,310
433			PERSONNEL & FRINGE Total		392,210	398,310
434			PROGRAM	53520-SUBSCRIPTION	250	250
435				57250-SEMINAR & CONFERENCE FEES	1,500	1,500
436			PROGRAM Total		1,750	1,750
437			TRAVEL	54110-MILEAGE	607	607
438				54130-PARKING	1,770	1,770
439				54260-TRANSPORTATION - IN STATE	3,000	3,000
440				54310-SUBSISTENCE - IN STATE	3,370	3,370
441				54460-TRANSPORTATION - OUT OF STATE	5,400	5,400
442				54510-SUBSISTENCE - OUT OF STATE	4,525	4,525
443				54610-CAR RENTAL - IN STATE	2,320	2,320
444				54620-CAR RENTAL - OUT OF STATE	420	420
445			TRAVEL Total		21,412	21,412
446			6410 POLICY POLICY - COMPLIANCE ENFORCEMENT Total		415,372	421,472
447		6420 POLICY POLICY - COUNTY,COMMUNITY	PERSONNEL & FRIN	52100-SALARIES	136,000	136,000
448				57000-FRINGE BENEFITS	71,550	71,550
449			PERSONNEL & FRINGE Total		207,550	207,550
450			6420 POLICY POLICY - COUNTY,COMMUNITY Total		207,550	207,550
451		6500 PUBLIC POLICY - MISSION	CONTRACTS	57110-SERVICES ON A FEE BASIS	120,500	120,500
452			CONTRACTS Total		120,500	120,500
453			EQUIPMENT	58300-FURNITURE & FIXTURES	10,000	5,000

ITEM ID	OHA ELT	STEP 1 PROGRAM DESC	Step 2 EXPENSE CATEGORY	GL ACCOUNT DESC	FY24	FY25
454	COO	6500 PUBLIC POLIC	EQUIPMENT	58400-SOFTWARE & EQUIPMENT	5,000	5,000
455			EQUIPMENT Total		15,000	10,000
456			OVERHEAD	53100-OFFICE SUPPLIES	2,500	2,500
457				55910-INSURANCE	500	500
458			OVERHEAD Total		3,000	3,000
459			PERSONNEL & FRIN	52100-SALARIES	400,000	400,000
460				57000-FRINGE BENEFITS	210,450	210,450
461			PERSONNEL & FRINGE Total		610,450	610,450
462			PROGRAM	53400-BOOKS & REFERENCE MATLS	1,000	1,000
463				53520-SUBSCRIPTION	3,700	1,700
464				53910-PRINTING	5,000	2,500
465				54010-ADVERTISING	2,500	2,500
466				57250-SEMINAR & CONFERENCE FEES	5,000	5,000
467				57255-CONFERENCES, MEETINGS, EVENTS-ORG BY OHA	10,000	10,000
468				57256-CONFERENCES, MEETINGS, EVENTS-NOT ORG BY OHA	1,000	1,000
469			PROGRAM Total		28,200	23,700
470			TRAVEL	54260-TRANSPORTATION - IN STATE	7,200	1,800
471				54310-SUBSISTENCE - IN STATE	19,650	3,010
472				54610-CAR RENTAL - IN STATE	7,500	1,560
473			TRAVEL Total		34,350	6,370
474		6500 PUBLIC POLICY - MISSION Total			811,500	774,020
475		8100 LAND ASSETS DIRECTOR	PERSONNEL & FRIN	52100-SALARIES	109,000	109,000
476				57000-FRINGE BENEFITS	57,340	57,340
477			PERSONNEL & FRINGE Total		166,340	166,340
478			PROGRAM	57250-SEMINAR & CONFERENCE FEES		1,500
479				57255-CONFERENCES, MEETINGS, EVENTS-ORG BY OHA		30,000
480			PROGRAM Total			31,500
481			TRAVEL	54110-MILEAGE	131	131
482				54130-PARKING	810	810
483				54260-TRANSPORTATION - IN STATE	3,000	3,000
484				54310-SUBSISTENCE - IN STATE	900	900
485				54610-CAR RENTAL - IN STATE	2,740	2,740
486			TRAVEL Total		7,581	7,581
487		8100 LAND ASSETS DIRECTOR Total			173,921	205,421
488		8300 LEGACY & PROGRAMMATIC LANDS	CONTRACTS	57110-SERVICES ON A FEE BASIS	30,500	31,650
489			CONTRACTS Total		30,500	31,650
490			EQUIPMENT	55810-REPAIR & MAINTENANCE	8,000	6,000
491			EQUIPMENT Total		8,000	6,000
492			OVERHEAD	58200-LEASEHOLD IMPROVEMENTS	40,000	
493			OVERHEAD Total		40,000	
494			PERSONNEL & FRIN	52100-SALARIES	222,000	225,000
495				57000-FRINGE BENEFITS	116,790	118,370
496			PERSONNEL & FRINGE Total		338,790	343,370
497			PROGRAM	53510-DUES	10,000	10,000
498				53520-SUBSCRIPTION	2,500	2,500
499				55750-OTHER RENTALS	5,304	2,808
500				57255-CONFERENCES, MEETINGS, EVENTS-ORG BY OHA	500	500
501				57256-CONFERENCES, MEETINGS, EVENTS-NOT ORG BY OHA	2,000	2,000

ITEM ID	OHA ELT	STEP 1 PROGRAM DESC	Step 2 EXPENSE CATEGORY	GL ACCOUNT DESC	FY24	FY25
502	COO	8300 LEGACY & PRO	PROGRAM Total		20,304	17,808
503			TRAVEL	54130-PARKING	60	30
504				54260-TRANSPORTATION - IN STATE	4,200	3,300
505				54310-SUBSISTENCE - IN STATE	2,050	1,780
506				54610-CAR RENTAL - IN STATE	2,520	1,950
507			TRAVEL Total		8,830	7,060
508		8300 LEGACY & PROGRAMMATIC LANDS	Total		446,424	405,888
509		8303 KUKANILOKO	CONTRACTS	57110-SERVICES ON A FEE BASIS	60,000	
510			CONTRACTS Total		60,000	
511			EQUIPMENT	55810-REPAIR & MAINTENANCE	116,000	102,000
512			EQUIPMENT Total		116,000	102,000
513			PROGRAM	57120-HONORARIUM	500	500
514				57255-CONFERENCES, MEETINGS, EVENTS-ORG BY OHA	1,000	1,000
515			PROGRAM Total		1,500	1,500
516			TRAVEL	54260-TRANSPORTATION - IN STATE	1,800	1,800
517				54310-SUBSISTENCE - IN STATE	540	540
518				54610-CAR RENTAL - IN STATE	1,140	1,140
519			TRAVEL Total		3,480	3,480
520		8303 KUKANILOKO	Total		180,980	106,980
521		8304 PAHUA HEIAU	EQUIPMENT	55810-REPAIR & MAINTENANCE	21,000	47,000
522			EQUIPMENT Total		21,000	47,000
523			OVERHEAD	55010-ELECTRICITY	650	1,200
524				55200-WATER	325	1,000
525			OVERHEAD Total		975	2,200
526			PROGRAM	57255-CONFERENCES, MEETINGS, EVENTS-ORG BY OHA	1,500	1,500
527			PROGRAM Total		1,500	1,500
528		8304 PAHUA HEIAU	Total		23,475	50,700
529		8305 WAIALUA COURTHOUSE	EQUIPMENT	55810-REPAIR & MAINTENANCE	12,200	27,200
530			EQUIPMENT Total		12,200	27,200
531			OVERHEAD	53810-TELEPHONE & RELATED SVCS	400	400
532				55010-ELECTRICITY	1,700	1,700
533				55200-WATER	1,200	1,200
534			OVERHEAD Total		3,300	3,300
535		8305 WAIALUA COURTHOUSE	Total		15,500	30,500
536		8400 OFFICE OF OPERATIONS	CONTRACTS	57110-SERVICES ON A FEE BASIS	87,000	87,000
537			CONTRACTS Total		87,000	87,000
538			EQUIPMENT	55810-REPAIR & MAINTENANCE	367,840	207,840
539				58300-FURNITURE & FIXTURES	24,000	24,000
540				58400-SOFTWARE & EQUIPMENT	6,000	6,000
541			EQUIPMENT Total		397,840	237,840
542			OVERHEAD	53100-OFFICE SUPPLIES	2,400	2,400
543				53200-OTHER SUPPLIES	5,200	5,200
544				53750-POSTAGE	30,000	30,000
545				53810-TELEPHONE & RELATED SVCS	5,581	5,581
546				54150-PARKING VALIDATIONS	87,800	35,000
547				55010-ELECTRICITY	180,440	198,440
548				55200-WATER	1,860	1,860
549				55510-RENTAL OF LAND & BUILDING	1,279,900	1,309,981
550				55515-RENTAL OF LAND & BUILDING - CAM & MISC	701,067	706,138
551				55640-RENTAL OF EQUIPMENT	72,510	72,510
552				58200-LEASEHOLD IMPROVEMENTS	80,000	83,600
553			OVERHEAD Total		2,446,759	2,450,711
554			PERSONNEL & FRIN	52100-SALARIES	310,000	310,000

CORE OPERATING BUDGET by PROGRAM - by EXPENDITURE

ITEM ID	OHA ELT	STEP 1 PROGRAM DESC	Step 2 EXPENSE CATEGORY	GL ACCOUNT DESC	FY24	FY25
555	COO	8400 OFFICE OF OF	PERSONNEL & FRIN	57000-FRINGE BENEFITS	163,090	163,090
556			PERSONNEL & FRINGE Total		473,090	473,090
557			PROGRAM	53610-FREIGHT & DELIVERY	2,400	2,400
558				57240-OTHER EXPENSES	14,520	14,020
559				57250-SEMINAR & CONFERENCE FEES	3,000	3,000
560				57255-CONFERENCES, MEETINGS, EVENTS- ORG BY OHA	12,000	12,000
561			PROGRAM Total		31,920	31,420
562			TRAVEL	54130-PARKING	960	960
563				54260-TRANSPORTATION - IN STATE	9,600	9,600
564				54310-SUBSISTENCE - IN STATE	23,600	23,600
565				54610-CAR RENTAL - IN STATE	6,080	6,080
566			TRAVEL Total		40,240	40,240
567		8400 OFFICE OF OPERATIONS Total			3,476,849	3,320,301
568	COO Total				10,028,267	9,269,807
569	Grand Total				\$44,849,289	\$43,860,459




ACTION ITEM


COMMITTEE ON RESOURCE MANAGEMENT December 6, 2023

RM #23-26


Action Item Issue: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments

Co-Prepared by: 

Grace Chen
'Aho Hui Mo'ohelu, Reporting & Financial Analyst
12/1/2023
Date

Co-Prepared
& Reviewed by: 

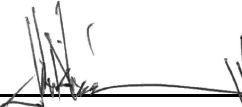
Ramona G. Hinck
Ka Pou Kihi Kanaloa Wai, Chief Financial Officer
12/1/2023
Date

Reviewed by: 

Casey K. Brown
Ka Pou Nui, Chief Operating Officer
12/1/2023
Date

Reviewed by: 

Stacy K. Ferreira
Ka Pouhana, Chief Executive Officer
12/1/2023
Date

Reviewed by: 

Ke Kua, Trustee John D. Waihee, IV
Luna Ho'omalua o ke Kōmike Resource Management
Chair of the Committee on Resource Management
12/1/2023
Date

Action Item RM #23-26: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments

I. PROPOSED ACTION

Approve the fiscal biennium budget realignment #8 Non-core and Core for the fiscal biennium periods 2021-2022 (FY2022) and 2022-2023 (FY2023) as summarized at Attachment #1.

II. ISSUE

Whether or not the Committee on Resource Management (“CRM”) should approve and recommend to the Board of Trustees (“Board” of “BOT”), the approval of the FB22-23 budget realignment #8, summarized at Attachment #1.

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.

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?

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)

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- 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.

1. ***Aggregation and Distribution, February 2023.*** The OHA Board of Trustees (BOT) Executive Policy Manual (EPM) was updated by OHA Administration to compile all of the new policies and policy amendments that have been approved by the Board of Trustees since the last comprehensive update to the EPM in February 2012. No new policies, other than those already approved by the BOT, are included in this update.

The EPM is to be used a reference document for OHA’s BOT, CEO, staff and for working Councils and Committees. The EPM is designed to be utilized as a management tool for quick and easy access to OHA Bylaws and policies approved by the BOT. The guiding principles of OHA’s policies established by the BOT are to provide the wider framework under which OHA operates as an organization. OHA’s policies ensure the OHA mandate of the betterment of conditions of the native Hawaiians and Hawaiians is pursued in an efficient and effective manner. The BOT is guided by its vision, mission, and values in the development of OHA’s policies.²

The updated EPM was distributed to Trustees and made available across the agency. These policies shall apply to the work and conduct of Trustees, staff, and associated Councils and Committees of OHA and considered in the hiring of contractors using OHA funds.

2. ***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, 2022³, 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

² Introduction (Guiding Principles), Office of Hawaiian Affairs Board of Trustees Executive Policy Manual (2023)

³ 1st Reading, BOT Meeting, April 14, 2022; 2nd Reading, BOT Meeting, April 28, 2022

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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).

- 3. Budget Management Policies, April 2021.** The Board, via Action Item RM #21-05 - Amendment to Executive Policy Manual Section, Budget Management Policy, April 20, 2021⁴, approved the expansion of Executive Policy Manual (EPM) to: (1) Add new section 3045 Budget Management; (2) Add new section 3046 Fiscal Stabilization Policy; (3) Relocate and renumber two sections currently located in *section 3050 Fiscal* to *section 3040 Planning, Programming, Budget*; and (4) Relocate and renumber five sections currently located in *section 3040 Planning, Programming, Budget* to new section *3045 Budget Management*.

- 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, 2021⁵. 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”.

Administration analyzed the necessity of budget realignment for the “Core” and “Non-Core”. The action item specifically addresses the fiscal period, from July 1, 2021, through June 30, 2022 (FY2022), and July 1, 2022, through June 30, 2023, (FY2023)

⁴ 1st Reading, BOT Meeting, April 22, 2021; 2nd Reading, BOT Meeting, April 29, 2021

⁵ 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.

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and seeks approval for this realignment of the FY2023 budget: 1) for Core operating budget to adjust debt service funds due to a payoff budgeted in FY2023 and not executed until FY2024; 2) for commercial property, Na Lama Kukui, to add and reallocate funds to cover unbudgeted, unplanned expenses; and 3) to correct OHA budget to add \$311,939 federally appropriated funds, ACF/ANA Project, ‘Olelo Hawai’i Community Research Grants, from the U.S. Department of Health & Human Services (HHS), Administration for Children and Families (“ACF”) Division, Administration for Native Americans (“ANA”) Office, American Rescue Plan Act, Emergency Native Language Funding Opportunity for Native Hawaiians and Pacific Islands, as approved per Action Item RM#22-24: Approve the Awarding of Solicitation #22-05.01 – ‘Olelo Hawai’i Community Research Grants, published March 31, 2022, Application Deadline May 13, 2022 as Extended, October 13, 2022.

1. **Budget Realignment #1 – October 2021.** Administration analyzed the necessity of budget realignments for both “Core” and “Non-Core”⁶ 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.⁷
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 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

⁶ For discussion purposes, the reference to “Non-Core” is used to describe budgets and activities for 1) commercial properties: Hakuone, Na Lama Kukui, 500 N. Nimitz, 501 Sumner, 2) federally appropriations funds, not limited to Native Hawaiian Revolving Loan Fund, Halawa-Luluku Interpretive Development, and Wao Kele O Puna Deer Fence Project at Puu Hei, and 3) legacy properties: Wao Kele o Puna and Palaua Culture Preserve. All other budgets and activities are collectively considered “Core”.

⁷ 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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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.

4. **Budget Realignment #4 – September 2022.** Via Action Item RM #22-23: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #4, 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: Increase of \$6.4MM in public land trust proceeds as a result of Act 226 (2022); Restoration of operating amounts for purposes such as Ka Wai Ola production, international iwi kupuna repatriation; Reflection of previously approved action item for Kaka‘ako Makai; Carryforward amount to 2022-2023 (FY23) budget, of an estimated amount of \$148,000 to address unfilled positions, vacancies and compensation study; Reclassification of grants to proper classifications and approval of an additional \$10,000 sponsorship for the Association of Hawaiian Civic Clubs; and 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.
5. **Budget Realignment #5 – October 2022.** Via Action Item RM #22-23D OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #5, realignment actions were approved to: 1) Carryforward budget from 2021-2022 (FY22) to 2022-2023 (FY23) for any unspent, uncommitted, unencumbered, and unaccrued amounts in Appropriation 930 in an estimated aggregate amount of \$1,418,000 for legal, legacy lands, major repairs & maintenance, construction in progress; 2) Carryforward budget from 2021-2022 (FY22) to 2022-2023 (FY23), any unspent, uncommitted, unencumbered, and unaccrued amounts in Appropriation 901 (Public Land Trust) in an estimated aggregate amount of \$8,600,000 for Grants; 3) Carryforward from 2021-2022 (FY22) budget to 2022-2023 (FY23) budget, any unspent, uncommitted, unencumbered, and unaccrued amounts for Appropriation 938 (Kaka‘ako Makai), 939 (Nā Lama Kukui), 950 (500 N Nimitz) and 951 (501 Sumner); 4) Designate \$200,000, General Funds, Appropriation 100 for Object Code 57110 SERVICES ON A FEE BASIS to provide additional legal services for beneficiaries consistent with the legal provision.
6. **Budget Realignment #6 – January 2023.** Via Action Item RM #23-01: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #6 – Non-Core and Core Realignments, January 23, 2023, realignment actions were approved to: 1) Reclassify non-core budget amount of \$296,500, Appropriation 938, Kaka‘ako Makai from Equipment to Contracts; 2) reclassify non-core budget amount of \$61,000, Appropriation 950, 500 N. Nimitz

Action Item RM #23-26: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments

Highway, from Equipment and Program categories to cover shortfall in Real Property Tax; 3) Reclassify non-core budget amount of \$118,000 Appropriation 951, 501 Sumner Street, \$31,000 from Overhead and Contracts for property management fees and \$87,000 from Equipment to Program to cover Real Property Tax expense; 4) Reclassify \$860,000 within the Core Budget, from Personnel, to Contracts, Grants (Sponsorships), Overhead and Program expenses; and 5) Approve additional and new programmatic sponsorships (e.g., Merrie Monarch, Papa Ola Lokahi – Aha Ho’olokahi, 46th Annual Nā Hōkū Hanohano Awards).

7. **Budget Realignment #7 – June 2023.** Via Action Item RM #23-16: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #7 – Non-Core and Core Realignments, June 29, 2023, realignment actions were approved to: 1) Reclassify and repurpose the core budget: FROM i) the Personnel budget amount of \$194,473, ii) the Contracts budget amount of \$37,217, iii) the Program budget amount of \$143,845, and iv) the Travel budget amount of \$14,685, TO: i) the Debt Service budget amount of \$15,500 due to timing of loan repayment, ii) the Equipment budget amount of \$104,721 for OHA janitorial and handyman services and Kukaniloko’s on-going vegetation maintenance and vegetation continuum, iii) the Overhead budget amount of \$240,756 to cover office rent increases; 2) Reclassify and repurpose the Non-core’s Commercial Property, Na Lama Kukui: i) from surplus budgeted funds in Equipment to Overhead due to unplanned rate hikes in utility fees and to cover interest expense from refinanced loan, ii) \$17,000 budget decrease due to staff vacancy, and for 501 Sumner: iii) reclassify funds from Equipment to Contract for proper accounting classifications; 3) Reclassify in Non-core’s Legacy Property Lands for proper accounting classifications; and 4) Decrease of Non-core Federal-funded programs for: i) the Halawa Luluku Interpretive Development by \$71,689, and ii) the Native Hawaiian Revolving Loan Fund (NHRLF) by \$562,541. The Administration for Native Americans approved the NHRLF FY2023 budget on January 16, 2023, and the decrease represents the true-down to approved budget.

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Action Item RM #23-26: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments

IV. FISCAL BIENNIUM 22-23 REALIGNMENT #8 - DISCUSSION

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	100/175
	Public Land Trust Revenues (PLT) received annually from various State Agencies conducting business on PLT lands	901
	Matching Fund appropriations by the State of Hawai‘i but drawn on the Native Hawaiian Trust Fund (NHTF)	910
	A portion of the NHTF which includes revenues received primarily from past-due settlements dividend and interest earnings received thereon plus ten (10) percent of estimated lease and other revenues generated from OHA-owned Hakuone (fka Kaka‘ako Makai) parcels allocated to maintain our legacy lands.	930
Fiscal Stabilization Fund	Funds needed to address unexpected shortfalls in available funding that have significant effects on budget(s), as well as emergencies.	935
Commercial Property	Hakuone (fka Kaka‘ako Makai) 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
	Palauea Cultural Preserve – includes a percentage of all home sales within the development	310

Action Item RM #23-26: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments

Type	Description	Appropriation Number
Non-Core Legacy Property ⁸	Wao Kele O Puna Management Fund – includes previously-authorized Board appropriations for current and future programmatic needs	315
Other OHA Programs Budget – <i>Federal</i>	Federal appropriated funds for the Hālawā Lūluku Interpretive Development (HLID) Project, Federal Highway Administration – U.S. Department of Transportation	200
	Federal appropriated funds for the Native Hawaiian Revolving Loan Fund (NHRLF) Program – U.S. Department of Health and Human Services	202
	Federal appropriated funds for Papahānaumokuākea Marine National Monument (PMNM) – U.S. Department of Commerce	203
	Federal appropriated funds for Wao Kelo O Puna (WKOP) – U.S. Department of Interior	205
	Federal appropriated funds for Administration for Children and Families (ACF), Administration for Native Americans (ANA) – U.S. Department of Health and Human Services	209
Other Programs Budget – <i>Other</i>	Others – includes funds primarily collected from Ka Wai Ola advertisement sales and miscellaneous income	320
	Mainly the Native Hawaiian Trust Fund.	902

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

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

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⁸ Core Legacy properties include: Kukaniloko, Pahua Heiau, Hoomana and Waialua Courthouse.

Action Item RM #23-26: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments

Table 2: Spending Limit for FY 2023 Total Operating Budget

FY 2023 Spending Limit	FY 2023			
	Approved Budget	Approved Realignment #7	Proposed Realignment #8	Adjustments
	AI RM #21-08A	AI RM #23-16	AI RM #23-26	
	(a)	(b)	(c)	(d) = (c - b)
1. Core Operating Budget				
5% of Investment Portfolio	18,615,394	18,615,394	18,615,394	0
Public Land Trust Revenues	15,100,000	21,500,000	21,500,000	0
State of Hawai'i General Funds	2,254,400	2,254,400	2,254,400	0
Allocation of Hakuone Revenues	1,363,861	369,200	369,200	0
Sub-total - Core Operating:	\$37,333,655	\$42,738,994	\$42,738,994	\$0
2. Commercial Property				
Hakuone	11,265,822	5,909,419	5,909,419	0
Nā Lama Kukui	6,455,044	7,632,587	7,632,587	0
Sub-total – Commercial Property:	\$17,720,866	\$13,542,006	\$13,542,006	\$0
3. Iwilei Property				
500 North Nimitz	0	3,817,475	3,817,475	0
501 Sumner	0	166,404	166,404	0
Sub-total – Iwilei Property:	\$0	\$3,983,879	\$3,983,879	\$0
4. Legacy Properties				
Palauea Culture Preserve	321,059	361,617	361,617	0
Wao Kele O Puna (WKOP) Management Fund	0	20,831	20,831	0
Sub-total -Legacy Properties:	\$321,059	\$382,448	\$382,448	\$0
5. Other OHA Programs				
<i>Federal Appropriated Funds</i>				
Halawa Luluku Interpretive Development	266,358	222,280	222,280	0
Native Hawaiian Revolving Loan Fund	1,394,419	847,783	847,783	0
Wao Kele O Puna (WKOP) Deer Fence Project at Puu Hei	0	231,045	231,045	0
Olelo Hawai'i Community Research Grant ⁹			311,939	311,939
Sub-total – Federal-Funded:	\$1,660,777	\$1,301,108	\$1,613,047	\$311,939
<i>Others</i>	56,000	56,000	56,000	0
Sub-total – Other OHA	\$1,716,777	\$1,357,108	\$1,669,047	\$311,939
Total Operating Budget:	\$57,092,357	\$62,004,435	\$62,316,374	\$311,939

⁹ Via Action Item RM#22-24: Approve the Awarding of Solicitation #22-05.01 – ‘Olelo Hawai'i Community Research Grants, published March 31, 2022, Application Deadline May 13, 2022 as Extended, October 13, 2022.

Action Item RM #23-26: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments

1. **Core Operating 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 had been set at \$15,100,000 (Act 178, SLH 2006) per year. 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, and 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)¹⁰ percent net income to OHA's FY 22 FY 22 Legacy Land Program.
 - ***State of Hawai'i General Fund*** appropriations are determined by the legislature during each Biennium. The current State Legislature authorized a total of \$2,254,400 for the fiscal period 2021-2022 (FY 2022) and \$2,254,500 for the fiscal period 2022-2023 (FY 2023).

HB204 SD2 CD1, now known as Act 29 (2021), OHA's Budget Bill for the FY22 and FY23 period, from the 2021 Legislative session, contains \$2,054,400 in education, social services, legal and housing provisos plus an additional \$200,000, for fiscal year 2021-2022 to conduct or contract for a follow-up contract and disbursement review of the CLA – OHA & LLCs Contract and Disbursement Review – Report, dated December 4, 2019 ("CLA Report"); and includes the substitution of the CLA Report with the Act 37 financial and management audit, that was not completed by the State Auditor.

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

Action Item RM #23-26: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments

CLA Report Follow Up Contract and Disbursement Review: In February 2022, OHA contracted Plante Moran (“PM”) for \$178,350 to conduct a follow up contract and disbursement review of the CLA report – OHA & LLC’s Contract and Disbursement Review Report (“CLA Report”), dated December 4, 2019, specifically on 38 items flagged for possible fraud, waste, and abuse. PM has experience with forensic, accounting, audit, and related type engagements utilizing standards in accordance with the Statement on Standards for Forensic Services, established by the American Institute of Certified Public Accountants (AICPA) Council, Forensic and Valuation Services Executive Committee, which provides guidance and establishes enforceable standards for members performing certain forensic and valuation services.

As noted in PM’s report issued in October 2022, PM: obtained relevant electronic data, including emails and personal working folders on the OHA network, for select OHA employees; conducted interviews with key OHA personnel, including staff and select members of the Board of Trustees, performed background research on select individuals and businesses involved in the flagged transactions; compiled key words lists and search criteria to analyze emails and working folder contents; analyzed relevant supporting documentation for the transactions; and PM engagement team members were on site at Nā Lama Kukui in May and October 2022. As a result of the contracted work completed, PM identified evidence that fraud, waste and abuse occurred in 22 of 38 transactions and the Plante Moran Report link is noted for the reader’s convenience here and below: [Contract #4262 – 38 Transactions Analysis Report, Dated October 31, 2022 by Plante Moran, Including Administration Response](#)

2. **Fiscal Stabilization Authorizations.** Historically, OHA has required funds to address unexpected shortfalls in available funding that had a significant effect on budget, as well as emergencies. OHA historically used “OHA’s Native Hawaiian Trust Fund Spending Policy’s Fiscal Reserve Management Guidelines” (the Guidelines) to address funding needs, but the guidelines were viewed as overly broad and unclear. The Fiscal Stabilization policy supersedes the guidelines and established a Fiscal Stabilization Fund (FSF) and the rules for its governance and maintenance, to enable OHA to have funds available for budget stabilization and emergencies, but under stricter fiscal limitations. Definitions, concepts, criteria and other elements found in the Guidelines have been mapped to the Fiscal Stabilization Policy (FSP).
3. **Commercial Property.** Reflects the revenues generated on OHA-owned commercial property lands, Kaka‘ako Makai, Nā Lama Kukui, Iwilei (North Nimitz and Sumner) 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.**

Action Item RM #23-26: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments

- ***Nā Lama Kukui (NLK) Revenues*** are from lease revenues. **Realized surplus is retained for remaining debt service payments** incurred from the purchase of the property and its Honolulu office build-out.
- ***500 North Nimitz Revenues*** are from lease revenues. **Realized surplus is retained for remaining debt service payments** incurred from the purchase of the property.
- ***501 Sumner Revenues*** are from lease revenues. **Realized surplus is retained for remaining debt service payments** incurred from the purchase of the property.

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

- ***Palauea Cultural Preserve Revenues*** are derived from the sale of homes in an affluent area on Maui. The .05% of each sale has been deposited into an account for which the funds are to be used for the upkeep and long-term stewardship of this historical site.
- ***Wao Kele O Puna Management Fund*** balances consist of previously authorized Board appropriations for current and future programmatic needs. The spending limit balance as reflected in **Table 2** above includes known and estimated available funding as of June 2022, updated as needed at each realignment point.

5. Other OHA Programs Budget

- ***Other OHA Programs - Federal:*** Reflects the basic operating budget consisting of payroll, operations, and program expenditures for federally-funded OHA Projects & Programs including:
 - Hālawā Lūluku Interpretive Development (HLID) Project, Federal Highway Administration – U.S. Department of Transportation;
 - Native Hawaiian Revolving Loan Fund (NHRLF) Program – U.S. Department of Health and Human Services;
 - Papahānaumokuākea Marine National Monument (PMNM) – U.S. Department of Commerce;
 - Wao Kele O Puna (WKOP) Deer Fence Project at Puu Hei – U.S. Department of Interior, U.S. Fish and Wildlife Service; and
 - Administration for Children and Families (ACF), Administration for Native Americans (ANA) – U.S. Department of Health and Human Services.

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

Action Item RM #23-26: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments

- ***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.

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B. Total Operating Budget Adjustments – FY2023

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 FY2023 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 #7	Proposed Realignment #8	Adjustments
	AI RM #21-08A	AI RM #23-16	AI RM #23-26	
	(a)	(b)	(c)	(d) = (c - b)
1. Core Operating Budget				
Personnel (Fringe 52%)	\$13,253,145	\$12,198,672	12,198,672	-
Non-Personnel	24,080,510	28,224,899	27,226,301	(998,597)
Sub-total – Core Operating:	\$37,333,655	\$40,423,571	\$39,424,973	(\$998,597)
2. Commercial Property				
Hakuone	1,821,814	5,980,822	5,980,822	-
Na Lama Kukui	5,780,184	3,561,344	3,601,200	39,856
Sub-total - Commercial Property:	\$7,601,998	\$9,542,167	\$9,582,022	\$39,856
3. Iwilei Property ¹¹				
500 North Nimitz		1,986,475	1,986,475	-
501 Sumner		984,553	984,553	-
Sub-total – Iwilei Property:		\$2,971,028	\$2,971,028	\$0
4. Legacy Properties				
Palauea Culture Preserve	74,740	129,462	129,462	-
Wao Kele O Puna Management Fund ¹²				-
Sub-total – Legacy Properties:	\$74,740	\$129,462	\$129,462	\$0
5. Other OHA Programs				
Federal-Funded				
Halawa Luluku Interpretive Development (HLID)	266,358	150,591	150,591	-
Native Hawaiian Revolving Loan Fund (NHRLF)	1,394,419	847,783	847,783	-

¹¹ Establish 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

¹² With the WKOP Management Fund depleted, in FY2023, Core provided financial support of \$195,275, and US Department of Interior's US Fish & Wildlife Service federal grant to provide financial support of \$231,045, for a total of \$426,320.

Action Item RM #23-26: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments

FY 2023 Total Operating Budget	FY 2023			
	Approved Budget	Approved Realignment #7	Proposed Realignment #8	Adjustments
	AI RM #21-08A	AI RM #23-16	AI RM #23-26	
	(a)	(b)	(c)	(d) = (c - b)
Wao Kele O Puna (WKOP) Deer Fence Project at Puu Hei ¹³		231,045	231,045	-
Olelo Hawai'i Community Research Grant ¹⁴			311,939	311,939
Sub-total – Federal-Funded:	\$1,660,777	\$1,229,419	\$1,541,358	\$311,939
Total Operating Budget:	\$46,671,170	\$54,295,646	\$53,648,843	(\$646,802)

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¹³ With the WKOP Management Fund depleted, in FY2023, Core provide financial support of \$195,275, and US Department of Interior's US Fish & Wildlife Service federal grant to provide financial support of \$231,045, for a total of \$426,320.

¹⁴ Via Action Item RM #22-24: Approve the Awarding of Solicitation #22-05.01 - 'Olelo Hawai'i Community Research Grants, published March 31, 2022, Application Deadline May 13, 2022 as Extended, October 13, 2022.

Action Item RM #23-26: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments

C. Core Operating Budget Adjustments – FY2023

The Core Budget consists of payroll, operations, and program expenditures. Administration proposes budget adjustments for the Debt Service category, only.

Table 5: FY2023 Approved Budget and Realignment Core Budget Comparison

CORE OPERATING BUDGET	FY 2023			
	Approved Budget (RM #21-08A)	Approved Realignment #7 (RM #23-16)	Proposed Realignment #8 (RM #23-xx)	Adjustments
	(a)	(b)	(c)	(d = c - b)
Contracts	\$3,689,337	\$5,505,171	\$5,505,171	\$0
Debt Service	531,742	1,044,597	46,000	(998,597)
Equipment	583,348	1,280,084	1,280,084	0
Grants	15,173,500	15,203,500	15,203,500	0
Overhead	3,063,757	3,517,627	3,517,627	0
Personnel & Fringe	13,253,145	12,198,672	12,198,672	0
Program	591,590	1,234,278	1,234,278	0
Travel	447,235	439,642	439,642	0
Total	\$37,333,655	\$40,423,571	\$39,424,973	(\$998,597)

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D. Debt Service Adjustments

Includes all expenditures associated with the payment of the debt service for BOT-approved obligations, mainly the refinancing of debt previously associated with governance activities¹⁵ and for GASB 87, Lease Accounting, implemented in FY2023. Table 6 reflects debt service expenditures figures as of 06/30/2023.

Table 6: FY2023 Approved Budget and Realignment Debt Service Budget Comparison

DEBT SERVICE	FY 2023				FN
	Approved Budget (RM #21-08A)	Approved Realignment #7 (RM #23-16)	Proposed Realignment #8 (RM #23-xx)	Adjustments	
	(a)	(b)	(c)	(d = c - b)	
59020 INTEREST EXPENSE	\$24,993	\$23,831	\$46,000	\$22,169	[1]
59030 PRINCIPAL EXPENSE	506,749	1,020,766	0	(\$1,020,766)	[2]
TOTAL - DEBT SERVICE	\$531,742	\$1,044,597	\$46,000	(\$998,597)	

Footnotes:

[1]: Reallocate funds for interest expense relating to GASB 87, new pronouncement impact to FY2023 was not budgeted in FB2022/2023.

[2]: The budget includes the repayment of OHA's governance planning initiative loan, entered January 28, 2015, which was requested by the Administration and approved by the BOT on September 29, 2022, via Action Item RM #22-23A Budget Realignment #4. The balance of the governance loan was paid off in July 2023 (FY2024) instead of FY2023 where it was budgeted.

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¹⁵ The Board of Trustees approved via Action Item RM #22-05 Kaka'ako Makai Site A 1101 Ala Moana Blvd., Activation of Business Plan and Na Lama Kukui Debt Service, Non-Core Operating Budget for the Fiscal Biennium Periods 2021-2022 (FY22) and 2022-2023 (FY 23), April 12, 2022.

Action Item RM #23-26: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments

E. Commercial Property Budget Adjustments – FY2023

The Commercial Property Budget consists of Hakuone, Na Lama Kukui and Iwilei. Table 7 presents Na Lama Kukui's revised operational costs to reflect estimated needs through June 30, 2023. No budget adjustments are needed for Hakuone and Iwilei

Table 7 compares figures from FY 2023 Approved, Realignment, to unaudited Actuals.

Na Lama Kukui	FY 2023					FN
	Approved Budget (RM #21-08A)	...	Approved Realignment #7 (RM #23-16)	Proposed Realignment #8 (RM #23-xx)	Adjustments	
	(a)		(b)	(c)	(d) = (c - b)	
Beginning Balance	\$1,060,531		\$2,442,784	\$2,442,784	\$0	
Gross Projected Revenue	5,189,803		5,189,803	5,189,803	0	
Sub-total Available Funds:	\$6,250,334		\$7,632,587	\$7,632,587	\$0	
<i>Less: Expenses</i>						
Contracts	612,407		518,765	567,000	48,235	[1]
Equipment	1,228,093		1,071,493	1,070,000	(1,493)	[2]
Grants	0		0	0	-	
Overhead	958,973		973,703	968,300	(5,403)	[3]
Personnel	99,704		125,674	121,000	(4,674)	[4]
Program	370,055		318,709	310,900	(7,809)	[5]
Travel	0		0	0	-	
Sub-total Expenditures:	\$3,269,232		\$3,008,344	\$3,037,200	28,856	
<i>Less: Debt Service</i>	2,510,952		553,000	564,000	11,000	[6]
Total Expenditures:	\$5,780,184		\$3,561,344	\$3,601,200	\$39,856	
Estimated Net Available Funds:	\$470,150		\$4,071,243	\$4,031,387	\$(39,856)	

Footnotes:

- [1] – Services on a Fee Basis higher due to unbudgeted commissions relating to lease renewals.
 [2], [3], [4],[5] - To rebalance from surplus budgeted funds in Equipment, Overhead, Personnel, and Program to cover Contracts and Debt Service.
 [6] –To update Debt Service figure based on actuals.

Action Item RM #23-26: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments

F. Other OHA Programs Budget Adjustments

OHA's Other OHA Programs Budget reflects budgets for other programs funded through non-trust funding sources, including federal funds and other fund sources.

The BOT approved amount of \$311,939, per Action Item RM#22-24: Approve the Awarding of Solicitation #22-05.01 – 'Olelo Hawai'i Community Research Grants, published March 31, 2022, Application Deadline May 13, 2022 as Extended, October 13, 2022. Table 8 corrects the OHA budget to reflect federally appropriated funds, ACF/ANA Project.

No budget adjustments in Hālawa Lūluku Interpretive Development (HLID) Project, Native Hawaiian Revolving Loan Fund (NHRLF) Program, and Federal appropriated funds for Wao Kelo O Puna (WKOP).

01. Other OHA Programs Budget – Federal-funded

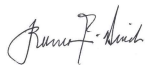
Table 8 show figures for the ACF/ANA Project: 'Olelo Hawai'i Community Research Grant that was left out in the FY2023 budget and included here.

Table 8: Other OHA Programs Budget – Federal-funded – ACF/ANA Project

ACF/ANA Project: 'Olelo Hawai'i Community Research Grant	FY 2023				FN
	Approved Budget (RM #21- 08A)	Approved Realignment #7 (RM #23-16)	Proposed Realignment #8 (RM #23-xx)	Adjustments	
	(a)	(b)	(c)	(d) = (c - b)	
GRANTS	0	0	311,939	311,939	
Sub-total ACF:	\$0	\$0	\$311,939	\$311,939	

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 recommended above:



Ramona G Hinck

Chief Financial Officer

Date: 12/1/2023

Action Item RM #23-26: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments

VI. REFERENCES

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

- A. **Action Item RM #23-16:** OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #7 – Non-Core and Core Realignments, June 29, 2023;
- B. **Action Item RM #23-01:** OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #6 – Non-Core and Core Realignments, January 25, 2023;
- C. **Action Item RM #23-02:** OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #7 – Designation of the Unencumbered Balance of the Fiscal Year 22 General Funds Appropriation of \$200,000, Program ID 175 Beneficiary Advocacy in Act 29 (21), HB204 SD2 CD1, January 25, 2023;
- D. **Action Item RM #22-23D:** OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #5, October 11, 2022;
- E. **Action Item RM #22-23E:** OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY22) and 2022-2023 (FY23) – Legacy Land Program Carryover Budgets, October 11, 2022;
- F. **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;
- G. **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;
- H. **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;
- I. **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;
- J. **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;
- K. **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;
- L. **Action Item RM #22-06:** Budget Management Policy Updates re: Carryover Provisions, April 12, 2022;
- M. **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

Action Item RM #23-26: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) - Realignment #8 – Non-Core and Core Realignments

Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), April 12, 2022;

- N. **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;
- O. **Action Item RM #21-17:** FB22-23 Non-Core Budget Realignment #1, October 26, 2021;
- P. **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
- Q. **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.

VII. RECOMMENDED ACTION

Approve the fiscal biennium budget realignment #7 for the fiscal biennium periods 2021-2022 (FY22) and 2022-2023 (FY23) as summarized at Attachment #1.

VIII. ALTERNATE ACTIONS

- A. Amend the recommended action(s); or
- B. Do not approve the recommended action, and the FY2023 OHA Core budget will not be corrected and the FY2023 Non-core Na Lama Kukui's budget for the leasing commissions cannot be recorded in the proper fiscal year.

IX. ATTACHMENTS

- 1. FY2022 and FY2023 Budget Realignment #8 – Attachment #1

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OFFICE OF HAWAIIAN AFFAIRS
FY 2022 AND FY 2023 BUDGET REALIGNMENT #8

ATTACHMENT 1

2021-2022 (FY22) Core and Non-Core Budgets and 2022-2023 (FY23) Core and Non-Core Budgets - Realignment #8

Table 1. FY2022 REALIGNMENT #8 (December 2023)

FY 2022 Realignment #7	FTE	Core	Commercial Property Budget		Iwilei Properties Budget		Legacy Property Budget		Other OHA Programs Budget			FY 2022 Total Operating Budget
			Hakuone	Nā Lama Kukui	500 N Nimitz	501 Sumner	Palaua Culture Preserve	WKOP Mgmt Fund*	Federal HLID	Federal NHRLF	Federal Papahānaumok uākea	
Personnel & Fringe	153	\$12,811,457	\$102,819	\$96,800	\$0	\$0	\$0	\$0	\$133,887	\$665,928	-	\$13,810,891
Program		849,395	81,341	520,697	415,615	112,758	-	300	10,400	138,128	-	2,128,634
Contracts		3,053,985	5,540,344	665,664	318,750	48,250	35,000	-	546,500	414,000	175,000	10,797,493
Grants		15,173,500	-	-	-	-	-	-	-	-	-	15,173,500
Travel		248,424	-	-	-	-	2,394	4,080	-	10,000	-	264,898
Equipment		1,283,077	1,175,879	1,391,934	166,854	154,735	1,000	53,739	100,315	54,800	-	4,382,333
Overhead		2,853,316	633,065	807,479	149,500	79,553	5,580	-	21,078	70,950	-	4,620,521
Debt Service		408,359	26,600	2,013,821	528,069	215,178	-	-	-	-	-	3,192,027
Subtotals:		\$36,681,513	\$7,560,048	\$5,496,395	\$1,578,788	\$610,474	\$43,974	\$58,119	\$812,180	\$1,353,806	\$175,000	\$54,370,297
WKOP Fund (FY22: \$143,136)			-	-	-	-	-	-	-	-	-	-
Totals:		\$36,681,513	\$7,560,048	\$5,496,395	\$1,578,788	\$610,474	\$43,974	\$58,119	\$812,180	\$1,353,806	\$175,000	\$54,370,297

(1) WKOP Management Fund depleted. In FY2022, Core to provide financial support of \$143,136.

Table 2. FY2023 REALIGNMENT #8 (December 2023)

FY 2023 Realignment #7	FTE	Core	Commercial Property Budget		Iwilei Properties Budget		Legacy Property Budget		Other OHA Programs Budget				FY 2023 Total Operating Budget
			Hakuone	Nā Lama Kukui	500 N Nimitz	501 Sumner	Palaua Culture Preserve	WKOP Mgmt Fund	Federal HLID	Federal NHRLF	Federal WKOP	Federal ACF/ANA Project	
Personnel & Fringe	153	\$12,198,672	\$99,494	\$121,000	\$0	\$0	\$0	\$0	\$112,560	\$448,226	\$0	\$0	\$12,979,952
Program		1,234,278	105,771	310,900	441,000	180,205	0	0	3,988	85,722	0	0	2,361,864
Contracts		5,505,171	3,039,443	567,000	468,853	280,861	20,000	0	0	205,555	231,045	0	10,317,928
Grants		15,203,500	0	0	0	0	0	0	0	0	0	311,939	15,515,439
Travel		439,642	0	0	0	0	112	0	0	3,220	0	0	442,974
Equipment		1,280,084	2,005,852	1,070,000	135,507	120,981	103,200	0	24,551	26,291	0	0	4,766,466
Overhead		3,517,627	644,424	968,300	169,405	86,709	6,150	0	9,492	78,769	0	0	5,480,876
Debt Service		46,000	85,838	564,000	771,710	315,797	0	0	0	0	0	0	1,783,344
Subtotals:		\$39,424,973	\$5,980,822	\$3,601,200	\$1,986,475	\$984,553	\$129,462	\$0	\$150,591	\$847,783	\$231,045	\$311,939	\$53,648,843
WKOP Fund (FY23: \$195,275)			-	-	-	-	-	-	-	-	-	-	-
Totals:		\$39,424,973	\$5,980,822	\$3,601,200	\$1,986,475	\$984,553	\$129,462	\$0	\$150,591	\$847,783	\$231,045	\$311,939	\$53,648,843

(2) With the WKOP Management Fund depleted, in FY2023, Core provide financial support of \$195,275, and US Department of Interior's US Fish & Wildlife Service federal grant to provide financial support of \$231,045, for a total of \$426,320.

2-Year Totals:		\$76,106,486	\$13,540,870	\$9,097,595	\$3,565,263	\$1,595,027	\$173,436	\$58,119	\$962,771	\$2,201,589	\$406,045	\$ 311,939	\$108,019,140
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