JOINT MEETING of the COMMITTEE ON BENEFICIARY ADVOCACY AND EMPOWERMENT (BAE) and the COMMITTEE ON RESOURCE MANAGEMENT (RM)

DATE: Wednesday, February 10, 2021
TIME: 10:00 am
PLACE: Virtual Meeting
Viewable at www.oha.org/livestream OR
Listen by phone: (213) 338-8477, Webinar ID: 997 5471 8749

Due to the threat of COVID-19, Governor Ige issued the most recent Emergency Seventeenth Supplementary Proclamation dated December 16, 2020 that suspends parts of Hawai‘i Revised Statutes Chapter 92, Public Agency Meetings and Records to, among other things, enable boards to conduct business without any board members or members of the public physically present at the same location. The OHA Board of Trustees and its Standing Committees will hold virtual meetings until further notice. The virtual meetings can be viewed and observed via livestream on OHA’s website at www.oha.org/livestream or listen by phone: (213) 338-8477, Webinar ID: 997 5471 8749

AGENDA

I. Call to Order
II. Public Testimony on Items Listed on the Agenda*
   (Please see page 2 on how to submit written testimony or provide oral testimony online.
   Oral testimony by telephone/landline will not be accepted)
III. Approval of Minutes
   A. JOINT BAE-RM Meeting Minutes of December 18, 2019
   B. JOINT BAE-RM Meeting Minutes of October 7, 2020
IV. Unfinished Business
V. New Business
   A. WORKSHOP
   1. Introduction of a Proposed Policy Framework for OHA
   2. Facilitated Discussion re: Development of a T-Level Grant Policy
   B. ADMINISTRATION UPDATE - re: Status of Contract 3363 dated December 20, 2019 between OHA and the Council for Native Hawaiian Advancement for $1,660,000, awarded as a result of Grant Solicitation OHA 20-10 dated September 13, 2019 and approved via Action Item BAE-RM #19-09 dated 11/20/2019, including related Dispute Resolution Activities
   C. ADMINISTRATION UPDATE - re: Implementation of Board Action “To approve and authorize the disbursement of $2,170,000 from the Fiscal Year 2020 Core Operating Budget (Grants Category) to fund the Emergency Financial Assistance Program grant” via Action Item BOT #20-03: Approval to Fund Responses to COVID-19 on May 7, 2020
   D. ACTION ITEM BAE-RM #21-01: Approval to Reallocate $2,170,000 in COVID-19 Emergency Financial Assistance Program Grant Authorization to $1,170,000 to COVID-19 Impact Grants and $1,000,000 to ‘Ohana and Community Program Grants†
VI. Announcements

VII. Adjournment

If you require an auxiliary aid or accommodation due to a disability, please contact Raina Gushiken at telephone number 594-1772 or by email at: rainag@oha.org no later than three (3) business days prior to the date of the meeting. Meeting materials will be available to the public on Friday, February 5, 2021 and posted to OHA’s website at: www.oha.org/rm

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

*Public Testimony: Public testimony can be submitted to the OHA Board of Trustees either:
(1) in writing emailed at least 24 hours prior to the scheduled meeting, or
(2) as live, oral testimony online during the Public Testimony portion of the virtual meeting.

Public testimony must be limited to matters listed on the meeting agenda.
Please visit OHA’s website for more detailed information on how to submit Public Testimony OR Community Concerns at: https://www.oha.org/how-to-submit-testimony-for-oha-bot-meetings/

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. Any testimony received after this deadline will be late testimony and distributed to the Board members after the scheduled meeting.

Due to COVID-19, please do not fax, mail, or hand-deliver written testimony.
Persons wishing to provide oral testimony online during the virtual meeting must register here first:
https://zoom.us/webinar/register/WN_TuvS921TbKqfsoW0AiDsg

The registration to provide oral testimony online will remain open until the relative Public Testimony OR Community Concerns sections on the agenda have concluded. You will need to register prior to this time if you would like to orally testify. Once you have completed your registration, a confirmation email will be sent to you with a link to join the virtual meeting and further instructions on how to provide oral testimony during the virtual meeting.

To provide oral testimony online, you will need:
(1) a computer or mobile device to connect to the internet;
(2) internet access; and
(3) a microphone to provide oral testimony.

Oral testimony online will be limited to five (5) minutes.
Oral testimony by telephone/landline will not be accepted at this time.
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I. CALL TO ORDER

BAE Chair Waihe‘e calls the Joint Meeting of the Committee on Beneficiary Advocacy and Empowerment and the Committee on Resource Management for Wednesday, December 18, 2019 to order at 10:00 a.m.

BAE Chair Waihe‘e notes for the record that PRESENT are:

<table>
<thead>
<tr>
<th>MEMBERS</th>
<th>AT CALL TO ORDER (10:00 a.m.)</th>
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<tr>
<td>BAE CHAIR</td>
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<td>RM CHAIR</td>
<td>DAN AHUNA</td>
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<td>KALEIHIKINA AKAKA</td>
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At the Call to Order, SEVEN (7) Trustees are PRESENT, thereby constituting a quorum.
EXCUSED from the JOINT BAE-RM Meeting are:

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<th>MEMBERS</th>
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II. PUBLIC TESTIMONY*

None

III. APPROVAL OF MINUTES

A. November 20, 2019†

RM Chair Ahuna moves to approve the JOINT BAE-RM meeting minutes of November 20, 2019.

BAE Vice-Chair Akaka seconds the motion.

BAE Chair Waihe`e asks if there is any discussion or corrections.

BAE Chair Waihe`e calls for a ROLL CALL VOTE.

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

BAE Chair Waihe`e notes for the record that the MOTION CARRIES.
II. PUBLIC TESTIMONY*

BAE Chair Waihe`e: Sorry, before we move on to UNFINISHED BUSINESS, we do have someone who would like to address the Committee, I’d like to call to the table Louise Miilani Hanapi.

Louise Miilani Hanapi: Aloha, I’m here to give an update. I’m actually on Oahu for other business. OHA has been helping me for several years, I’ve been in a land case for 27 years that involves the State of Hawai`i and private individuals. OHA has been helping me; we did a lawsuit. It took us ten years to get through the trial itself; we settled on about 23 different things. The Supreme Court ruled that we are dominant; and all the other parties are subservient, which means we have perfect title. I am proud and yet humbled that we are one of the few one-percenters that received the lands. My great-grandfather was an only child born in 1872, and his father was an only child, so all the lands in the ahupua’a didn’t go through a whole bunch of descendants. So, therefore, today it was easier for me to be where we are. In the 1930s, the Federal Government at that time tried to divide the ahupua’a. When they did their research, they said based on the lease, they were dividing the lands with somebody we leased the lands out to, so they stopped everything.

There were maps made, survey offices were involved, and we are the owners and have been paying taxes on the land from 1852. No one in our family sold it. They were respectful and kept protocol to each other and honored their parents and grandparents. I am not a 100% owner, I’m an 80% owner – my sister is another owner and another sister; another owner. So, as time went on that’s just how it ended up being.

OHA has been helping us. Part of this settlement that we went through, I didn’t ask for money. I first asked to protect the iwi kupuna because we know that the laws are so vague. The other thing we asked for was to protect our sites and then I asked for the land; not the money. I thank you folks so much. The settlement is larger than most of us understand, because it is an old land system that stayed totally intact; versus the modern land system that they tried to whittle-away on us today.

So, I’m here today to talk briefly with you guys about that. I need to have it extended because we are being successful. We’re in the Maui courts already and I am the plaintiff. OHA has allowed Andrew Springer to not only represent me as a plaintiff, but also, if we are to need expert witnesses, if we are to go to trial, they would do that. The Judge is also trying to mediate settlements. Unfortunately, the other people are digging their heels and refusing to settle, but they really should – it makes more sense than to destroy things. I really do need to extend the present contract that we are in. I feel good in the position that we are in, but we just need more time. Thank you so much for your time, I look forward to listening to the rest of your agenda today. Have a Merry Christmas and God Bless all of you folks.

*The Joint BAE-RM committee echoes Mrs. Hanapi’s sentiments and wishes her well.*
IV. UNFINISHED BUSINESS

A. Workshop #3: Kakaʻako Makai Discussion re: Sequence and Options and review of draft Action Item.

BAE Chair Waiheʻe hands it over to Ka Pouhana Sylvia Hussey.

Ka Pouhana Hussey: Thank you Chair. We will call on members from SPIRE to come to the table.

Rodney Lee (SPIRE): Good Morning Trustees. So, what’s in this workshop itself is understanding the available models. We talked briefly before about them, but we’ll go more in-detail and provide case studies for them to help understand the related models and implications. As discussed before, there are four Business Model Options. First, is OHA as the Developer, second would be OHA establishing a third-party business venture, whether that’s a Joint-Venture, LLC or otherwise. Third would be a Master Developer, meaning the Ground lease option and Fourth is a P3 option (Public-Private Partnership).

We’re going to talk to each one as it is related to an existing case study, so this is from our past or current experience itself. In some cases, like the next slide, you’ll see that we have combined them, so A & B, because they’re relatable. Whether OHA as a developer or as a business venture both have almost the same implications. For this I’ll pass it over to Lucas as he has the most direct experience with it.

Lucas Sayin (SPIRE): So the case study that we outlined here for business options model A & B in terms of OHA as a developer or using an LLC Joint Venture type – what we brought were two examples primarily having to do with ultimately the funding and whether that is self-funded or entirely financed.

The first one I’ll walk through is an example of a self-funding model where the extent of the funding and the time to carry that funding was taking place. So, this was a housing development with no master plan; 500 acres or so of undeveloped land that needed to be turned into this housing. What we saw was an initial outlay of over 100 million dollars just to get the infrastructure in place and then as that construction has been ongoing for ninety years now, the recurring operating costs to maintain the day-to-day operations of the contract, or of the staff. To the sales staff as well to get those units sold as the development was occurring.

Typically, in this situation, and in most situations, there’s a developer involved and there’s also the cost of that developer and the fees associated with it. Whether a monthly fee or a fee on every sale and then an overall project incentive fee in terms of the performance of the project-as-a-whole, the development, and success of it. The risk that we find here is not unlike any other construction; meaning delays – where the original development plan and the original project economics would as of this point have them closer to 15 units sold. There’s only four, but all that does is extend the carrying cost for the landowner to continue to have to fund those operating costs to continue to put in money without realizing the return and extend that carry cost which ultimately diminishes the economic performance.
In a self-fund situation that is the commitment; that you can’t stop mid-stream. It becomes a continued reevaluation of what are the costs necessary to keep this going and what is the timeline that is not being held to or being extended to.

**Trustee Lee:** I don’t mean to interrupt you guys, but I’m curious – I know you folks have seen the proposals and the other two workshops that the trustees have gone through. So, I’m curious: why the case studies were chosen to involve what appears to be housing sales? I have yet to see any housing plan for Kaka’ako Makai. None of us are developers, so why don’t we have a case study in front of us that is relatable and that we can understand? We’re not going to be selling units to anybody, so I don’t see how case study A or B is relevant to a workshop to the seven of us that are here.

**Rodney Lee (SPIRE):** I think that’s a fair comment. However, whether it’s housing, hospitality, or any type of revenue-generating operation will come with the risks of carrying costs and are performance related. So, the example here is not necessarily directly related to the type of the asset; as much as to directly address the fact that in these types of models, the risks that the organization will carry is the overall net performance of the proposal. So, when you’re looking at the use cases; whether it be a meeting room or incubator, those are real carrying costs that you’ll potentially be burdened with.

**Trustee Lee:** Which I understand, but once again you’re asking a body of non-developers to make that leap and connect those dots when that’s not our expertise. If it were, then no offense, we wouldn’t need you guys, but we do, because you’re the experts.

**Rodney Lee (SPIRE):** I see, yes.

**Trustee Lee:** So, could you explain this to us in terms of what we do have in front of us; not housing and cost-units being sold?

**Rodney Lee (SPIRE):** Sure, we can do that. We can adjust the examples that are there to the relevancy of where you’re looking at. Basically, the first two models A & B incorporate the fact that we had talked about risk. The risk of performance and the risk of carrying and funding it. We know the limitations of OHA and its available liquid assets in this case will basically tap out the trust on the liquidated level; this is not a viable solution in our opinion.

**Trustee Hulu Lindsey:** I don’t want to cut your line, but I don’t think the people on this table are interested in being the developer. So maybe we should just move on. Thank you.
Rodney Lee (SPIRE): Ok, we’re going to skip Option C and come back to you. We’re going to look at option D. This is the Public Private Partnership (P3), it’s the newer form of development specifically to infrastructure, which is relevant in your case. Creating infrastructure to create activities; here is an example of a highway bypass. The benefit with P3s is you get to solicit experts in the fields of specific types of construction. The collaboration, planning and contribution is a direct benefit for a P3 partnership; it has proven to be one of the more popular incarnations.

We used the stadium as an example of going through the P3 process; however, there are key success factors that are going to be there. Selection of the partners is critical; that you select the right partner - overall is the contractual negotiations of those agreements. Whether it is a revenue guarantee, you are going to guarantee what the payout will be that covers the debt and the fees; that is what you as the agency would have to guarantee.

What they will guarantee is the performance. The biggest advantage is that you get everybody to the table, and you get access to the best. It is a complicated thing, the management of this has to be well done. Honestly the success rate is getting better, but in the past, the success rate has not been great. So, option D is a consideration, but it’s a long process – it’s not a quick thing. With respect to OHA, I think you need to consider whether you have the adequate resources to do this. Are there any questions about D?

Trustee Hulu Lindsey: My thought on this, because I have been through Public Private Partnerships in the past with the State and Maui Land and Pineapple. My thought on behalf of OHA is that we would put out an RFP for the developers and let the developers propose to us what they can do for OHA according to our Master Plan. Then we will have the opportunity to choose the best developer if it exists in the RFP and we can decide as a Board if we want to invest in the project. Otherwise, the load is held by our partner, so to me it would not incur too much of a risk if we choose the right partner.

Rodney Lee (SPIRE): So, it’s great that you mention that because I would go quickly to option C then. Option C gives you the latitude to do exactly that without having to commit to a revenue target. The P3 partnership is ‘really’ a partnership – you share in all the obligations and all the downsides. Even if the revenue target is not hit, the sponsor makes up the revenue difference.

Trustee Hulu Lindsey: I just wanted to be sure that the Board had the option of investing if they choose to do so.

Rodney Lee (SPIRE): You have that ability in Option C; it has the most latitude, so we’ll go over that.

Trustee Lee: Also, to be clear because this was in Workshop #1 and #2, to Trustee Lindsey’s point, we’re also not necessarily considering Option A, B, C or D for the entire Kaka’ako Makai. The specific example that was given was Lot I; that maybe P3 might work for that area and what we wanted to do, etc. So, I would agree that we move on.

Trustee Akina: I have two questions; the first one has to do with the public private partnership. Are there any unique financing opportunities that would be present with a government-related PPP?
Rodney Lee (SPIRE): Yes, the unique nature of the P3 is that they can use both commercial and governmental funding – they combine them. So, whereas it is financeable in commercial; it’s more attractive and they can use that to their advantage. For instance, privatized-housing for the military, it is an attractive way to finance in a commercial sense, because the guarantee is the funding by base allowance by rank – whether enlistment or officers. I have seen it the opposite way where the bond makes more sense, especially in the case of highways and roads – it makes more sense to collect against the bond and then guarantee against the toll fees.

In multi-purpose developments, a combination of the two may happen. The main advantage I see with the P3 is the overall financing package; it can be the most sophisticated. The overall management and the risk-up and downside - I’ve seen the costs of the management fees itself being quite significant. Does that answer your question?

Trustee Akina: Yes, it does. I think that’s one of the items we would want to look at – the financing. My other question is not as significant to me, but I am interested in what you have to say about it. Earlier you lumped together whether we would be a developer and have the option of using the LLCs and I understand why you lumped them together in terms of the risk issue. If you separate them just for a moment and you focus on LLC or Joint Venture, what would be some unique advantages?

Rodney Lee (SPIRE): If you separate A versus B; A - Developer and B - Joint Venture. A - the advantage is really, overall control of the project. You are the director that’s the advantage, yet also a risk.

B - is the overall procurement aspect of it, you get into more of a usual way of negotiations toward Real Estate. Real Estate is usually not one that likes to disclose everything, but ‘A’ would force you into procurement to disclose everything. It’s not a competitive situation where you can clearly react, very quickly.

A; would send you into a long, progressive process for procurement. B; could possibly shorten that by creating a separate entity that allows you to go through normal rules of Real Estate development. You probably would attract different types of developers whether it’s A or B. One entity that is used-to the government and the process, will bid on A. While with B; you would be more of the norm and will probably get private developers that are used to that and that are looking at tax breaks, tax incentives, ways of financing, ways of raising capital, and private-equity capital that would invest in the project that would produce more return.

Trustee Akina: To reiterate what was mentioned earlier; the specific lot that we’re looking at, and the kind of development that we’re looking at, weighs heavily in terms of determining which model we would go after. Thank you.
Rodney Lee (SPIRE): If we can move to Option C - the advantage of Option C is you come up with a Master Plan, with what you expect to do. Then you send an RFP out and solicit ideas from developers. It’s the most direct way for OHA to seek money in the earliest fashion. In some cases, if you're a good negotiator as Kamehameha Schools, you can see it up front. If that’s the way OHA wants to go - this is probably the most flexible option. We think it’s the most realistic, because it doesn’t require OHA to be beyond what it is more today. It’s well-known here. It is done quite a bit as far as we understand from the Ali‘i Trusts; it keeps you at arm's length and protects the organization.

Trustee Hulu Lindsey: This also gives the minimum risk of all the options, right?

Rodney Lee (SPIRE): Right and no performance measures. So, whether-or-not the developers succeed-or-not, they pay whatever the contractual agreement is. That is their sole expertise and that’s what they’re going to stand on. If they believe they can succeed, they’ll be bold enough to say that.

Trustee Hulu Lindsey: I think the positive of Option C is that they’re taking the risk, so they’ll be...

Rodney Lee (SPIRE): … more incentivized to succeed.

Trustee Hulu Lindsey: Right, because it’s all about their money, not ours.

Rodney Lee (SPIRE): On the back end, we’re talking about Practical Considerations and we’re looking at what it requires. It requires development experience - OHA’s risk; most costly. C lines up pretty-well, except for infrastructure. What we want to make you understand is the activity that you’re going to choose is a long game. You must think 30 years out of what it is that you’re doing.

In the case of Option C where you’re the Master Developer, you receive lease rent on the ground lease and however that is negotiated either up front or over a progression of years. What you do receive at the end of that is the asset. It will gauge the commitment level into the project and what it is around it. The other models require greater commitment from OHA. Commitment where there’s risk, money or resources. Just think of the outcome in the long game.
Rodney Lee (SPIRE): If you think of the outcome in the long game and you think of your strategy - what I think most of you are seeking is: *is there a solution to leverage the assets so that we can accomplish the mission?* The mission is to better the conditions; and I see that those are not uniquely independent from what could happen in Kaka‘ako Makai. It could be that OHA takes that money and activates it in a way that the strategic plan is laid out and encourages the participation of the activity on the site through the funding of its own programs.

Rodney Lee (SPIRE): OHA has a huge responsibility. The asset that you have is a facilitator and the question I see is for you to imagine what you’re facilitating. That’s why I put the quote there: “*You must be the change you want to see in the world*”. Kaka‘ako Makai - a way to facilitate the attempt of what OHA’s strategic plan is, which should be laid out in front of you. I hope that makes sense, or have I confused you even more?
Trustee Hulu Lindsey: *Is the purpose of today's workshop for us to make-a-decision as to what scenario we want to go with?*

Rodney Lee (SPIRE): No, just to brief you on the available models.

Trustee Hulu Lindsey: So, when do we make that decision, because this project needs to move on. It's been stale for eight years.

Rodney Lee (SPIRE): You must go through your uses first; the Master Plan is going to be important. That's always going to be the responsibility of OHA and the direction of the project.

Trustee Hulu Lindsey: We don't have a Master Plan, and I don't think we're willing to spend another $3 million for a Master Plan. In my opinion, I think we should put it our there for developers to look at the Conceptual Plan and make proposals to the Board, at their expense.

Ka Pouhana Hussey: So, trustees, one of the things that was part of this workshop – we were going to give you what the Action Item would look like. So, what's being distributed right now is a draft of the Action Item. What will be asked of you at the January 22, 2020 meeting is: to approve the 14 programmatic design elements, to approve the phasing that has been proposed and then to approve the business model lot-by-lot or phase-by-phase. We are hoping to take a field trip. To go and physically see the areas. If there's something or someone you would like to hear from or to see, please let us know so that we can provide that to you. The field trip will be with the RM Committee and we will try to have Kamehameha Schools, Howard Hughes and HCDA be there to present what they've been doing in the area.

BAE Chair Waihee: *Are there any further questions on this agenda item? Any questions regarding the design elements?*

Trustee Lee: I think Jonathan went through the elements fine at the first workshop.

BAE Chair Waihee: Ok, thank you SPIRE. We'll now move on to New Business.
V. NEW BUSINESS

A. ACTION ITEM: BAE-RM #19-10: FB 20-21 Higher Education Grant Recommendation†

BAE Chair Waihee: We'll get a motion on the board before we continue.

RM Chair Ahuna moves to approve and authorize awarding $550,000 from the Fiscal Year 2020 (FY20) Core Operating Budget (Object Codes 56530 & 57110) and $550,000 from the Fiscal Year 2021 (FY21) Core Operating Budget (Object Codes 56530 & 57110) to the University of Hawai‘i at Mānoa Native Hawaiian Science & Engineering Mentorship Program (UHM NHSEMP) to administer the FB 20-21 Higher Education Scholarship Program.

BAE Vice-Chair Akaka seconds the motion.

BAE Chair Waihe‘e: I'll turn it over to Ka Pouhana Hussey for further discussion.

Ka Pouhana Hussey: Thank you Chair, you did receive the memo in early November outlining the process and the recommendation. Were there any questions for Maile, our Grant Manager?

Trustee Hulu Lindsey: I think I had the same question a couple years ago, are these monies only for Hawai‘i Schools or even for Island UH Schools?

Trustee Lee: Yes, that’s what it says in here.

RM Chair Ahuna: Yes, it says that in here.

Grants Manager Maile Lu‘uwai: To clarify, the solicitation itself did not specify that the grant would go to the UH System, but it is the applicant itself that specified it would go through the UH System. So, this award would go through the 10-campus UH System.

Trustee Hulu Lindsey: So, what about students that go to the mainland?

Grants Manager Lu‘uwai: This award would not be available to them.

Trustee Hulu Lindsey: Ok, Thank you.

Trustee Lee: Were there other applicants for this grant money? Who authorized students who were not going to be attending the UH System to utilize this money?

Grants Manager Lu‘uwai: Yes, there was one other applicant. So, there were two UH applicants and one nonprofit organization applicant.
**Trustee Lee**: That nonprofit applicant - was that significantly under the UH one?

*Was that part of what went into consideration for the grants evaluations that one would have a broader reach because they are allowing students to go to the school of their choosing versus an applicant who is saying you can only go to the UH System?*

Even in Hawaii we don’t just have the UH System there are many other schools.

**Grants Manager Lu‘uwai**: Right, it was not a consideration, and the point difference was 39 points between the first and second place applicant (which was the nonprofit applicant). It was not a priority consideration. I’m using a solicitation and guidelines from the prior grants team. It’s something we can now consider, going-forward. In this case, there were only three applicants; two were UH applicants and one was a non-profit. If that was a consideration, then it would’ve gone to the non-profit organization.

**Trustee Lee**: So, Trustee Hulu you asked this question last time around, and now we have a new Grants Manager. So, it is not her fault that it was not addressed.

**Trustee Hulu Lindsey**: Yes, I asked because I was concerned that so many of our students choose to go to schools outside of Hawai‘i or other schools in Hawai‘i that are not within the UH System. So, our monies should be spread out equally among our students that need the help.

**Trustee Lee**: I am sorry; 39 points can mean different things in different capacities. *Is that a lot here?*

**Grants Manager Lu‘uwai**: Yes.

**Trustee Ahuna**: So, the scope of this scholarship - does it just talk about Native Hawaiian engineering scholarships or it touches STEM?

**Grants Manager Lu‘uwai**: It actually touches a broad reach of Native Hawaiian students. This award is not specific to STEM students; they have provided a priority list for students.

**Trustee Akina**: Would the University of Hawai‘i be open to administering this scholarship program on behalf of students who are not in the UH System?

*Could we also make that a requirement on our end for the distributor?*

**Ka Pouhana Hussey**: If we had included that in the original solicitation.

**Grants Manager Lu‘uwai**: Yes, if we had included that in the original solicitation and, also the way that the University of Hawai‘i Scholarship System is administered, I do not think they would be interested. It’s a very tight process and they already have all their infrastructure in place specific to their students and coordination across the campuses.

**Trustee Akina**: Thank you.
Ka Pouhana Hussey: But it doesn’t preclude the trustees from authorizing another scholarship solicitation to be able to address that gap; with different focus parameters.

Trustee Lee: For a different scholarship, not for this one, right?

Ka Pouhana Hussey: Correct.

Trustee Lee: I think Maile gave some really, good clarification with her last statement; the fact that it wasn’t written into the RFP that this money had to be earmarked only for UH. So, anybody applying who looked at the solicitation would not assume that. They would think they could do whatever with the money. The fact that only one other entity with that thought of mind applied, changes the way I look at this. Although I really, originally thought this was very narrow-minded only going to UH, but the fact that it wasn’t written into the RFP tells me that those who want to allow money to students that are going to other schools, were not interested in this solicitation; it says volumes. So, thank you.

Grants Manager Lu‘uwai: The Grants Program does have ideas that we can definitely recommend to the trustees for the next round of funding.

Trustee Akaka: When you mention the 39-point difference, is that on a scale of 100 points?

Grants Manager Lu‘uwai: It was a total of 110 points.

Trustee Lee: To your point about the ideas that the Grants Department has - as we stated before during Kaka‘ako Makai - this isn’t necessarily the expertise of the Board; so we rely on you folks. Maybe next time around we can do a workshop for the trustees. Then we can understand what’s going out and the Grant Department can say what’s been done in the past and what ideas you have going forward. That way the trustees will be fully informed before it comes to us and the grants department voices can be heard by the trustees.

Ka Pouhana Hussey: We definitely would support that - in terms of what we’ve been talking about, as we do tactical planning on the Strategic Plan. We’ve talked about granting the verb rather than granting the noun; and granting in ways like collaborating, more specifically.

To that point, all the grant work thus far has been based on the prior strategic plan and the prior priorities. What Administration does plan and needs to do is say what does granting in the strategic alignment look like as part of a workshop and then the different programs that then get put before you in terms of funding. We’ve learned that a building workshop makes sense before the final decision.

BAE Chair Waihe‘e asks if there is any further discussion. There is none.

BAE Chair Waihe‘e and the Joint BAE-RM Committee thanks Grants Manager Lu‘uwai.
BAE Chair Waihe‘e calls for a Roll Call Vote.

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BAE Chair Waihe‘e notes for the record that all members present vote ‘AE (YES) and the MOTION CARRIES.

VI. COMMUNITY CONCERNS*

Rita Kanui: Hi Good Morning. My name is Rita Kanui, I’m from Waimānalo. I was in a house before, then I got evicted from a daughter and her husband which was illegal. I think OHA needs to look at legal issues, housing issues, health issues and travel – all these things are important for our people. I was homeless for two years on the streets. Anybody can become homeless if you lose your job, so I bring that issue to the table.

We need to build homes for the homeless people – there are a lot of homeless Hawaiians on the street who are sick, they have bad health issues, are hungry and need help. I’m open to questions. I left my number on the form and you may call me if you need to.

My husband is in Afghanistan, he’s been there for ten years. I want him home immediately if you guys can help me with that. He needs $500 to come home, if I get the $500 today, I can send it to him and he can be home here, in eleven hours, whatever you can contribute.
Louise Mililani Hanapi: Aloha, I wanted to speak again for Hui Aloha ‘Āina o Manae; we came together as Kuleana Landowners; native tenants and our families. That was our only focus and we did that because we believed in the Constitution and we believed that these rights are specific to us and because we are landowners. This was to address the watersheds. We were concerned with vacation rentals and unclear titles. Our people on the East end of Moloka‘i were quickly becoming homeless.

Developers approached us in our Community Council meetings and asked if we would agree to at least allow the West end of the island to have Vacation Rentals and they would stop doing it on the East end. Of course we didn’t agree to that. I would also like OHA to help address the homeless issues on all the islands.

Iya Domen: Aloha, my name is Iya Domen and I am originally from Russia. December 21st will be 20 years since I landed in Hawai‘i. Here I graduated from the university and got my 2nd degree. My first degree is in biology and my second degree is in food science. I was at Castle Hospital for nine years and a clinical dietitian. At the same time, I was able to have very good teachers in yoga and tai chi and developed very nice healing practices. People have inflammation from stress and different conditions, and I am concerned with the health of the Hawaiian people. I want to offer my experience, knowledge and practices to help – I could be within some health project. I would like to help homeless people too and prisons is my concern too. Correctional facilities need to be correctional and the system needs improvements. I could do projects with prisons to help with affordable, but healthier food; it’s important. I left my number as well, if you need to contact me. Thank you so much.

VII. ANNOUNCEMENTS

None
VIII. ADJOURNMENT

Trustee Hulu Lindsey moves to adjourn the JOINT BAE-RM meeting.

BAE Vice-Chair Akaka seconds the motion.

BAE Chair Waiheʻe asks if there is any discussion. There is none.

BAE Chair Waiheʻe asks if any members vote NO or ABSTAIN. There are no dissenting votes.

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BAE Chair Waiheʻe adjourns the Joint Meeting of the Committee on Beneficiary Advocacy and Empowerment and the Committee on Resource Management at 11:29 a.m.
Respectfully submitted,

____________________________
Melissa Wennihan
Trustee Aide
Committee on Beneficiary Advocacy and Empowerment

As approved by the Joint Meeting of the Committee on Beneficiary Advocacy and Empowerment (BAE) and the Committee on Resource Management (RM) on February 10, 2021.

____________________________    ______________________________
Trustee John Waihe’e, IV        Trustee Dan Ahuna
Chair                          Chair
Committee on Beneficiary Advocacy and Empowerment
Committee on Resource Management

ATTACHMENT(s):
• NONE
Due to the threat of COVID-19, Governor Ige issued the most recent Emergency Seventeenth Supplementary Proclamation dated December 16, 2020 that suspends parts of Hawai‘i Revised Statutes Chapter 92, Public Agency Meetings and Records to, among other things, enable boards to conduct business without any board members or members of the public physically present at the same location. The OHA Board of Trustees and its Standing Committees will hold virtual meetings until further notice. The virtual meetings can be viewed and observed via livestream on OHA’s website at www.oha.org/livestream or listen by phone: (213) 338-8477, Webinar ID: 997 5471 8749

**AGENDA**

I. Call to Order
II. Public Testimony on Items Listed on the Agenda*
   (Please see page 2 on how to submit written testimony or provide oral testimony online. Oral testimony by telephone/landline will not be accepted)

III. Approval of Minutes
   A. JOINT BAE-RM Meeting Minutes of December 18, 2019
   B. JOINT BAE-RM Meeting Minutes of October 7, 2020

IV. Unfinished Business
V. New Business
   A. WORKSHOP
      1. Introduction of a Proposed Policy Framework for OHA
      2. Facilitated Discussion re: Development of a T-Level Grant Policy
   B. ADMINISTRATION UPDATE - re: Status of Contract 3363 dated December 20, 2019 between OHA and the Council for Native Hawaiian Advancement for $1,660,000, awarded as a result of Grant Solicitation OHA 20-10 dated September 13, 2019 and approved via Action Item BAE-RM #19-09 dated 11/20/2019, including related Dispute Resolution Activities
   C. ADMINISTRATION UPDATE - re: Implementation of Board Action “To approve and authorize the disbursement of $2,170,000 from the Fiscal Year 2020 Core Operating Budget (Grants Category) to fund the Emergency Financial Assistance Program grant” via Action Item BOT #20-03: Approval to Fund Responses to COVID-19 on May 7, 2020
   D. ACTION ITEM BAE-RM #21-01: Approval to Reallocate $2,170,000 in COVID-19 Emergency Financial Assistance Program Grant Authorization to $1,170,000 to COVID-19 Impact Grants and $1,000,000 to ‘Ohana and Community Program Grants†
I. CALL TO ORDER

BAE Chair Waiheʻe calls the Joint Meeting of the Committee on Beneficiary Advocacy and Empowerment and the Committee on Resource Management for Wednesday, October 7, 2020 to order at 10:00 a.m.

BAE Chair Waiheʻe notes for the record that PRESENT are:

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At the Call to Order, NINE (9) Trustees are PRESENT, thereby constituting a quorum.
II. PUBLIC TESTIMONY on Items Listed on the Agenda*

None

III. APPROVAL OF MINUTES

A. JOINT MEETING of the Committee on Beneficiary Advocacy and Empowerment (BAE) and the Committee on Resource Management (RM) Meeting Minutes
   1. December 18, 2019

RM Chair Ahuna moves to approve the JOINT BAE-RM meeting minutes of December 18, 2019.

BAE Vice-Chair Akaka seconds the motion.

BAE Chair Waihe‘e asks if there is any discussion or corrections.

BAE Chair Waihe‘e calls for a ROLL CALL VOTE.

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BAE Chair Waihe‘e notes for the record that the MOTION CARRIES.

Note: This set of JOINT BAE-RM MEETING Minutes may need to be voted on again at the next JOINT BAE-RM MEETING where two separate roll call votes are taken by first the BAE committee, and secondly by the RM committee)

IV. UNFINISHED BUSINESS

None
V. NEW BUSINESS

A. Presentation: Office of Hawaiian Affairs, Native Hawaiian Trust Fund, Analysis of Investment Performance, June 30, 2020 and August 31, 2020, Segal Marco Advisors - John Marco, Senior Vice President and Craig Chaikin, CFA, Vice President

BAE Chair Waihe'e: The first thing on the agenda is the Office of Hawaiian Affairs, Native Hawaiian Trust Fund, Analysis of Investment Performance for June 30th, 2020 and August 31st, 2020. We have Segal Marco Advisors, John Marco, Senior Vice President, and Craig Chaikin, CFA Vice President.

I will turn it over to our Pouhana Sylvia Hussey.

Ka Pouhana Hussey: Thank you Trustee Waihee. Trustees just for reference - before I ask John and Craig to go through the report, because the packet is so large - I want to give you some reference pages so that you can follow along. The June 30th 2020 report begins on page 22 of 242 pages in the electronic packet. Then when they get to the August 31st report that is on page 205. That might help you get through all the slides and we will ask them to help make sure to be clear in referencing the slides as they go through their presentation.

OK, so I will turn it over to our advisors from Segal Marco; John Marco and Craig Chaikin, so they could share with us the performance of the Native Hawaiian Trust Fund.

Segal Marco Senior VP John Marco: I would like to focus the attention on the most recent numbers. We have seen a lot of volatility in the markets throughout this year. Obviously, the sharp decline in March, the relatively swift bounce back due to the enormous stimulus package that came back in April and May, as well as the Federal Package and the Treasury supports that have been in place. Both have buoyed the markets overall. We have seen a lot of volatility and there are a lot of question marks that need to be answered.

The most recent numbers that we have are through August 31st, so I will zoom in and review some of these numbers with you. The most recent quarter we saw 8.37% return. Our year to date total return is just about flat at 0.07%. I will broadly talk about the overall investments; if you look at the Traditional Assets, your public markets underperformed the index at 2.69 versus 6.72. Most of that underperformance in the Traditional Markets is focused on Fixed Income or the Bond Marketplace.

Bonds have seen a lot of disruption in the most recent volatility since the arrival of the coronavirus in the U.S. Certain bonds have received significant support through Government Packages and Stimulus, while others have not. I will walk through some of the exposures in a moment.

Overall, the Equity Portfolio - the total Global Equities as you can see here year-to-date, at 4.9 percent is right in line and slightly ahead of the expectation at 4.75%. So, equities are in line with the overall expects to return.
Moving ahead to the Fixed Income. Overall, this is the other portion of our Traditional Fixed Income or Traditional Assets. It is Fixed Income as I mentioned, the total Portfolio in the Public Market is underperforming the Index, a large portion of it is right here with the global fixed income. This is your total bond portfolio rolled up into one versus the custom index.

Some of the biggest things that stand out here overall are going to be the new allocation that was put into place here with JP Morgan. They most recently added Corporate Bonds this year, attempting to take advantage of some of that bounce back that happened on April 1st. The real underperformance happens here when we get into the high yield portfolio at 0.91 behind the index at 3.1%. High yield in the JP Morgan account as well, negative when that index is positive, and so those are a few areas that really drove the underperformance within the fixed income markets.

Now overall, we have seen Active Managers struggle to keep up with some of these indexes, particularly because many of them are heavily weighted in things like Treasuries which had really blew the markets most recently.

Overall, we think JP Morgan's a good Bond Manager. Although they have had some ups and downs across the Portfolio. They are in line with what we have seen for Active Management relative to peers.

Real assets have taken a hit. One of the main places you are going to see this is in REIT (Real Estate Investment Trust) which is daily market value real estate. Overall, the global real assets are down 4.7%, I would not pay too close attention to this real asset benchmark. It is not an Investable Index as we say. It is not like you can buy the S&P 500 for example. As I mentioned before, big negatives that you see are in REIT overall Real Estate Investment Trust had been hit. We have seen a few things happen with real estate. Number one – the ‘office’ is being questioned in terms of its validity long-term, since many individuals and corporations have been able to go remote during this time.

On the other side, is residential. The moratorium on evictions and being able to get a non-paying renter out of the building is having a significant impact on pricing, particularly in REIT, and some of these shorter-term pricing investments that represent the real estate markets as a whole.

Hedge Funds as a whole, have not done well. PIMCO tactical opportunities fund, which can go both long and short unfortunately, posted a minus 2.28% return relative to the aggregate index, which isn't necessarily the most appropriate index. What we have seen across the hedge fund space is somewhere between negative two and positive 2% is kind of where most have come in, year-to-date. So, they are right in line as well.

The Hawai’i Direct Investments year-to-date; down 4.43.

Lastly, we have the total Private Equity Investment - as you know you have Commonfund doing a lot in your private equity space. You have a lot of relatively minor and small positions spread out across many private equity investments. Overall, private equity showing negative 10% year-to-date. All those returns are on a lag, so they haven’t taken into account the most recent bounce back that we saw in the second quarter of this year. So, we would expect to see some recoveries as the reporting catches up to the valuations in the private market space. Again, a list of each of the private equity investments as some of these are as low as $72,000. I am not going to run through each one of them in the interest
of time, but overall, this is a broadly diversified private equity in private investment portfolio. With that, I will pause and am happy to answer any comments or questions that you may have regarding the portfolio.

**BAE Chair Waihe‘e:** Ok, members - are there any questions regarding the portfolio?

*There are none.*

**BAE Chair Waihe‘e:** John, you may continue.

**Segal Marco Senior VP John Marco:** I really have nothing beyond further discussion at this point. We provided you the overall performance update right now. We had a chance to meet with Sylvia in between the meetings, both Craig and I, to update on Ray's departure, as well as the new CFO starting on the 16th. So, we are preparing, and getting our ducks in row to launch and work with her (CFO) going forward.

**BAE Chair Waihe‘e:** Thank you John.

**Trustee Ahu Isa:** In this volatile market - can we get updates a little more frequently, instead of waiting from June 30, August 30 to September 30 would be the third quarter?

**Pouhana Hussey:** What they can do is give us what they called their flash report, which is what the August report was. The flash report has pretty much all the market stuff except the private equities. By practice, the private equity amounts come in a quarter lag, and so we will get another big report with all the private equity report out, but they can provide the flash report. As soon as they do, that will be provided to the trustees.

**Trustee Ahu Isa:** Because I notice the bond funds like JP Morgan, it ended up being less than what Vanguard is. Maybe the new CIO, the Chief Investment Officer, can look at some other questions that I have whenever we hire.

**Pouhana Hussey:** So, we do not have a Chief Investment Officer. We have a vacant Investment Manager position, but the new CFO coming in does have experience with investment, accounting and reporting. So, we'll make sure that is on as well as the Permitted Interaction Group, regarding all the policies, which will also influence what that might be. So, we look forward to that work from the trustees.

**Trustee Ahu Isa:** Ok, Mahalo.

**BAE Chair Waihe‘e** asks if there is any further discussion. There is none.

**BAE Chair Waihe‘e** and the Joint BAE-RM Committee thanks John and Craig.

**Segal Marco Senior VP John Marco:** Mahalo Everyone. Thank you.
V. NEW BUSINESS

B. Workshop: 2021 Legislative Session: OHA Fiscal Biennium 2022-2023 Budget Bill – General Funds Appropriation Workshop† - Advocacy

C. Workshop: 2021 OHA Legislative Concepts Workshop† - Advocacy

BAE Chair Waihe‘e: I will once again turn it over to our Pouhana Sylvia Hussey.

Pouhana Hussey: Thank you. We have Public Policy Manager Wayne Tanaka on; and he will walk us through the presentation. We will start with Interim Chief Advocate Sterling Wong to provide some context for the presentation.

Interim Chief Advocate Wong: Aloha Trustees Sterling Wong, Interim Chief Advocate for the Administration. As you know, a few weeks ago Public Policy presented on the last legislative session and closed it out. We have spent the last few weeks prepping for the upcoming session and working internally and externally with stakeholders to build up a conceptual package. This, of course, is a year with our budget bill, so that is going to be a big carry this session. We do not have actual bill language here. However, we have concepts, so Wayne is going to present those to the joint committee. We will take your mana‘o, incorporate them into the package, and then in a few weeks we will bring actual bill language to the BAE and then to the Board for approval and then we will have our package. Mahalo Nui, I will turn it over to Wayne now.

Public Policy Manager Tanaka: Good Morning Trustees, it is great to see everyone again. The Conceptual Package starts on page 220 (of 242) of your electronic packet. Then the PowerPoint starts about four pages after that. As Sterling just described - this is our Conceptual Package presentation for the Committee’s consideration; there is no decision-making today. This is just to give you an idea of what we are thinking about for our OHA package; as well as for coordinated Advocacy - which are bills that are not formally part of our package, but we do support them and provide the kind of support that is commensurate with the advocacy we do around our own package.

I’ll just recap real quick, this is the timeline for development of our package. This past Summer - July through September, we did internal and external outreach. We had an overview, as you recall, on the 23rd, and today is the 7th, so that is where we are right now. After this, we will take your feedback and draft up actual Bill language to present to you folks for decision-making on the 21st and then with that have BOT approval of our final package before the General Election in November.

The next Legislative Session starts on January 20th, 2021 - which is the third Wednesday of the Calendar Year. So quick review of the development process thus far, we have received over 50 Legislative Proposals from both staff as well as numerous, external: Stakeholders, Experts and Community Leaders that we spoke with. We applied these criteria that I’ll talk about in a minute to kind of filter through these proposals, combined some ideas, and eventually came up with the four package measures and two coordinated Advocacy measures that I'll be talking about today.
Public Policy Manager Tanaka: Again, a quick recap, these are the kinds of things we think about when developing our packages and deciding what to bring before the Board. First, we want to think about the number of bills in our package, to ensure that it’s manageable, especially since we mentioned that our budget requests will be going in this year, so we will have to invest a lot of our time and energy in getting that passed.

We also want to make sure that we get the biggest bang for our buck because they're only likely to be a few measures in our package. So, we like things that have broader impacts as opposed to something that is specific to an island or to a particular community. We also want to make sure that legislation is something that will address the issue. Where it is clear that a statutory change is needed versus something like funding or compliance or policy implementation on the ground.

We also want to be mindful, especially this year of funding implications. So, if any proposal will impact our Budget or the State’s General Funds, we want to be very mindful that. Especially given the economic challenges of the pandemic. We also want to think about how much Community Support there will be for any measure, that can be a big game changer in terms of getting things passed relatively cleanly. We also want to make sure that whatever we put forward is something that is realistically achievable in terms of passage or it will help raise a conversation around the issue where there is a clear need for dialogue. Again, our Strategic Plan 2020 Plus Strategic Foundation directions are set, so we want to make sure that our package aligns with those things.

Public Policy Manager Tanaka: Of course, as I mentioned last time, we want to think about whether OHA as an agency is the appropriate body. Does it align with our mission? Are there other entities or agencies that could kind of pick up the torch on the issue?
Especially, you know, for example, the Governor’s package usually has a better chance of success. If it is in the Governor’s package - then of course you have his folks also working on the issue and so it can be advantageous and strategic. Sometimes it could also be ideas that are controversial or for whatever reason might be better championed by a Community group. In which case we can provide support, but we would just let them take the lead on those kinds of values.

The ‘general context’ of all our advocacy at the Legislature – it is always important to keep these kinds of things in mind. So, we want to be cognizant of the political landscape. We try to learn from lessons in the past, both successes and failures. I think it is always important to keep in mind what our priorities are at the Legislature.

Which is to make sure we maintain an Investor Political Capital strategically, especially when we may have to advocate on issues that might be controversial. We also want to maintain our credibility. That is the biggest thing we have in that building is the fact that when we come forward with ideas and recommendations it is always based on a substantial amount of research, data, and facts.

We also want to have an impact, so we do not necessarily want to put forward something that might sound good, but not really have, or at least set up the potential for change. A big thing that we always focus on is making sure to stop the bad bills, the bills that we oppose because they have significant negative impact on the mission or our beneficiaries’ interest. That’s where a lot of local capital has to be reserved for. I just wanted to give a quick reminder of the breadth of subject areas that we advocate on: anything that impacts OHA, anything that touches the Public Land Trust, the disposition of Ceded Lands, issues related to the perpetuation of Traditional and Customary Practices, Criminal Justice, Houselessness and Education. We advocate in all these areas because our beneficiary’s interest touch upon all of them, so we do want to be mindful of all of the collateral effects of advocating on one issue and other issues that we care about.

Public Policy Manager Tanaka: With that, I’ll get into our Conceptual Package proposal. As you know, this is a Budget year, so one of our main proposals will be to get our General Fund Appropriations Bill passed. The proposal this year is to just go after what the Legislature considers a base budget, which is a little over $3,000,000 a year in General Fund Appropriations.
We also want to maintain our historic provisos; Legal Services, Education and Social Services as well as to maintain our Trust Fund match. Whenever we ask for general funds we always commit matching Trust Funds to reflect the partnership that this appropriation reflects in terms of working together to strategically leverage our collective resources to benefit Native Hawaiians and in many ways, the entire State.

**Trustee Lee:** Wayne I have a question about the general funds. *Does Act 37 cover our General Funds in perpetuity or is that specific only to 2020 General Funds?*

**Public Policy Manager Tanaka:** I think you’re talking about the audit proviso?

**Trustee Lee:** That’s correct.

**Public Policy Manager Tanaka:** That was for the release of funds for the last fiscal year.

**Trustee Lee:** That will not affect this moving forward, correct?

**Public Policy Manager Tanaka:** That in itself would not. Hopefully, they do not try to insert something.

**Trustee Lee:** That answered my question thank you. Thank you, Wayne.

**Public Policy Manager Tanaka:** That’s part of the thinking - in keeping this kind of a clean bill. We did ask for an increase into our base budget in a previous biennium and that was largely due to the rapidly exploding fringe rate that we’ve been seeing in the last five or six years. However, I think, in-light of the pandemic, and the uncertain economic ramifications going forward - we thought keeping a clean-based budget might be the best way to go.

We did want to emphasize that this is something we should probably bring up, even though we’re asking for the same base amount of money. It is not like our costs - especially our personnel and fringe costs - are not increasing and have not been increasing over time. We were thinking last year that the fringe benefit might go up to 69%. Right now, it’s at a little over 63% and we’re using that figure to forecast for our 2021 budget. The State’s interim for next year went down a bit, but that’s because of the economic impact of COVID.
Interim Chief Advocate Wong: I just wanted to make sure the committee is aware, given the presentation on our Trust and how the presentation reflects the current global economic struggles. Knowing that the State is having economic challenges as well and the next legislative session is going to be focused a lot on trying to plug these holes in the budget. I'd like to remind the joint committee that what happened with the last recession in 2008 and 2009 manifested in 2010. A request from the Legislature to do an across the board, cut to our budget of 10% - that we accepted. I think that is something to be mindful of for us going into this legislative session. We can probably expect the same sort of request from the Legislature to cut our budget across the board, which is the reason why we're presenting a baseline budget with consideration of the politics around all of these budgetary issues. Mahalo.

Public Policy Manager Tanaka: Thank you Sterling. Our next package concept - it is a resubmittal of our Capital Improvement Project request that we put forth last year. As you may recall this would call for the issuance of general obligation bonds to raise funds to help pay for the construction of water storage and distribution infrastructure on our Wahiawā lands. This infrastructure is necessary for the implementation of our conceptual plan and last year, it got quite far; it even manifested in some other vehicles.

Unfortunately, the COVID pandemic happened and the bill stopped as a result. We did get word from the WAM staff that they would recommend us resubmitting this CIP request. I did want to note that the COVID-19 pandemic killed this bill this year, but what the pandemic has also shown for a lot of folks and policymakers is that we really need to start investing in our islands; food self-sufficiency and agriculture to help us get to a more secure place.

I think the implementation of our plan to stand up diversified agriculture, local food production in Wahiawā, which has been historically used for industrial export model crops. Our plan can really help be a step towards this post COVID goal of greater production of agriculture, greater food self-sufficiency and food security. I included an anticipate timeline as an update. Mahalo to our Land Division Staff for giving us their latest figures.

We do plan to have a design contract executed by the end of November, get our permitting by August of 2022 and start procurement for construction by December of 2022.

Pouhana Hussey: I just wanted to supplement this particular slide that the Capital Improvement Budget as requested and as laid out is all incorporated in Budget Realignments and follow Policy related from Kaka’ako Makai revenue in the Kaka’ako Makai policy for legacy lands. So, the timeline here is also Budget and Policy compliant. Thank you.

BAE Chair Waihe‘e: Thank you.
Public Policy Manager Tanaka: Thank you. Moving on to our third concept - this proposal seeks to break or mitigate the cycle of houselessness; and the criminalization of people experiencing houselessness. We’re hoping to provide incentive and hope for those who may be houseless, and seeking to help better their conditions, but who may face barriers because of criminal records or outstanding fines and fees. There's a growing recognition and has been a lot of investment in programs to divert houseless folks away from the criminal justice system. I think people recognize that this is a real cycle.

It does not help address any underlying issues that contribute to our houselessness problem generally, or for individuals and it exacerbates the problem because it creates these barriers. We've seen things like LEAD and HONU which is that tent program that was being established late last year. Really with these programs - they're not going to divert everyone. Folks are going to get ticketed or arrested for these what we call 'quality-of-life-crimes'.

So this bill would provide an opportunity for folks with criminal records, specifically for statutes relating to obstructing sidewalks, state trespass laws, and also generally for any other statutes, ordinances, and rules that can be shown to relate to a person’s houselessness status for an opportunity to expunge those records, in both conviction and arrest records. In order to qualify a person would have to demonstrate that they were satisfied in all their probation requirements, all the requirements of judgment like when they were convicted or adjudicated except it would allow for outstanding fines and fees to be waived. The person would also have to make a commitment to seek financial or mental health counseling to the extent that financial or mental health challenges might have contributed to them becoming houseless or staying houseless.

I just want to be clear this does not prevent folks from being cited or arrested. So it won't take away what some people think are tools for addressing immediate issues, but really what it does is when someone is ready to start moving and taking steps towards stable housing it will give them a way to get rid of these barriers that could otherwise be difficult to overcome.
Public Policy Manager Tanaka: The last formal OHA Package measure is looking to address the Data Collection and Governance issues that we've been encountering during this pandemic that have highlighted a lot more longstanding issues with regards to trying to come up with good policy interventions for our beneficiaries without clear specific data to what their needs and situations are.

What's been happening for the last several months; some departments have been better than others, but we've been having a really, hard time, getting clear disaggregated data on Native Hawaiians specifically from Departments such as the Department of Labor and Industrial Relations in regards to unemployment impacts and the Department of Health in regards to COVID infection rates, and so forth. If we get anything, many times the data is aggregated with Pacific Islanders and we have pretty, strong indications that both Native Hawaiians and Pacific Islanders are being impacted significantly, but in sometimes pretty, distinct and unique ways.

When data is aggregated the way it is, it's really, hard to develop policies interventions that can specifically and effectively address these impacts for both communities. I just wanted to note that these immediate issues that we have been encountering over last few months are really, reflective of what has been a longstanding concern. There is inconsistent: data collection, data processing and data sharing across all State agencies. This can not only stymie efforts to create policies beyond just addressing COVID, but also prevent serving our beneficiaries in the most effective manner.

We would like to propose a concurrent resolution, which would do three things. First, it would urge COVID relevant departments; Department of Health, Department of Labor and Industrial Relations, Department of Human Services as well as the County Police Departments and Judiciary to share with us what disaggregated data they do have on Native Hawaiians and Pacific Islanders.

We would also ask that they work with the public so we can get an idea of what data sets may be available. We'd also like to urge these same entities to work with OHA and possibly with the NHPI COVID-19 Response, Recovery and Resilience Team. To come up with procedures and agreements for Data Governance; Collection, Processing, whose going to hold the data, and how it will be shared across agencies and with the public and then report back on these procedures and agreements to the 2022 Legislature.

Finally looking longer term; urge a convening of a 21st century Data Governance Task Force including the Office of Planning, the Office of Enterprise Technology Services, OHA and others that the task force identifies to create an assessment of what the data infrastructure challenges and needs are across the...
agencies, and to report back to the 2023 Legislature. This is a way to validate and verify the concerns and the anecdotal reports that we've been receiving for a long time now about the outdated State of Data Collection throughout State Government and Data Governance.

Public Policy Manager Tanaka: Next are our Coordinated Advocacy measures. These are measures that will not be formally part of our package, but we would advocate for them. The first bill seeks to provide a more consistent voice for ‘Aha Pūnana Leo to ensure that the Early Learning Board can continue to recognize its importance of Hawaiian early learning for Child Development and the normalization of ‘Ōlelo Hawai’i. The Early Learning Board is a State Board established to make recommendations and policies on Childhood Development and Education from Prenatal to Pre-Kindergarten.

‘Aha Pūnana Leo as many of you know, is the one entity that has essentially raised up Hawaiian medium early learning in the islands beginning in 1983 with the first school in Kekaha and now there are eleven schools throughout the islands. ‘Aha Pūnana Leo is a member of the Early Learning Board. The issue is that this representative seat is limited to two 2-year terms (4 consecutive years). When you serve on a Board or Commission, it takes a lot of time to build up the relationships and institutional presence and knowledge continually, and that is critical to being an effective advocate. So this bill would try to treat ‘Aha Pūnana Leo or their representative as the same as the Representative for Kamehameha Schools and the Hawai’i Association of Independent Schools is treated under the law - which is as an invited member that are not subject to the term limits.

Finally, our other Coordinated Advocacy measure is looking at Pretrial Reform. As you may recall, last year there was an omnibus Criminal Justice measure that implemented most of the recommendations of the Pretrial Reform Task Force and the Prison Reform Task Force which included the establishment of the Hawai’i Correctional Systems Oversight Commission which our representative is the current Chair of.

This omnibus bill did not however include one of the major recommendations of both task forces, which was to provide for a presumption favor of release for certain low level, non-violent pretrial detainees. I believe there was some issues about political push back and uncertainties about Public Safety Impacts of including this recommendation in the omnibus measure. What we have seen during this COVID outbreak is that our jails’ overcrowding situation is really, unmanageable.
The Commission has been trying to work on providing relief for our Correctional Systems generally, in our jails in particular because of the outbreak. What they have seen through this work is that we now have a clear experience and data showing that release of pretrial detainees from our jails did not actually result in any increase in crimes. They didn’t see a significant amount of reoffending; out of 335 people that were released during the pandemic only 39 were rearrested or cited again. Of those 39 folks, 9% of the rearrests or citations were for ‘quality-of-life’ crimes like sleeping in the park, or they were technical violations like, not calling their probation officer.

With that experience and knowledge, the Commission would now like to prioritize the implementation of this recommendation to provide relief for overcrowded jails and facilities. Also, to try to mitigate the impacts of pretrial incarceration, as we’ve discussed before. It can have significant consequences – folks could lose their jobs, house, custody of their kids - all before having been convicted of a crime. If we can safely facilitate release for non-violent, low-level accused individuals then we can mitigate those impacts as well. I wanted to note that it is a presumption and thus rebuttable. If someone is charged with a low-level offense that’s non-violent, it’s a presumption that they should be released pretrial but if the Prosecutors can show that the individual may be a flight-risk or release might pose a danger to the Community then the Prosecutor can offer that information and rebut the presumption.

Public Policy Manager Tanaka: That is it. Does anyone have any questions, comments, advice?

BAE Chair Waihe‘e asks if there is any questions or further discussion.

There is none.
BAE Chair Waihe‘e: Thank you Wayne.

VI. ANNOUNCEMENTS

None

VII. ADJOURNMENT

Trustee Hulu Lindsey moves to adjourn the JOINT BAE-RM meeting.

BAE Vice-Chair Akaka seconds the motion.

BAE Chair Waihe‘e asks if there is any discussion. There is none.

BAE Chair Waihe‘e asks if any members vote NO or ABSTAIN. There are no dissenting votes.

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<td>RM VICE-CHAIR ROBERT</td>
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<td>BAE CHAIR JOHN WAIHE‘E</td>
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<td>TOTAL VOTE COUNT</td>
<td>9</td>
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</tbody>
</table>

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

BAE Chair Waihe‘e adjoins the Joint Meeting of the Committee on Beneficiary Advocacy and Empowerment and the Committee on Resource Management at 10:55 a.m.
Respectfully submitted,

____________________________
Melissa Wennihan
Trustee Aide
Committee on Beneficiary Advocacy and Empowerment

As approved by the Joint Meeting of the Committee on Beneficiary Advocacy and Empowerment (BAE) and the Committee on Resource Management (RM) on February 10, 2021.

____________________________
Trustee John Waihe’e, IV
Chair
Committee on Beneficiary Advocacy and Empowerment

____________________________
Trustee Dan Ahuna
Chair
Committee on Resource Management

ATTACHMENT(s):
• NONE
JOINT MEETING of the COMMITTEE ON BENEFICIARY ADVOCACY AND EMPOWERMENT (BAE) and the COMMITTEE ON RESOURCE MANAGEMENT (RM)

DATE: Wednesday, February 10, 2021
TIME: 10:00 am
PLACE: Virtual Meeting
Viewable at www.oha.org/livestream OR
Listen by phone: (213) 338-8477, Webinar ID: 997 5471 8749

Due to the threat of COVID-19, Governor Ige issued the most recent Emergency Seventeenth Supplementary Proclamation dated December 16, 2020 that suspends parts of Hawai‘i Revised Statutes Chapter 92, Public Agency Meetings and Records to, among other things, enable boards to conduct business without any board members or members of the public physically present at the same location. The OHA Board of Trustees and its Standing Committees will hold virtual meetings until further notice. The virtual meetings can be viewed and observed via livestream on OHA’s website at www.oha.org/livestream or listen by phone: (213) 338-8477, Webinar ID: 997 5471 8749

AGENDA

I. Call to Order
II. Public Testimony on Items Listed on the Agenda*
   (Please see page 2 on how to submit written testimony or provide oral testimony online. Oral testimony by telephone/landline will not be accepted)

III. Approval of Minutes
   A. JOINT BAE-RM Meeting Minutes of December 18, 2019
   B. JOINT BAE-RM Meeting Minutes of October 7, 2020

IV. Unfinished Business
V. New Business
   A. WORKSHOP
      1. Introduction of a Proposed Policy Framework for OHA
      2. Facilitated Discussion re: Development of a T-Level Grant Policy
   B. ADMINISTRATION UPDATE - re: Status of Contract 3363 dated December 20, 2019 between OHA and the Council for Native Hawaiian Advancement for $1,660,000, awarded as a result of Grant Solicitation OHA 20-10 dated September 13, 2019 and approved via Action Item BAE-RM #19-09 dated 11/20/2019, including related Dispute Resolution Activities
   C. ADMINISTRATION UPDATE - re: Implementation of Board Action “To approve and authorize the disbursement of $2,170,000 from the Fiscal Year 2020 Core Operating Budget (Grants Category) to fund the Emergency Financial Assistance Program grant” via Action Item BOT #20-03: Approval to Fund Responses to COVID-19 on May 7, 2020
   D. ACTION ITEM BAE-RM #21-01: Approval to Reallocate $2,170,000 in COVID-19 Emergency Financial Assistance Program Grant Authorization to $1,170,000 to COVID-19 Impact Grants and $1,000,000 to ‘Ohana and Community Program Grants†
The purpose of this memo is to provide an overview of the proposed policy framework for OHA; and context for a facilitated discussion in developing a Trustee (T) - Level Grant policy for Board approval. An illustration of the proposed policy framework will be provided in the Board workshop, and be aligned with the Board Governance Framework (approved in spring 2019).

To approve the five elements of OHA’s Board Governance Framework: 1) Identity; 2) Values and Mana; 3) Statutory Basis; 4) Policies; and 5) Supporting Documents and Practices (Operations).
Elements of a policy framework may include, but not be limited to: existing fiscal, land, human resources policies; recognizing the dual identity of OHA as a state agency and perpetual trust; identifying compliance and internal audit functions; cascading to operating policies, processes, procedures and practices.

Strategic Outcome 9.5: Increased strategic granting

Please share your thoughts for discussion with your colleagues re:

- What does “increased strategic granting” looks like in your “minds eye”?
- What are other organizations in Hawaii, on the continent and/or internationally that can be models or examplars for OHA to consider in granting policy and practices?
- What lessons can be learned from philanthropy for granting?
- Are there lessons learned from Native Americans and Alaska Natives that can be applied to our context?

Administration looks forward to this open and free flowing discussion to inform drafting of a policy to return for Board discussion and action.
DATE: Wednesday, February 10, 2021
TIME: 10:00 am
PLACE: Virtual Meeting
Viewable at www.oha.org/livestream OR
Listen by phone: (213) 338-8477, Webinar ID: 997 5471 8749

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Date: February 5, 2021

To: Ke Kauhuhu Carmen Hulu Lindsey Ke Kua Luana Alapa
    Ke Kua Leinaʻala Ahu Isa Ke Kua Brendon Kaleiʻaina Lee
    Ke Kua Dan Ahuna Ke Kua Keola Lindsey
    Ke Kua Kaleihikina Akaka Ke Kua John Waiheʻe IV
    Ke Kua Keliʻi Akina

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

cc: Casey K. Brown, Ka Pou Nui, Chief Operating Officer
    Ramona G. Hinck, Ka Pou Kihi Kanaloa Wai, Chief Financial Officer
    Raina Gushiken, Ka Paepae Puka, Senior Legal Counsel
    Maile Luʻuwai, Pou Kākoʻo Kaiāulu, Grants Manager

Subjects: ADMINISTRATION UPDATE #1 re: Status of Contract 3363 dated December 20, 2019 between OHA and the Council for Native Hawaiian Advancement for $1,660,000, awarded as a result of Grant Solicitation OHA 20-10 dated September 13, 2019 and approved via Action Item BAE-RM #19-09 dated 11/20/2019, including Dispute Resolution Activities

ADMINISTRATION UPDATE #2 re: Implementation of Board Action “To approve and authorize the disbursement of $2,170,000 from the Fiscal Year 2020 Core Operating Budget (Grants Category) to fund the Emergency Financial Assistance Program grant” via Action Item BOT #20-03: Approval to Fund Responses to COVID-19 on May 7, 2020

Attachments: (1) Grant Monitoring Procedures; (2) Contract 3363 Reconciliation Year 1 – 2020 Analysis

References:

Reference A: Contract 3363 dated December 20, 2019 between OHA and the Council for Native Hawaiian Advancement (CNHA) for $1,660,000

Reference B: Action Item BOT #20-03: Approval to Fund Responses to COVID-19, May 7, 2020 additional $2,170,000

Reference C: November 6, 2020 letter to CNHA re: Contract #3363: Council for Native Hawaiian Advancement, Emergency Financial Assistance Grant, Kahiau Community Assistance Program, Dispute Analyses and Resolution (without attachments)
I. **Purpose**

The purpose of this memorandum is to inform the Board about the following:

A. Status of Contract 3363\(^1\) for $1,660,000 awarded as a result of Grant Solicitation OHA 20-10 dated September 19, 2019 and approved via BAE/RM 19-10 Action Item dated 11/20/2019; and

B. Status of the implementation of the additional funding of $2,170,000 Emergency Financial Assistance Program Grant approved via Action Item BOT #20-03: Approval to Fund Responses to COVID-19, May 7, 2020.

II. **Executive Summary**

The following table provides an executive summary of each purpose and status:

**Table 1. Purpose and Status**

<table>
<thead>
<tr>
<th>Purpose and Status</th>
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<tbody>
<tr>
<td><strong>A. Status of Contract 3363 for $1,660,000 awarded as a result of Grant Solicitation OHA 20-10 dated September 19, 2019 and approved via BAE/RM 19-10 Action Item dated 11/21/2019</strong></td>
</tr>
<tr>
<td><strong>Status-On Hold:</strong> The dispute resolution activities outlined in the November 6, 2020 letter (Reference C), included: reconciliation of Year 1 and Year 2 activities and budget, reviewing quarterly reports, addressing matters in previously issued grant monitoring report #2 (and related corrective action plan), drafting, reviewing and completing grant amendments 3363.01, etc. remain in progress to date(^2). Attachment 2 details a reconciliation of payments in total and by expense type for Year 1 (1/1/2020 to 12/31/2020). Administration will not be releasing any further funds until dispute resolution, contract amendment and grant monitoring matters are addressed and resolved.</td>
</tr>
<tr>
<td><strong>B. Status of the additional funding of $2,170,000 Emergency Financial Assistance Program Grant approved via Action Item BOT #20-03: Approval to Fund Responses to COVID-19, May 7, 2020 (Reference B)</strong></td>
</tr>
<tr>
<td><strong>Status-On Hold:</strong> The November 6, 2020 dispute resolution letter (Reference C) also addressed new contractual parameters and elements consistent with the amendment to Contract #3363 above and the Grants Program is working on drafting new contract language. However, since Contract #3363 amendments are still outstanding, Administration is holding any new contract execution activities (e.g., further drafting, reviewing with organization), pending resolution of the initial contract #3363 activities.</td>
</tr>
</tbody>
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\(^1\) Contract #3363 executed in December 2019 is between OHA and the Council for Native Hawaiian Advancement which named and deployed the OHA emergency financial assistant grant as the Kahiau Community Assistance Program (Reference A).

\(^2\) Y1Q3 progress report submitted 2/3/2021 and as of 2/3/2021, Y1Q4 of expenditures is under review.
III. Administration Update #1 re: Status of Contract 3363 dated December 20, 2019 between OHA and the Council for Native Hawaiian Advancement for $1,660,000

A. Solicitation and Award. Via Grant Solicitation No. OHA 20-10: Emergency Financial Assistance, September 13, 2019 and Action Item BAE-RM #19-09: FB 20-21 Emergency Financial Assistance Grant Recommendation, November 20, 2019, the Trustees approved and authorized the disbursement of $830,000 from the Fiscal Year 2020 Core Operating Budget (Object Code 56530) and $830,000 from the Fiscal Year 2021 Core Operating Budget (Object Code 56530) to fund the Emergency Financial Assistance (EFA) grant to the Council for Native Hawaiian Advancement (CNHA).

B. Contract 3363 (Reference A). CNHA (“Grantee”) launched the implementation of Contract 3363, the Emergency Financial Assistance (EFA) program on February 1, 2020; and subsequently branded it as the Kahiau Community Assistance Program (KCAP). The EFA program was designed to ‘assist beneficiaries with the following delinquent/hardships: Primary: mortgage payment, rent deposit, rent payment, utility services; Secondary: auto-repair to meet government safety standards to vehicle owned by applicant or joint householdmember, that is required for work transportation; life-saving prescription medication; funeral expenses up to $1,000; which were caused by the following reasons: loss of income/employment due to lay off, debilitating illness, injury, death, or other anticipated circumstances. Unanticipated circumstances that may qualify for assistance shall include, but may not be limited to: impending eviction, impending termination of utility services, and other similar exigent time-sensitive situations such as relocation. Not allowed are: credit card payments, car loan, installment loan, delinquent medical or collection accounts.”

C. COVID-19. The impacts on families and communities of COVID-19, intensified in March 2020 as did the government shutdowns and stay at home orders, which hampered the in person, in community and statewide implementation intents of KCAP. Eventually, OHA and CNHA agreed that the focus of disbursements would be the “Primary: mortgage payment, rent deposit, rent payment, utility services” purpose; and the secondary purposes, as noted above, would be suspended for a time.

D. Grant Monitoring. In March 2020, standard grant monitoring procedures were activated (see Attachment 1) and the grant monitoring procedures, including corrective action correspondence and plans eventually led to dispute analysis and resolution activities summarized in Table 2 below. The disputes were communicated

3 Contract 3363, Attachment 1
4 The basis for the dispute resolution process is detailed in Contract #3363, Section 12, Disputes: “Any disputes concerning any matter of fact rising under this Agreement which is not disposed of by mutual agreement within THIRTY (30) calendar days, shall be decided by the Chief Executive Officer of OHA, or the Chief Executive Officer’s designated representative, who shall reduce the decision to writing and mail or otherwise furnish a copy of the decision to the GRANTEE. The decision of such person shall be final and conclusive. Pending final decision of such a dispute, the GRANTEE shall proceed diligently with the performance of services under this Agreement in accordance with OHA’s request.”
to the Grantee in November 2020 (Reference C, without Attachments referenced in Table 2).

Table 2. Dispute Resolution Items and Action Steps for Grant Agreement/Contract #3363 Dated December 20, 2019\(^5\)

<table>
<thead>
<tr>
<th>No</th>
<th>Dispute Description</th>
<th>Resolution, Disposition</th>
<th>Action Steps</th>
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<tbody>
<tr>
<td>1</td>
<td>1st Monitoring Report – Issued March 19, 2020 (Attachment B)</td>
<td>The Grantee’s signature acknowledging the corrective action requirements and specific correction action is sufficient to close the findings of the Grant Monitoring Report #1.</td>
<td><strong>Grant Contract Modification:</strong> While a grant contract modification should have been executed at the time of the 1st Monitoring Report and related corrective action plan in March 2020, program eligibility and other program changes have since been in practice; therefore, modifications will be included in the changes below. <strong>Process Improvements:</strong> Grantee process improvements were noted, however since improvements related to subsequently changed program activities (e.g., financial literacy workshops), no further action needed.</td>
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</table>
| 2  | COVID-19 Communication Follow-Up – March 28, 2020 (Attachment C).                   | The extensiveness of changes in the updated COVID-19 Communication Follow-Up should be memoralized in a: a) Contract modification of the Hawaii Trades Academy (HTA) Contract; and b) Contract #3363 amendments for program and COVID-19 eligibility requirements, (i.e, Contract #3363.01). | **HTA Community Grants Contract**\(^6\)  
**OHA:** Draft and execute Hawaii Trades Academy grant contract modification.  
**CNHA:** Review and execute Hawaii Trades Academy grant contract modification.  
**EFA Contract #3363**  
**OHA:** Draft and execute #3363 grant contract modification, #3363.01  
**CNHA:** Review and execute #3363 grant contract modification, #3363.01 |
| 3  | Updated COVID-19 Modification Plan –                                                | The extensiveness of changes in the updated                                              | **EFA Contract #3363**                                                                                                                                 |

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\(^5\) Note: Attachments referenced throughout Table 2 are references to attachments as a part of the November 6, 2020 Grantee correspondence and not included in this memorandum but is available for review by Trustees.

\(^6\) Modifications to the HTA contract should incrementally reflect changes from March 2020 to current state, if any.
<table>
<thead>
<tr>
<th>No</th>
<th>Dispute Description</th>
<th>Resolution, Disposition</th>
<th>Action Steps</th>
</tr>
</thead>
</table>
|    | April 24, 2020 (Attachment D) | COVID-19 Modification Plan should be memoralized in a Contract #3363 amendment (i.e, Contract #3363.01). | **OHA:** Draft and execute #3363 grant contract modification, #3363.01  
**CNHA:** Review and execute #3363 grant contract modification, #3363.01 |
| 4A | 2nd Monitoring Report- July 23, 2020 (Attachment E) | The Grants Program appropriately documented the non-compliant basis; and exercised the professional judgement and rationale for the release of the next benefit advance based on beneficiary need. Documentation of the rationale is sufficient to document the Grants Program professional judgement. | **Reconcile and Settle Year 1 and 2 Quarters/Amounts**  
**OHA:** Prepare and review reconciliation of Year 1 and 2 amounts; $830,000 ($622,500 beneficiary; $207,500 admin costs) per year, ensuring aligned understanding with CNHA. Review quarterly reports, process reimbursements and beneficiary advance amounts.  
**CNHA:** Review reconciliation of Year 1 and 2; $830,000 ($622,500 beneficiary; $207,500 admin costs) per year, ensuring aligned understanding with OHA. Submit beneficiary disbursement and operating cost reports for outstanding quarters, reconcile beneficiary advance amounts.  
**EFA Contract #3363, Attachment 5**  
After the above reconciliation and settlement of Year 1 and 2 quarters/amounts above, consider grant modification to Attachment 5 to condense remaining total “Personnel and Other Costs” into one line item labeled “Administrative Costs”. Subsequent billing to OHA of $2817 per applicant packet processed (regardless of number of associated disbursements) would be processed at a frequency no less than semi-monthly (i.e., two times a month). |
| 4B | As Attachments C and D document a basis for contract amendments, | No further action needed. |

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7 As proposed by CNHA
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<th>No</th>
<th>Dispute Description</th>
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<td>repeating the finding of the 1st Monitoring Report in the 2nd Monitoring Report no longer has basis as the contract elements (e.g., program eligibility, COVID-19 eligibility, amount) have been changed.</td>
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| 4C | **Program compliance** pertains to validation of: 1) Applicant eligibility (at least 18 years of age); 2) Native Hawaiian ancestry; and 3) EFA defined disbursement purposes. | The Grants Program appropriately documented the non-compliant practices associated with the processes of the program (e.g., applicant/application intake, eligibility, documentation, assessment, awarding authorization, disbursement) which undermines the program objectives (i.e., beneficiaries receive EFA). The findings also point to a need for continued process improvements, similar to those identified in the 1st Monitoring Report, such as training, quality control, supervision and management oversight, which enhances and strengthens the processing environment. | **Corrective Action Plan**
Because both program and process changes (e.g., EFA disbursement purposes, $2,000 to $1,500, documents collected) were not memorialized in contract #3363 (i.e., #3363.01) at the time of monitoring reports, in general, the corrective action plan and process improvements should be prospective in nature. |
<p>|    | <strong>Process compliance</strong> pertains to validation of: 1) Collected documents; and 2) Accuracy of disbursement (e.g., purpose, payee, amount). | | <strong>OHA:</strong> Draft and execute Corrective Action Plan for non-compliant test items, including process improvements needed; and review with CNHA, incorporating CNHA feedback, commitments and prospective implementation plans into the final document. |
|    | | | <strong>CNHA:</strong> Review and execute Corrective Action Plan for the non-compliant test items, including process improvements needed; and review with OHA, incorporating CNHA feedback, commitments and prospective implementation plans into the final document. |</p>
<table>
<thead>
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</table>
| 5  | Contract Amendment #1, 3363.01 | Modifications needed to:  
Attachment 1, Scope of Services, including elimination of Attachment 1.1 (Project Plan) and 1.2 (Report Schedule)  
Attachment 3, Compensation  
Attachment 4, Performance and Outcome Measures  
Attachment 5, Budget | **EFA Contract #3363**  
**OHA:** Draft and execute #3363 grant contract modification, #3363.01  
**CNHA:** Review and execute #3363 grant contract modification, #3363.01 |
| 6  | Contract Amendment #1, 3363.01 | Creation of new Attachment 6, Monitoring, to describe in detail the purposes for monitoring, monitoring processes, frequencies, access to data, roles and responsibilities of OHA and Grantee, grant monitoring report format, corrective action plan format, follow up processes, etc. | **EFA Contract #3363**  
**OHA:** Draft and include new Attachment 6 in #3363 grant contract modification, #3363.01  
**CNHA:** Review and include new Attachment 6 in #3363 grant contract modification, #3363.01 |

**E. Administration Update #1 Summary.** The dispute resolution activities outlined in the November 6, 2020 letter (Reference C), included: reconciliation of Year 1 and Year 2 activities and budget, reviewing quarterly reports, addressing matters in previously issued grant monitoring report #2 (and related corrective action plan), drafting, reviewing and completing grant amendments 3363.01, etc. remain in progress to date⁸. Attachment 2 details a reconciliation of payments in total and by expense type for Year 1 (1/1/2020 to 12/31/2020). Administration will not be releasing any further funds until dispute resolution, contract amendment and grant monitoring matters are addressed and resolved.

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⁸ Y1Q3 progress report submitted 2/3/2021 and as of 2/3/2021, Y1Q4 of expenditures is under review.
IV. **ADMINISTRATION UPDATE #2 re: Implementation of Board Action “To approve and authorize the disbursement of $2,170,000 from the Fiscal Year 2020 Core Operating Budget (Grants Category) to fund the Emergency Financial Assistance Program grant” via Action Item BOT #20-03: Approval to Fund Responses to COVID-19 on May 7, 2020**

A. **Overview.** Via Action Item BOT #20-03, May 7, 2020 (Reference B), the Board approved the following action: “To approve and authorize the disbursement of $2,170,000 from the Fiscal Year 2020 Core Operating Budget (Grants Category) to fund the Emergency Financial Assistance Program grant.” Added to Contract 3363 above and by this action, the Board committed a total of $3,830,000 to COVID-19 responses in the form of EFA to beneficiaries.

B. **Status of KCAP in May 2020.** Launched on February 1, 2020, the March 23, 2020 KCAP report provided the following program statistics: 1,108 applications received; $118,526 in aid distributed to 77 Native Hawaiian households statewide facing emergency situations (unrelated to COVID-19); distribution and awards are found at left; Prior to KCAP, CNHA fielded approximately 290 calls per week; current calls per week increased to 820 calls per week; with the duration of calls increasing from 3.03 minutes to 12.4 minutes—76% increase; approximately 40 calls per day were missed; and staff re-allocations and increases were needed.

C. **Updated KCAP Application Information as of April 23, 2020.** Approximately a month after the initial report, the number of applications increased to approximately 2,500 (125% increase from the March report). At this point, for projection purposes, if only 60% of the total applications were eligible for the maximum award of $1,500, the total need would be $2,250,000 (2,500 x 60% x $1,500) just with the applications in the system. The information as of March and April 2020 helped inform the need for Trustee action via BOT #20-03 of increasing the EFA commitment by $2,170,000 for a total EFA commitment to $3,830,000.

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9 Pre-COVID-19 maximum award amount was up to $2,000; In-COVID-19 award amount was lowered to a maximum of $1,500 to provide for more awards and targeted to housing and utilities assistance; auto repair and funeral expenses were redirected to OHA and CNHA’s consumer micro loan programs.
D. Rationale for Separate Contract. Post Board action in May 2020 and in preparation to implement the Board’s actions, Administration determined that a separate, new contract (separate from Contract #3363) was warranted for the $2,170,000 for the following reasons: 1) the $2,170,000 is funded 100% by Trust Funds compared to the original $1,660,000 Contract #3363 ($830,000 general funds/proviso and $830,000 matching trust funds); 2) Allowed for restoration of previously eliminated funding purposes (e.g., auto repair, funeral costs); and 3) Allowed for a service period beyond the December 31, 2021 in Contract #3363.

E. Administration Update #2 Summary. The November 6, 2020 dispute resolution letter (Reference C) also addressed new contractual parameters and elements consistent with the amendment to Contract #3363 above and the Grants Program is working on drafting new contract language. However, since Contract #3363 amendments are still outstanding, Administration is holding any new contract execution activities (e.g., further drafting, reviewing with organization), pending resolution of the initial contract #3363 activities.

V. Conclusion
To date, despite: 1) Federal COVID-19 $ responses (e.g., COVID-1, COVID-2 and COVID-3 CARES funding); 2) State responses via the departments of labor and industrial relations, health, and human services; 3) Private, philanthropic, public efforts (e.g., Foodbank, AUW); 4) OHA’s own advocacy (e.g., eviction moratorium, vulnerable populations including houseless, pa’ahao and data disaggregation); and 5) OHA’s own COVID-19 responses (e.g., $450,000 Kaiaulu Meals, $830,000 community based food security grants to Hawaii Community Foundation and $2.17MM emergency financial assistance); beneficiaries continue to report the impacts of COVID-19 continue to disrupt and highlight beneficiary ‘ohana and communities’ needs.

In addition, while the largest dollar amount of $2.17MM was approved by Trustees in May 2020, due to current and continuing contractor compliance and performance matters on the initial contract #3363, the additional $2.17MM amount, approved in May 2020, has not been deployed to date.
GRANT STANDARD OPERATING PROCEDURES MONITORING PROCESS

Only substantive changes to OHA’s Grants Program Standard Operating Procedures Monitoring Process, as deemed by OHA, will require grant agreement updates.

I – OVERALL GRANTS MONITORING PROCESS

Per the OHA Grants Program Standard Operating Procedures (SOP) the grants monitoring process and noncompliance policy is provided as follows. OHA reserves the right to modify these provisions and thus, these provisions are subject to change.

4.7.4 Desktop Monitoring

The Grants Program (GP) Specialist is responsible for the desktop monitoring process is as follows:

- Receive and review forms including Progress Report, Performance Measurement Table, Assurance of Benefit to Hawaiians, Expenditure Report, Grantee Invoice and any quantitative or qualitative reports from Grantee as specified in the Grant Agreement.
- Ensure that the Progress, Performance Measurement and Expenditure Reports conform to the Grantee’s Grant Agreement requirements.
- If Grantee is in noncompliance with the Grant Agreement requirements, GP Specialist will proceed in accordance with the Noncompliance Policy.
- Provide Technical Assistance to support Grantee’s compliance with Grant Agreement terms and conditions. Technical assistance may be provided by telephone, email, mail, and/or in-person. Technical Assistance is ongoing and critical to compliance and will be documented in the OHA Grants Portal as follow-up notices and/or corrective action notices.
- Complete and submit Grant Assessment form to GP Manager for review and approval. The Grant Assessment form evaluates Grantee’s progress on the grant in accordance with the Grant Agreement.
- If the Assessment is approved, GP Specialist processes the payment disbursement as requested by Grantee invoice (in accordance with Financial Services Program [FSP] procedures). The Grant Assessment Form and Grantee Invoice is attached to the online Request for Payment on Contract.
- If the Grant Assessment is not approved, the GP Manager and/or Lead Specialist in coordination with the GP Specialist shall determine the next steps for addressing the Grantee’s deficiencies in accordance with the Noncompliance Policy. This may include reduction in funding or the termination of the Grant Agreement.

4.7.5 On-Site Monitoring

The purpose of On-Site Monitoring is to provide for a more in-depth review of the Grantee’s program and to address grant issues and concerns. On-Site Monitoring is recommended for all grants as determined by the GP Manager. Required On-Site Monitoring shall be conducted if it is determined by the GP Manager that the grant may be at risk for failure or there are discrepancies that require an on-site visit. Any area of noncompliance may be considered including, but not limited to: 1) complaints by participants 2) Grantee failure to meet performance expectations on over half of the critical performance measures without correction action implemented and 3) concerns regarding expenditures that have not been addressed by the Grantee.

The On-Site Monitoring process is as follows:

- Schedule on-site visit via written notice to Grantee
• Conduct on-site visit which shall include:
  o Project/program observation, if deemed necessary to determine compliance
  o Staff meeting/interviews, if necessary to determine compliance.
  o Participant interviews, if necessary to determine compliance.
  o Document review to determine compliance including, but not limited to:
    ▪ Documentation to support participant programs and services
    ▪ Expenditure Reports and support documents verifying expenditures, i.e., receipts, consultant invoices and contracts.
    ▪ Subcontractor contracts, expenditures and monitoring
    ▪ Verification of Native Hawaiian Ancestry eligibility

• Participant documentation verifying Native Hawaiian ancestry at On-Site Monitoring, if necessary, to determine compliance.

• Complete and submit On-Site Monitoring Report to the Lead Specialist and GP Manager for review and signature.
• Upon approval of the GP Manager, GP Specialist sends the On-Site Monitoring Report to Grantee. GP Specialist is responsible to ensure that an email receipt confirmation from the Grantee is received and placed in the Grantee’s OHA Grants Portal file.

  Provide technical assistance and/or corrective action assistance to support Grantee’s compliance with grant agreement terms and conditions. Assistance may be provided by telephone, OHA Grants Portal email via a follow-up or corrective action form, mail, and/or in-person.

4.7.6 Noncompliance Policy
All grants are subject to monitoring to assure compliance with grant requirements. Reviews may result in the identification of “Findings of Non-Compliance.”

• A Grantee is considered to be in a noncompliant status when the Grantee is not meeting any of the conditions of the grant agreement, including an approved modification of the grant agreement. Noncompliance includes, but is not limited to:
• Noncompliance with the terms and conditions of the grant agreement includes failure to comply with:
  • Expenditure requirements
  • Activities
  • Scope of service
  • Performance measure
  • Programmatic and fiscal reporting requirements or Report deadlines
  • Grantee is not responsive to grant communications, including emails and phone calls
  • Grantee is not responsive to or does not meet the deadlines and follow-up requests
  • Submission of incomplete reports
  • Grantee is not responsive to or does not comply with information and/or document requests and/or modifications
  • Files are incomplete and/or missing documents
  • Failure to comply with site monitoring requests
  • Failure to comply with previous required corrective actions
  • Grant budget is not reconciled in accordance with deadlines set by the GP
4.7.6.1 Corrective Action Plan
When a Corrective Action Notification is issued, a Corrective Action Plan (CAP) may be sent to the Grantee with the notification. The Grantee is required to formally respond via a completed CAP and demonstrate that the proposed corrective action is in progress or completed.

- If the GP Specialist has identified specific corrective action and/or implementation deadlines in the corrective action notification and/or CAP, Grantee is required to respond in accordance with the required corrective action and/or deadlines set by the GP Specialist.
- To complete a CAP, the Grantee must demonstrate, that it has corrected the issue(s) that caused the noncompliance and provide evidence that the correction has been implemented. The Grantee’s CAP must specifically provide how noncompliance will be addressed, who will be responsible, and when the solutions will be implemented. If needed, the Grantee must provide specific documentation that supports the completion of the CAP.
- When the proposed CAP is received, the GP Specialist, in consultation with the GP Manager and/or Lead Specialist, will determine whether the CAP reasonably and sufficiently addresses the Non-Compliance Findings. The GP Specialist shall notify the Grantee if the CAP is approved, or, if further information or documentation is required.
- If corrective action is not sufficient and does not re-establish a status of compliance, upon approval from the GP Manager, the GP Specialist may proceed with consequences up to and including the termination of the grant agreement. If grant termination is recommended, the GP Specialist will proceed in accordance with the grant termination policy provided herein.

4.7.6.2 Noncompliance Evaluation
Before determining the consequences of noncompliance, Grantee noncompliance will be evaluated by the GP Specialist based on the following considerations:

- Whether the noncompliance is repeated;
- The number of times the GP Specialist has contacted the grantee regarding compliance;
- The impact on the project;
- The impact of continued expenditures of OHA grant funds;
- The impact on beneficiaries;
- The need for immediate action; and
- Whether there are mitigation factors.

4.7.6.3 Noncompliance Consequences
After an evaluation of noncompliance, the GP Specialist may apply one or more of the following remedies as a consequence of noncompliance:

- Require corrective action;
- Conduct a site visit;
- Withhold authority for the Grantee to proceed to the next phase of the project pending correction of noncompliance;
- Require prior GP Specialist approval be obtained before implementing one or more aspects of the project or grant agreement;
- Temporarily withhold payments pending correction of noncompliance;
- Disallow OHA grant funds for all or part of the cost of the project not in compliance;
- Amend the grant agreement to modify the scope of services and reduce funding for project areas that are not in compliance;
- Terminate the grant agreement; and/or
Designate the grantee ineligible for future OHA grants.

4.7.6.5 Ineligibility Status-Closed and Terminated Grants
When a grant agreement period of performance ends or a grant agreement is terminated, a Grantee deemed in substantial noncompliance, based on the provisions herein, will be designated as ineligible to apply for future OHA grants in accordance with the period specified in the Grantee’s grant agreement. OHA may also take into consideration material noncompliance and determine that a Grantee is ineligible for future OHA grants indefinitely, i.e., the Grantee owes and does not reimburse grant funds to OHA.

4.7.6.6 Ineligibility Determination Date

- The ineligibility determination date shall be the date that the GP Manager has deemed the Grantee ineligible for future grants, the end date of the Grantee’s grant agreement or the date the grant was terminated.
- For grants that have not been terminated, the GP Specialist shall send the Grantee a notice of ineligibility that includes an ineligibility determination date.
- The notice shall be sent to the Grant’s primary contact and fiscal sponsor, if applicable, and shall be sent via certified mail to Grantee’s designee and to the address provided in the Notices provision of the Grantee’s Grant Agreement.

4.7.6.7 Ineligibility Status Reconsideration-Closed and Terminated Grants

- A Grantee with a closed or terminated grant may request reconsideration of the Grantee’s ineligibility status.
- The Grantee must demonstrate in writing that the Grantee has corrected the issues that caused the noncompliance and provide evidence, measures, and dates that correction was implemented.
- The GP Manager will take into consideration Grantee’s noncompliance, factors that resulted in noncompliance and Grantee’s actions implemented to ensure that noncompliance will not be repeated.
- The GP Manager will review the Grantee’s reconsideration request including all documentation provided. If the request to remove the Grantee from ineligibility status is approved, the Grantee must provide a written assurance that the Grantee has the capacity and capability to manage an OHA grant. Upon receipt and approval of the written assurance, the Grantee’s status shall be changed from ineligible to eligible. The Grantee shall receive a notification of the status change and the Grantee’s status will be changed in the OHA Grants Portal. The notice shall be sent to the Grant’s primary contact and fiscal sponsor, if applicable, and may be copied to the Grantee's and sponsored organization’s Board President and/or lead administrator.

4.7.6.8 Ineligibility Status Reconsideration-Current Grants

- A Grantee with a current OHA grant that is in noncompliance must request written approval from the GP Manager before applying for another grant.
- The Grantee must demonstrate, in writing, that the Grantee has corrected the issues that caused the noncompliance and provide evidence that the correction has been completed or is in progress, including dates that corrective action has been implemented and measures taken to ensure the noncompliance will not be repeated. The GP Manager will take into consideration Grantee’s noncompliance, the Grantee’s progress in correcting noncompliance and other factors that resulted in noncompliance.
• The GP Manager will review the Grantee’s reconsideration request including all documentation provided. If the request to remove the Grantee’s ineligibility status is approved, the Grantee must provide a written assurance that the Grantee has the capacity and capability to manage an OHA grant. Upon receipt and approval of the written assurance, the Grantee will receive a notification that the Grantee will be allowed to apply for another OHA grant.
• The notice shall be sent to the Grant’s primary contact and fiscal sponsor, if applicable, and shall be sent via certified mail to Grantee’s designee and to the address provided in the Notices provision of the Grantee’s Grant Agreement.

4.7.7 Fiscal Sponsor
A fiscal sponsor is an organization that has an IRS nonprofit designation and has agreed to act as the sponsoring organization for a sponsored organization. The fiscal sponsor is the Grantee and the noncompliance provisions herein apply to the fiscal sponsor.

4.7.8 Sponsored Organization
A sponsored organization is an organization that does not have an IRS nonprofit designation and has a fiscal sponsor submit a grant application on its behalf. The noncompliance provisions herein apply to the sponsored organization.

4.7.9 Grant Amendments
Grantees are required to make a formal request in writing for an amendment to a Grant Agreement if the change proposed will result in a significant modification to an approved project. Conditions under which Grantees must request a Grant Agreement amendment are as follows, but not limited to the below:

Budget Changes. A revised budget must be requested if changes in a budget line item is needed. A revised budget is also required when line items are added or deleted from the original approved budget or the most recently approved revised budget. All budget revisions must be signed by the financial officer responsible for the grant and include an itemized, revised budget and compared to the original or most recently approved revised budget.

• Period of Performance “No Cost Extension” – GP Manager may extend the expiration date of a grant if additional time is required to complete the project or the orderly phase-out of the project. The Grantee shall provide a justification for the grant extension. The fact that funds remain at the expiration of the grant is not, in itself, sufficient justification for an extension. The extended period of performance is determined by the GP Manager and may be up to 12 months from the original expiration date of the grant.
• Statement of Work Changes
  • Changes in the direction, scope, or objectives of the approved project.
  • Changes to specified firms, vendors, or individuals stipulated in the scope of work to provide services for the project.
  • Changes in the location(s) of services that are not in conformance with Grantee’s contract requirements.
• Other Changes – Changes in significant terms or conditions.
• For minor budget amendments the process is as follows:
A request for a minor budget amendment must be submitted at least SIX (6) weeks before the end of the approved "Period of Performance" in order to be considered for approval. A minor budget amendment is a 25 percent or less change in any budget activity or line item or budget change that does not have a significant impact on the grant.

The Grantee shall submit a signed OHA Grant Amendment Request form. The request will be reviewed by the GP Specialist and the GP Manager based on the criteria outlined below.

If the GP Manager recommends approval of the request, the GP Specialist and the GP Manager shall sign the form and include a hard copy in the grant file and the Grantee’s OHA Grants Portal file.

For significant modifications including major budget modifications, period of performance or statement of work changes, the process is as follow:

- Any requests for a Grant Agreement amendment must be submitted at least SIX (6) weeks before the end of the approved "Period of Performance" in order to be considered for approval.
- If the GP Manager recommends approval of the request, the GP Specialist shall issue a formal Grant Agreement amendment that will be circulated for review and signature by the authorized officials of OHA and Grantee (refer to Grants Program Standard Operating Procedures, Grant Agreement Routing for Execution under Item 4.6.3 “Contracting”).

Amendment Review Criteria. Criteria to be met for approval of contract/Grant Agreement amendments are as follows:

- Circumstances requiring the change are beyond the control of the Grantee.
- Circumstances that were not and could not have reasonably been anticipated.
- Modification does not alter the direction of the original proposal in a critical way.
- Modification is feasible within the programmatic, fiscal, and time constraints of the Grant Agreement.

4.7.10 Termination of Grants by OHA
Termination is the cancellation of a grant, at any time prior to its expiration, for non-compliance with the terms and conditions of the Grant Agreement or for other reasonable cause. The Grantee must be informed beforehand of OHA’s intended action, the reasons for the termination, and given the opportunity to correct deficiencies in accordance with the Noncompliance Policy. The GP Specialist shall devise a termination letter to the grantee. The termination letter must be reviewed by both the GP Manager as to content and Corporate Counsel as to form. The termination letter must also be reviewed by the CEO for approval. The GP Manager signs the final approved termination letter. The letter shall be sent to the Grant’s primary contact and fiscal sponsor, if applicable, and shall be sent via certified mail to the Grantee designee to the address provided in the Notices provision of the Grantee’s Grant Agreement.

4.7.11 Program Process Reporting
During each cycle and phase, the GP Specialist will generate various process reports to aid in tracking current process volumes, noting process efficiencies, applicant and process phase status, and any other insights regarding the process cycle:
The Grants System Administrator will generate program cycle process reports throughout the application process that track at a summary and detail levels various data elements.

Report(s):

Status of contracts in monitoring phase (e.g., scheduled date of site visit, invoices, quarterly assessment report, closed).

4.7.12 Deliverable Documentation
The following documents support the Monitoring step in the program/process/cycle: Grant Quarterly Progress Report, Grant Assessment Report, On-Site Monitoring Report and Grant Amendment Request Form.

4.7.13 Close of Grant

- Upon receipt of Grantee Final Reports, GP Specialist completes Grant Closeout Report and submits to Lead Specialist and GP Manager for review and approval.
- Upon approval of the Grant Closeout Report, the GP Specialist checks the final payment box on the Payment on Contract form to initiate the closeout of the grant purchase order. The final payment is processed and sent to the Grantee. The GP Specialist uploads a copy of the Payment on Contract form and check to the Grantee’s file in the OHA Grants Portal and completes the online form.
- A closeout notification is sent to Grantee. The notification shall include a determination on whether the Grantee is eligible for future grant funding. The GP Specialist shall include the notification in the Grantee’s file in the OHA Grants Portal.
- If Grantee has not fully expended OHA funds and a final payment will not be made, the appropriate FSP form is completed and submitted to appropriate Financial Services Program (FSP) staff.
- If it has been determined that the Grantee was overpaid, the Grantee is required to reimburse OHA. The GP Specialist shall notify the GP Manager, complete the reimbursement documents, and follow-up with the Grantee for reimbursement. If unpaid, the GP Specialist shall document inability to collect payment. OHA can determine how to proceed regarding collection in consultation with Financial Services and communication of such action (e.g., organization, Trustees, beneficiaries).

GRANT AGREEMENT SPECIFIC MONITORING PROCESS

The final grant agreement may include specific grant monitoring elements aligned to the grantee application and award.
**OHA Contract Number:** 3363

**Grantee:** Council for Native Hawaiian Advancement

**Award Amount:** 1,660,000.00

**Grant Award Period:** 1/1/2020 - 12/31/2021

**Reconciliation Period:** 1/1/2020 - 11/15/2020

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### Payments

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### Total Expenses

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<td>Per Y1Q4 Expenses Report (Exp Y1Q1)</td>
<td>1/1/2020</td>
<td>3/31/2020</td>
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<td>Per Y1Q4 Expenses Report (Exp Y1Q2)</td>
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<td>Per Y1Q4 Expenses Report (Exp Y1Q3)</td>
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**Outstanding Payments**

As of 2/3/2021, Y1Q4 is under review, Y1Q3 progress report submitted 2/3/2021
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<th>Personnel Costs</th>
<th>Initial Payme</th>
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<th>QTR Y1Q3</th>
<th>QTR Y1Q4</th>
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<td>Salaries - Program Manager</td>
<td>15,000.00</td>
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<td>Salaries - Assistant Program Manager</td>
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<td>Salaries - Accountant</td>
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<td>Other Expenses</td>
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<td>Contractual Services - OHA Program Direct Services, Contract services to expand financial assessment, processing, and financial literacy offerings on all islands.</td>
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<td>Equipment - Lease/Rental</td>
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<td>Facilities - Grant share of Janitorial &amp; Pest Control</td>
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<td><strong>53,828.20</strong></td>
<td><strong>821,914.57</strong></td>
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JOINT MEETING of the
COMMITTEE ON BENEFICIARY ADVOCACY AND EMPOWERMENT (BAE) and the
COMMITTEE ON RESOURCE MANAGEMENT (RM)

DATE: Wednesday, February 10, 2021
TIME: 10:00 am
PLACE: Virtual Meeting
Viewable at www.oha.org/livestream OR
Listen by phone: (213) 338-8477, Webinar ID: 997 5471 8749

Due to the threat of COVID-19, Governor Ige issued the most recent Emergency Seventeenth Supplementary Proclamation dated December 16, 2020 that suspends parts of Hawai’i Revised Statutes Chapter 92, Public Agency Meetings and Records to, among other things, enable boards to conduct business without any board members or members of the public physically present at the same location. The OHA Board of Trustees and its Standing Committees will hold virtual meetings until further notice. The virtual meetings can be viewed and observed via livestream on OHA’s website at www.oha.org/livestream or listen by phone: (213) 338-8477, Webinar ID: 997 5471 8749

AGENDA

I. Call to Order
II. Public Testimony on Items Listed on the Agenda*  
   (Please see page 2 on how to submit written testimony or provide oral testimony online.  
   Oral testimony by telephone/landline will not be accepted)

III. Approval of Minutes
   A. JOINT BAE-RM Meeting Minutes of December 18, 2019
   B. JOINT BAE-RM Meeting Minutes of October 7, 2020

IV. Unfinished Business
V. New Business
   A. WORKSHOP
      1. Introduction of a Proposed Policy Framework for OHA
      2. Facilitated Discussion re: Development of a T-Level Grant Policy
   B. ADMINISTRATION UPDATE - re: Status of Contract 3363 dated December 20, 2019 between OHA and the Council for Native Hawaiian Advancement for $1,660,000, awarded as a result of Grant Solicitation OHA 20-10 dated September 13, 2019 and approved via Action Item BAE-RM #19-09 dated 11/20/2019, including related Dispute Resolution Activities
   C. ADMINISTRATION UPDATE - re: Implementation of Board Action “To approve and authorize the disbursement of $2,170,000 from the Fiscal Year 2020 Core Operating Budget (Grants Category) to fund the Emergency Financial Assistance Program grant” via Action Item BOT #20-03: Approval to Fund Responses to COVID-19 on May 7, 2020
   D. ACTION ITEM BAE-RM #21-01: Approval to Reallocate $2,170,000 in COVID-19 Emergency Financial Assistance Program Grant Authorization to $1,170,000 to COVID-19 Impact Grants and $1,000,000 to ʻOhana and Community Program Grants†
OFFICE OF HAWAIIAN AFFAIRS
Action Item

Joint Committee on Beneficiary Advocacy and Empowerment and the Committee on Resource Management
February 10, 2021

BAE-RM #21-01

Action Item Issue: Approval to Reallocate $2,170,000 in COVID-19 Emergency Financial Assistance Program Grant Authorization to $1,170,000 to COVID-19 Impact Grants and $1,000,000 to ‘Ohana and Community Program Grants

Prepared by: ______________________________________________________________________________________
Sylvia M. Hussey, Ed.D. Date 2/6/2021
Ka Pouhana, Chief Executive Officer

Reviewed by: ______________________________________________________________________________________
Ramona G. Hinck Date 2/6/2021
Ka Pou Kihi Kanaloa Wai, Chief Financial Officer

Reviewed by: ______________________________________________________________________________________
Casey K Brown Date 2/6/2021
Ka Pou Nui, Chief Operating Officer
OFFICE OF HAWAIIAN AFFAIRS
Action Item
(continued)

Joint Committee on Beneficiary Advocacy and Empowerment and the Committee on Resource Management
February 10, 2021

BAE-RM #21-01

Action Item Issue: Approval to Reallocate $2,170,000 in COVID-19 Emergency Financial Assistance Program Grant Authorization to $1,170,000 to COVID-19 Impact Grants and $1,000,000 to ‘Ohana and Community Program Grants

Reviewed by: Kaleihikina Akaka 2/7/2021
Luna Ho’omalu o ke Kōmike BAE
Committee on Beneficiary, Advocacy & Empowerment, Chair

Reviewed by: John D. Waihee IV 2/7/2021
Luna Ho’omalu o ke Kōmike RM
Committee on Resource Management, Chair
I. **Action**
   A. Reallocate $2,170,000 in FY20 COVID-19 Emergency Financial Assistance Program grant authorization purpose of:
      1. $1,170,000 to FY20 COVID-19 Impact Grants purpose, for a new amount of $1,670,000, to be competitively solicited by island community in FY21, with the exception of the island of Ni‘ihau.
      2. $1,000,000 to FY20 ‘Ohana and Community grants purpose, for a new amount of $1,250,000, to be competitively solicited by island community in FY21, with the exception of the island of Ni‘ihau.
   B. Allocate to island communities pro-rata based on Native Hawaiian population.
   C. Adjust for 50% of O‘ahu to be reallocated to the remaining island counties.

II. **Issue**
   Whether the Trustees should authorize and approve the reallocation of $2,170,000 (FY20) in Emergency Financial Assistance (EFA) Program grant authorization purpose to: 1) $1,170,000 to COVID-19 Impact grants; and 2) $1,000,000 to ‘Ohana and Community Program grants.

III. **References**
   Usually placed at the end of an Action Item, the following six references are provided prior to the IV. Attachment and V. Discussion sections below, to better understand the chronology of actions that support Administration’s rationale and recommendations:
   A. **Solicitation Grant Solicitation No. OHA 20-10**: Emergency Financial Assistance (EFA), September 13, 2019
   B. **Action Item BAE-RM #19-09**: FB 20-21 Emergency Financial Assistance Grant Recommendation ($1,660,000), November 20, 2019, awarded to the Council for Native Hawaiian Advancement (CNHA)
   C. **Contract #3363 between OHA and the Council for Native Hawaiian Advancement** for $1,660,000 to Fund the Emergency Financial Assistance Grant, December 20, 2019
   D. **Action Item BOT #20-03**: Approval to Fund Responses to COVID-19, additional $2,170,000 for Emergency Financial Assistance, May 7, 2020
   E. **Action Item BOT #20-04**: OHA Biennium Budget for the Fiscal Biennium Periods 2019-2020 (FY20) and 2020-2021 (FY21) – Realignment #2, June 18, 2020, the following additional grant amounts approved for FY21, see Figure 3 below an excerpt of Budget Book page A-43.
Action Item BAE-RM #21-01: Approval to Reallocate $2,170,000 in COVID-19 Emergency Financial Assistance Program Grant Authorization to $1,170,000 to COVID-19 Impact Grants and $1,000,000 to ‘Ohana and Community Program Grants

Figure 3

F. Dispute Analyses and Resolution Letter re: Contract #3363 Council for Native Hawaiian Advancement, Emergency Financial Assistance Grant, Kahiau Community Assistance Program, November 6, 2020 with the following referenced attachments:

a. Attachment A - December 20, 2019, Contract #3363 between OHA and CNHA - $1,660,000
b. Attachment B - March 19, 2020, 1st Grant Corrective Determination Letter
c. Attachment C - March 28, 2020, COVID-19 Communication Follow-Up
d. Attachment D - April 24, 2020, Updated COVID-19 Modification Plan
e. Attachment E – July 23, 2020, CNHA 2nd Corrective Action Determination

IV. Attachment

A. Overview. Similar to section III. References above, an attachment section is commonly listed at the end of the action item. However, it is placed at the beginning of this Action Item BAE-RM #21-01, to provide Trustees with the overview and context needed.

B. Summary. Refer to memo attached dated February 5, 2021 summarized in Table 1 below:

Table 1. Purpose and Status of Contract 3363 and Additional EFA Funding

<table>
<thead>
<tr>
<th>Purpose and Status of Contract 3363 and Additional EFA Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Status of Contract 3363</strong> for $1,660,000 awarded as a result of Grant Solicitation OHA 20-10 dated September 19, 2019 and approved via BAE/RM 19-10 Action Item dated 11/21/2019</td>
</tr>
</tbody>
</table>

**Status-On Hold:** The dispute resolution activities outlined in the November 6, 2020 letter (Reference C), included: reconciliation of Year 1 and Year 2 activities and budget, reviewing quarterly reports, addressing matters in previously issued grant monitoring report #2 (and related corrective action plan), drafting, reviewing and completing grant amendments 3363.01, etc. remain in progress to date 1. Attachment 2 details a reconciliation of payments in total and by expense type for Year 1 (1/1/2020 to 12/31/2020). Administration will not be releasing any further funds until dispute resolution, contract amendment and grant monitoring matters are addressed and resolved.

| **B. Status of the additional funding of $2,170,000 Emergency Financial Assistance Program Grant approved via Action Item BOT #20-03: Approval to Fund Responses to COVID-19, May 7, 2020** (Reference B) |

**Status-On Hold:** The November 6, 2020 dispute resolution letter (Reference C) also addressed new contractual parameters and elements consistent with the amendment to Contract #3363 above and the Grants Program is working on drafting new contract language. However, since Contract #3363 amendments are still outstanding, Administration is holding any new contract execution activities (e.g., further drafting, reviewing with organization), pending resolution of the initial contract #3363 activities.

---

1 Y1Q3 progress report submitted 2/3/2021 and as of 2/3/2021, Y1Q4 of expenditures is under review.
V. Discussion

A. Continuing Beneficiary Needs as a Result of COVID-19 Disruptions. Disruptions to beneficiary families and communities continue and the need for feeding programs; rent, mortgage and utilities relief; supports for houseless families; extended time for distance learning, access to devices and broadband; criminal justice needs, including pa`ahao; and `ohana supports, continue. Balanced with basic needs (e.g., food, clothing, shelter), is a continuing need for families to provide for themselves economically, particularly in industries and businesses tied to the tourism industry; or the struggle to “pivot” to another skill or industry via workforce or retraining programs. In addition, equity in access to COVID-19 testing and interventions, is now replaced with equity in vaccine rollout.

Figure 4

B. High Level Summary of COVID-19 Federal Responses1. Congress passed four laws to respond to COVID-19:

1. Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (enacted into law on 3/6/2020);
2. Families First Coronavirus Response Act (enacted into law on 3/18/2020);
3. Coronavirus Aid, Relief, and Economic Security (CARES) Act (enacted into law on 3/27/2020); and

B. Hawaii Funding2. Hawaii received a total of $1.25 billion from the Coronavirus Relief Fund. The Department of the Treasury awarded $863 million to the State of Hawaii and $387 million to the City and County of Honolulu. County governments are eligible to receive funding from the state.
Action Item BAE-RM #21-01: Approval to Reallocate $2,170,000 in COVID-19 Emergency Financial Assistance Program Grant Authorization to $1,170,000 to COVID-19 Impact Grants and $1,000,000 to ‘Ohana and Community Program Grants

Figure 7

![HOʻĀLA ASSISTANCE PROGRAM](image)

**How Awards were Determined.** Treasury awarded states their funding based on population in consultation with the Census Bureau; the minimum state award was $1.25 billion; County governments with a population of 500,000 or more were eligible to receive a direct payment from the Treasury; Out of the total amount for each state, the state government received at least 55 percent of the total. The county governments altogether received up to 45 percent of the total for the state. Of this 45 percent, large county governments were eligible to receive a portion of this funding based on its proportion of the state population. The remaining funding out of this 45 percent was provided to the state government.

Figure 8

**C. Use of Funds.** State and county governments can use this funding for costs that: are necessary expenditures incurred due to the public health emergency with respect to the novel coronavirus disease, COVID-19; were not accounted for in the budget most recently approved for the state or county government as of the date of enactment.

**D. Supports on Oʻahu.** A quick scan of the Aloha United Way, CNHA, websites detailed a number of similar housing/rental assistance programs that varied in its continuation.
Action Item BAE-RM #21-01: Approval to Reallocate $2,170,000 in COVID-19 Emergency Financial Assistance Program Grant Authorization to $1,170,000 to COVID-19 Impact Grants and $1,000,000 to ‘Ohana and Community Program Grants

Figure 96

CLOSED COVID-19 ASSISTANCE PROGRAMS (2020)

- State of Hawai‘i Rent Relief and Housing Assistance Program *Check Status Here*
- City & County of Honolulu – Household Hardship Relief Fund
- Department of Hawaiian Home Lands – COVID-19 Emergency Rental Assistance (DRAP)
- Aloha United Way COVID-19 Rent & Utility Assistance

Please note:

We are no longer accepting applications for the State of Hawaii Rent Relief and Housing Assistance Program and the City and County of Honolulu Household Hardship Relief Program. More information on each program is below.

Housing/Rental Assistance: DHHL - $7 MM. In May 2020, the Department of Hawaiian Home Lands (DHHL) announced a “a new program to provide rental relief for Department of Hawaiian Home Lands (DHHL) Applicant Waiting List beneficiaries in partnership with Aloha United Way (AUW). DHHL’s COVID-19 Emergency Rental Assistance Program will provide eligible beneficiaries with rental assistance using $7 million in Native Hawaiian Housing Block Grant (NHHBG) funds. These funds were made available in accordance with the Native Hawaiian Housing Assistance and Self-Determination Act (NAHASDA) and other federal laws, including Public Law 115-141 of the Consolidated Appropriations Act, 2018. The Consolidated Appropriations Act allows NHHBG funds to be used to provide rental assistance to Native Hawaiian families both on and off Hawaiian Home Lands. Eligible native Hawaiians on DHHL’s Applicant Waiting List who have experienced a loss of income or job as a result of COVID-19 may receive assistance for the payment of their security deposit and/or rent for up to six months.

Figure 108

DHHL RENT RELIEF PROGRAM

FUNDED BY THE U.S DEPARTMENT OF THE TREASURY

APPLICATIONS LAUNCHING MONDAY FEBRUARY 8, 2021
Action Item BAE-RM #21-01: Approval to Reallocate $2,170,000 in COVID-19 Emergency Financial Assistance Program Grant Authorization to $1,170,000 to COVID-19 Impact Grants and $1,000,000 to ‘Ohana and Community Program Grants

Figure 11

OPEN COVID-19 ASSISTANCE PROGRAMS

Aloha United Way (AUW) is actively working to protect the health, safety, and well-being of our communities as Hawai‘i confronts the effects of the COVID-19 pandemic. The following program has been launched as part of this ongoing effort.

HAWAI‘I UTILITY BILL ASSISTANCE PROGRAM

The Hawai‘i Utility Bill Assistance Program will begin accepting applications at 8 a.m. on Feb. 8, 2021.

Residential customers who meet eligibility requirements can receive a one-time assistance of funds up to $750. That amount can be paid to one utility or split among several.

Hawaiian Electric is the founding sponsor of this statewide program to help qualifying families recover from the economic hardship caused by the COVID-19 pandemic.

E. Supports on the Neighbor Islands. Similar, but independent, from the Aloha United Way (AUW) on O‘ahu, the following organizations work are smaller (organization wise and financially) and can work more effectively in their island communities:

- Kaua‘i United Way - https://kauaiunitedway.org/

VII. Compliance of Recommendations with Board Policies

Administration’s recommendations will require Board approval to be compliant with the following Board Policies:

A. Board Policy on Budget Preparation, Format and Reporting Requirements – OHA BOT Executive Policy Manual, Subseries 3050 – Fiscal:

The BOT approved Action Item RM #18-12 which updated the budget preparation, format and reporting requirements by approving amendments to the Executive Policy Manual (“Policy Manual”) and Board of Trustees Operations Manual (“Operations Manual”) as described in Attachments “A” and “B” excluding the amendments on Fiscal Transparency 3.4.k. through 3.4.1. in Attachment “A” and “C”. Implementation of the approved updates was deferred to the FY22-23 biennium. Therefore, the current policy adopted by the BOT via Action Item RM #18-01 relating to Budget Adjustments is in effect and is outlined below:

1. Budget Adjustments and Limitations: Changes to the budget that are not comprehensive enough to require realignment are to be handled through budget adjustments. Management is delegated the authority to approve budget adjustments.
adjustments that fall within the lesser of $100,000 or 5% of each expenditure category. Expenditure categories are defined as the Personnel, Program, Contracts, Grants, Travel, Equipment, Overhead, and Debt Service Budgets as included in the approved Total Operating Budget. Budget adjustments in and out of the Grants Budget and between the Core Operating, Fiscal Reserve, Commercial Properties, Legacy Properties, and Special Program Budgets are prohibited. Any adjustments that exceed management’s authorities must be approved by the BOT and shall be presented to the BOT in Action Item format. [EPM² 3.5.f] Current proposed budget adjustments exceed Management’s authority, therefore Board approval needed.

B. Board Policy on Grants - OHA BOT Executive Policy Manual, Subseries 2020 – Grants:
1. The CEO is granted authority to approve Grants Program funding requests up to $25,000. Grant requests $25,000 and over require the concurrence of a majority (5) of all members to which the BOT is entitled. The exception is for Community Based Economic Development (CBED) Grants, for which the CEO can approve grant requests up to $50,000. [EPM 2.2.d] - Current proposed grant authorizations exceed the CEO’s authority, therefore Board approval needed.

VIII. Summary
A. Continuing Need. Despite: 1) Federal COVID-19 $ responses (e.g., COVID-1, COVID-2 and COVID-3 CARES funding); 2) State responses via the departments of labor and industrial relations, health, and human services; 3) Private, philanthropy, public efforts (e.g., Foodbank, AUW); 4) OHA’s own advocacy (e.g., eviction moratorium, vulnerable populations including houseless, pa`ahao and data disaggregation); and COVID-19 responses (e.g., $450,000 Kaiaulu, $830,000 community based food security grants to Hawaii Community Foundation and $2.17MM emergency financial assistance); the impacts of COVID-19 continue to disrupt beneficiary `ohana and communities including education, health, housing and economic stability.

B. New Contract On Hold. In addition, while the largest dollar amount of $2.17MM was approved by Trustees in May 2020 for EFA program, due to current and continuing contractor compliance and performance matters on the initial contract, the additional $2.17MM amount has not been deployed or repurposed to date.

C. City & County of Honolulu. Hawaii received a total of $1.25 billion from the Coronavirus Relief Fund. The Department of the Treasury awarded $863 million to the State of Hawaii and $387 million to the City and County of Honolulu. County governments are eligible to receive funding from the state; and already received $387 million, therefore overall resourcing statewide is varied.

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2 EPM=Executive Policy Manual
VI. Recommendation

A. Reallocate $2,170,000 in FY20 COVID-19 Emergency Financial Assistance Program grant authorization purpose of:

1. $1,170,000 to FY20 COVID-19 Impact Grants purpose, for a new amount of $1,670,000, to be competitively solicited by island community in FY21, with the exception of the island of Ni‘ihau.

2. $1,000,000 to FY 20 ‘Ohana and Community grants purpose, for a new amount of $1,250,000, to be competitively solicited by island community in FY21, with the exception of the island of Ni‘ihau.

B. Allocate to island communities pro-rata based on Native Hawaiian population.

C. Adjust for 50% of O‘ahu to be reallocated to the remaining island counties.

Table 2 – Native Hawaiian Population by Island: 2010 (US Census), Source: OHA
Action Item BAE-RM #21-01: Approval to Reallocate $2,170,000 in COVID-19 Emergency Financial Assistance Program Grant Authorization to $1,170,000 to COVID-19 Impact Grants and $1,000,000 to ‘Ohana and Community Program Grants

Table 3 – COVID-19 Grant – Reallocation, $1,670,000

<table>
<thead>
<tr>
<th>Compared to all NH in state</th>
<th>By Island</th>
<th>Reallocation from O‘ahu to Ni [1]</th>
<th>Reallocation from O‘ahu to Ni [1]</th>
<th>Reallocated COVID-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,670,000</td>
<td>62.8%</td>
<td>$1,048,760</td>
<td>$524,380</td>
<td>$524,380 O‘ahu</td>
</tr>
<tr>
<td></td>
<td>18.9%</td>
<td>315,630</td>
<td>267,023</td>
<td>54,919</td>
</tr>
<tr>
<td></td>
<td>10.9%</td>
<td>182,030</td>
<td>153,964</td>
<td>31,666</td>
</tr>
<tr>
<td></td>
<td>0.2%</td>
<td>3,340</td>
<td>2,971</td>
<td>611</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>1.6%</td>
<td>26,720</td>
<td>22,011</td>
<td>4,527</td>
</tr>
<tr>
<td></td>
<td>5.5%</td>
<td>91,850</td>
<td>77,687</td>
<td>15,978</td>
</tr>
<tr>
<td></td>
<td>0.1%</td>
<td>1,670</td>
<td>724</td>
<td>149</td>
</tr>
<tr>
<td></td>
<td>100.0%</td>
<td>1,670,000</td>
<td>-</td>
<td>107,850 $1,670,000</td>
</tr>
</tbody>
</table>

Table 4 – ‘Ohana and Community Grants – Reallocation, $1,250,000

<table>
<thead>
<tr>
<th>Compared to all NH in state</th>
<th>By Island</th>
<th>Reallocation from O‘ahu to Ni [1]</th>
<th>Reallocation from O‘ahu to Ni [1]</th>
<th>Reallocated COVID-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,250,000</td>
<td>62.8%</td>
<td>$785,000</td>
<td>$392,500</td>
<td>$392,500 O‘ahu</td>
</tr>
<tr>
<td></td>
<td>18.9%</td>
<td>236,250</td>
<td>199,867</td>
<td>436,117</td>
</tr>
<tr>
<td></td>
<td>10.9%</td>
<td>136,250</td>
<td>115,243</td>
<td>251,493</td>
</tr>
<tr>
<td></td>
<td>0.2%</td>
<td>2,500</td>
<td>2,224</td>
<td>4,724</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>1.6%</td>
<td>20,000</td>
<td>16,475</td>
<td>36,475</td>
</tr>
<tr>
<td></td>
<td>5.5%</td>
<td>68,750</td>
<td>58,149</td>
<td>126,899</td>
</tr>
<tr>
<td></td>
<td>0.1%</td>
<td>1,250</td>
<td>542</td>
<td>1,792</td>
</tr>
<tr>
<td></td>
<td>100.0%</td>
<td>1,250,000</td>
<td>-</td>
<td>107,850 $1,250,000</td>
</tr>
</tbody>
</table>
Action Item BAE-RM #21-01: Approval to Reallocate $2,170,000 in COVID-19 Emergency Financial Assistance Program Grant Authorization to $1,170,000 to COVID-19 Impact Grants and $1,000,000 to ‘Ohana and Community Program Grants

Inter-island resourcing acknowledges that the: 1) City & County of Honolulu, based on its size of population, received $387MM in CARES funding and will likely qualify for separate, stand alone municipal funding in the future; and 2) Neighbor island aloha united way organizations (as an example of social services entities), operate independently of the O‘ahu based united way agency and must address their community based needs with less sources (e.g., island based philanthropies, private entities, county).

VII. Alternatives to Recommended Action
   A. Approve and authorize all funding actions.
   B. Approve and authorize partial funding.
   C. Do not approve funding.

VIII. Timeframe
   Immediate action is recommended to enable preparation of grant solicitations by island, and effect the grant awarding approvals by the Board no later than June 30, 2021.

1 https://www.schatz.senate.gov/coronavirus, retrieved February 6, 2021
2 https://www.schatz.senate.gov/coronavirus/state-and-county-governments#:~:text=Hawaii%20received%20total%20of,City%20of%20Honolulu, retrieved February 5, 2021
3 https://www.hawaiiancouncil.org/hoalaold, retrieved February 6, 2021
4 https://www.hawaiiancouncil.org/kahiau, retrieved February 6, 2021
5 https://www.auw.org/closed-covid-19-assistance-programs-2020, retrieved February 6, 2021. Note that between initially drafting and finalizing the Action Item, the AUW website changed to “closed” programs.
7 https://dhhl.hawaii.gov/2020/05/11/dhhl-aloha-united-way-launch-beneficiary-rental-relief-program/, retrieved February 6, 2021
8 https://www.hawaiiancouncil.org/dhhl, retrieved February 6, 2021
9 https://www.auw.org/open-covid-19-assistance-programs, retrieved February 6, 2021
OFFICE OF HAWAIIAN AFFAIRS

Interoffice Memorandum

Date: February 5, 2021

To: Ke Kauhuhu Carmen Hulu Lindsey
Ke Kua Leinaʻala Ahu Isa
Ke Kua Dan Ahuna
Ke Kua Kaleihikina Akaka
Ke Kua Keliʻi Akina
Ke Kua Luana Alapa
Ke Kua Brendon Kaleiʻaina Lee
Ke Kua Keola Lindsey
Ke Kua John Waiheʻe IV

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

cc: Casey K. Brown, Ka Pou Nui, Chief Operating Officer
Ramona G. Hinck, Ka Pou Kihi Kanaloa Wai, Chief Financial Officer
Raina Gushiken, Ka Paepae Puka, Senior Legal Counsel
Maile Luʻuwai, Pou Kākoʻo Kaiāulu, Grants Manager

Subjects: ADMINISTRATION UPDATE #1 re: Status of Contract 3363 dated December 20, 2019 between OHA and the Council for Native Hawaiian Advancement for $1,660,000, awarded as a result of Grant Solicitation OHA 20-10 dated September 13, 2019 and approved via Action Item BAE-RM #19-09 dated 11/20/2019, including Dispute Resolution Activities

ADMINISTRATION UPDATE #2 re: Implementation of Board Action “To approve and authorize the disbursement of $2,170,000 from the Fiscal Year 2020 Core Operating Budget (Grants Category) to fund the Emergency Financial Assistance Program grant” via Action Item BOT #20-03: Approval to Fund Responses to COVID-19 on May 7, 2020

Attachments: (1) Grant Monitoring Procedures; (2) Contract 3363 Reconciliation Year 1 – 2020 Analysis

References:

Reference A: Contract 3363 dated December 20, 2019 between OHA and the Council for Native Hawaiian Advancement (CNHA) for $1,660,000

Reference B: Action Item BOT #20-03: Approval to Fund Responses to COVID-19, May 7, 2020 additional $2,170,000

Reference C: November 6, 2020 letter to CNHA re: Contract #3363: Council for Native Hawaiian Advancement, Emergency Financial Assistance Grant, Kahiau Community Assistance Program, Dispute Analyses and Resolution (without attachments)
I. **Purpose**

The purpose of this memorandum is to inform the Board about the following:

A. Status of Contract 3363 for $1,660,000 awarded as a result of Grant Solicitation OHA 20-10 dated September 19, 2019 and approved via BAE/RM 19-10 Action Item dated 11/20/2019; and

B. Status of the implementation of the additional funding of $2,170,000 Emergency Financial Assistance Program Grant approved via Action Item BOT #20-03: Approval to Fund Responses to COVID-19, May 7, 2020.

II. **Executive Summary**

The following table provides an executive summary of each purpose and status:

Table 1. **Purpose and Status**

<table>
<thead>
<tr>
<th>Purpose and Status</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Status of Contract 3363 for $1,660,000 awarded as a result of Grant Solicitation OHA 20-10 dated September 19, 2019 and approved via BAE/RM 19-10 Action Item dated 11/21/2019</strong></td>
<td>Status-On Hold: The dispute resolution activities outlined in the November 6, 2020 letter (Reference C), included: reconciliation of Year 1 and Year 2 activities and budget, reviewing quarterly reports, addressing matters in previously issued grant monitoring report #2 (and related corrective action plan), drafting, reviewing and completing grant amendments 3363.01, etc. remain in progress to date². Attachment 2 details a reconciliation of payments in total and by expense type for Year 1 (1/1/2020 to 12/31/2020). Administration will not be releasing any further funds until dispute resolution, contract amendment and grant monitoring matters are addressed and resolved.</td>
</tr>
<tr>
<td><strong>B. Status of the additional funding of $2,170,000 Emergency Financial Assistance Program Grant approved via Action Item BOT #20-03: Approval to Fund Responses to COVID-19, May 7, 2020 (Reference B)</strong></td>
<td>Status-On Hold: The November 6, 2020 dispute resolution letter (Reference C) also addressed new contractual parameters and elements consistent with the amendment to Contract #3363 above and the Grants Program is working on drafting new contract language. However, since Contract #3363 amendments are still outstanding, Administration is holding any new contract execution activities (e.g., further drafting, reviewing with organization), pending resolution of the initial contract #3363 activities.</td>
</tr>
</tbody>
</table>

¹ Contract #3363 executed in December 2019 is between OHA and the Council for Native Hawaiian Advancement, which named and deployed the OHA emergency financial assistant grant as the Kahiau Community Assistance Program (Reference A).

² Y1Q3 progress report approved 1/29/2021 and as of 2/3/2021, Y1Q4 of expenditures is under review.
III. ADMINISTRATION UPDATE #1 re: Status of Contract 3363 dated December 20, 2019 between OHA and the Council for Native Hawaiian Advancement for $1,660,000

A. Solicitation and Award. Via Grant Solicitation No. OHA 20-10: Emergency Financial Assistance, September 13, 2019 and Action Item BAE-RM #19-09: FB 20-21 Emergency Financial Assistance Grant Recommendation, November 20, 2019, the Trustees approved and authorized the disbursement of $830,000 from the Fiscal Year 2020 Core Operating Budget (Object Code 56530) and $830,000 from the Fiscal Year 2021 Core Operating Budget (Object Code 56530) to fund the Emergency Financial Assistance (EFA) grant to the Council for Native Hawaiian Advancement (CNHA).

B. Contract 3363 (Reference A). CNHA (“Grantee”) launched the implementation of Contract 3363, the Emergency Financial Assistance (EFA) program on February 1, 2020; and subsequently branded it as the Kahiau Community Assistance Program (KCAP). The EFA program was designed to ‘assist beneficiaries with the following delinquent/hardships: Primary: mortgage payment, rent deposit, rent payment, utility services; Secondary: auto-repair to meet government safety standards to vehicle owned by applicant or joint householdmember, that is required for work transportation; life-saving prescription medication; funeral expenses up to $1,000; which were caused by the following reasons: loss of income/employment due to lay off, debilitating illness, injury, death, or other anticipated circumstances. Unanticipated circumstances that may qualify for assistance shall include, but may not be limited to: impending eviction, impending termination of utility services, and other similar exigent time-sensitive situations such as relocation. Not allowed are: credit card payments, car loan, installment loan, delinquent medical or collection accounts.”3

C. COVID-19. The impacts on families and communities of COVID-19, intensified in March 2020 as did the government shutdowns and stay at home orders, which hampered the in person, in community and statewide implementation intents of KCAP. Eventually, OHA and CNHA agreed that the focus of disbursements would be the “Primary: mortgage payment, rent deposit, rent payment, utility services” purpose; and the secondary purposes, as noted above, would be suspended for a time.

D. Grant Monitoring. In March 2020, standard grant monitoring procedures were activated (see Attachment 1) and the grant monitoring procedures, including corrective action correspondence and plans eventually led to dispute analysis and resolution activities summarized in Table 2 below. The disputes4 were communicated

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3 Contract 3363, Attachment 1
4 The basis for the dispute resolution process is detailed in Contract #3363, Section 12, Disputes: “Any disputes concerning any matter of fact rising under this Agreement which is not disposed of by mutual agreement within THIRTY (30) calendar days, shall be decided by the Chief Executive Officer of OHA, or the Chief Executive Officer’s designated representative, who shall reduce the decision to writing and mail or otherwise furnish a copy of the decision to the GRANTEE. The decision of such person shall be final and conclusive. Pending final decision of such a dispute, the GRANTEE shall proceed diligently with the performance of services under this Agreement in accordance with OHA’s request.”
to the Grantee in November 2020 (Reference C, without Attachments referenced in Table 2).

Table 2. Dispute Resolution Items and Action Steps for Grant Agreement/Contract #3363 Dated December 20, 2019

<table>
<thead>
<tr>
<th>No</th>
<th>Dispute Description</th>
<th>Resolution, Disposition</th>
<th>Action Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1st Monitoring Report – Issued March 19, 2020 (Attachment B)</td>
<td>The Grantee’s signature acknowledging the corrective action requirements and specific correction action is sufficient to close the findings of the Grant Monitoring Report #1.</td>
<td><strong>Grant Contract Modification:</strong> While a grant contract modification should have been executed at the time of the 1st Monitoring Report and related corrective action plan in March 2020, program eligibility and other program changes have since been in practice; therefore, modifications will be included in the changes below. <strong>Process Improvements:</strong> Grantee process improvements were noted, however since improvements related to subsequently changed program activities (e.g., financial literacy workshops), no further action needed.</td>
</tr>
</tbody>
</table>
| 2  | COVID-19 Communication Follow-Up – March 28, 2020 (Attachment C) | The extensiveness of changes in the updated COVID-19 Communication Follow-Up should be memoralized in a: a) Contract modification of the Hawaii Trades Academy (HTA) Contract; and b) Contract #3363 amendments for program and COVID-19 eligibility requirements, (i.e, Contract #3363.01). | **HTA Community Grants Contract**

**OHA:** Draft and execute Hawaii Trades Academy grant contract modification.

**CNHA:** Review and execute Hawaii Trades Academy grant contract modification.

**EFA Contract #3363**

**OHA:** Draft and execute #3363 grant contract modification, #3363.01

**CNHA:** Review and execute #3363 grant contract modification, #3363.01 |
| 3  | Updated COVID-19 Modification Plan – | The extensiveness of changes in the updated | **EFA Contract #3363** |

---

5 Note: Attachments referenced throughout Table 2 are references to attachments as a part of the November 6, 2020 Grantee correspondence and not included in this memorandum but is available for review by Trustees.

6 Modifications to the HTA contract should incrementally reflect changes from March 2020 to current state, if any.
<table>
<thead>
<tr>
<th>No</th>
<th>Dispute Description</th>
<th>Resolution, Disposition</th>
<th>Action Steps</th>
</tr>
</thead>
</table>
| 4A | 2nd Monitoring Report- July 23, 2020 (Attachment E) | The Grants Program appropriately documented the non-compliant basis; and exercised the professional judgement and rationale for the release of the next benefit advance based on beneficiary need. Documentation of the rationale is sufficient to document the Grants Program professional judgement. | Reconcile and Settle Year 1 and 2 Quarters/Amounts  
**OHA:** Prepare and review reconciliation of Year 1 and 2 amounts; $830,000 ($622,500 beneficiary; $207,500 admin costs) per year, ensuring aligned understanding with CNHA. Review quarterly reports, process reimbursements and beneficiary advance amounts.  
**CNHA:** Review reconciliation of Year 1 and 2; $830,000 ($622,500 beneficiary; $207,500 admin costs) per year, ensuring aligned understanding with OHA. Submit beneficiary disbursement and operating cost reports for outstanding quarters, reconcile beneficiary advance amounts.  
**EFA Contract #3363, Attachment 5**  
After the above reconciliation and settlement of Year 1 and 2 quarters/amounts above, consider grant modification to Attachment 5 to condense remaining total “Personnel and Other Costs” into one line item labeled “Administrative Costs”. Subsequent billing to OHA of $281\(^7\) per applicant packet processed (regardless of number of associated disbursements) would be processed at a frequency no less than semi-monthly (i.e., two times a month). |
| 4B | As Attachments C and D document a basis for contract amendments, | No further action needed. |

\(^7\) As proposed by CNHA
### Dispute Description

<table>
<thead>
<tr>
<th>No</th>
<th>Dispute Description</th>
<th>Resolution, Disposition</th>
<th>Action Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>repeating the finding of the 1st Monitoring Report in the 2nd Monitoring Report no longer has basis as the contract elements (e.g., program eligibility, COVID-19 eligibility, amount) have been changed.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Program compliance

Program compliance pertains to validation of:
1. Applicant eligibility (at least 18 years of age);
2. Native Hawaiian ancestry;
3. EFA defined disbursement purposes.

### Process compliance

Process compliance pertains to validation of:
1. Collected documents;
2. Accuracy of disbursement (e.g., purpose, payee, amount).

### Corrective Action Plan

Because both program and process changes (e.g., EFA disbursement purposes, $2,000 to $1,500, documents collected) were not memorialized in contract #3363 (i.e., #3363.01) at the time of monitoring reports, in general, the corrective action plan and process improvements should be prospective in nature.

### OHA

OHA: Draft and execute Corrective Action Plan for non-compliant test items, including process improvements needed; and review with CNHA, incorporating CNHA feedback, commitments and prospective implementation plans into the final document.

### CNHA

CNHA: Review and execute Corrective Action Plan for the non-compliant test items, including process improvements needed; and review with OHA, incorporating CNHA feedback, commitments and prospective implementation plans into the final document.
<table>
<thead>
<tr>
<th>No</th>
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</thead>
<tbody>
<tr>
<td>5</td>
<td>Contract Amendment #1, 3363.01</td>
<td>Modifications needed to: Attachment 1, Scope of Services, including elimination of Attachment 1.1 (Project Plan) and 1.2 (Report Schedule) Attachment 3, Compensation Attachment 4, Performance and Outcome Measures Attachment 5, Budget</td>
<td><strong>EFA Contract #3363</strong>&lt;br&gt;<strong>OHA</strong>: Draft and execute #3363 grant contract modification, #3363.01&lt;br&gt;<strong>CNHA</strong>: Review and execute #3363 grant contract modification, #3363.01</td>
</tr>
<tr>
<td>6</td>
<td>Contract Amendment #1, 3363.01</td>
<td>Creation of new Attachment 6, Monitoring, to describe in detail the purposes for monitoring, monitoring processes, frequencies, access to data, roles and responsibilities of OHA and Grantee, grant monitoring report format, corrective action plan format, follow up processes, etc.</td>
<td><strong>EFA Contract #3363</strong>&lt;br&gt;<strong>OHA</strong>: Draft and include new Attachment 6 in #3363 grant contract modification, #3363.01&lt;br&gt;<strong>CNHA</strong>: Review and include new Attachment 6 in #3363 grant contract modification, #3363.01</td>
</tr>
</tbody>
</table>

**E. Administration Update #1 Summary.** The dispute resolution activities outlined in the November 6, 2020 letter (Reference C), included: reconciliation of Year 1 and Year 2 activities and budget, reviewing quarterly reports, addressing matters in previously issued grant monitoring report #2 (and related corrective action plan), drafting, reviewing and completing grant amendments 3363.01, etc. remain in progress to date\(^8\). Attachment 2 details a reconciliation of payments in total and by expense type for Year 1 (1/1/2020 to 12/31/2020). Administration will not be releasing any further funds until dispute resolution, contract amendment and grant monitoring matters are addressed and resolved.

\(^8\) Y1Q3 progress report approved 1/29/2021 and as of 2/3/2021, Y1Q4 of expenditures is under review.
IV. ADMINISTRATION UPDATE #2 re: Implementation of Board Action “To approve and authorize the disbursement of $2,170,000 from the Fiscal Year 2020 Core Operating Budget (Grants Category) to fund the Emergency Financial Assistance Program grant” via Action Item BOT #20-03: Approval to Fund Responses to COVID-19 on May 7, 2020

A. Overview. Via Action Item BOT #20-03, May 7, 2020 (Reference B), the Board approved the following action: “To approve and authorize the disbursement of $2,170,000 from the Fiscal Year 2020 Core Operating Budget (Grants Category) to fund the Emergency Financial Assistance Program grant.” Added to Contract 3363 above and by this action, the Board committed a total of $3,830,000 to COVID-19 responses in the form of EFA to beneficiaries.

B. Status of KCAP in May 2020. Launched on February 1, 2020, the March 23, 2020 KCAP report provided the following program statistics: 1,108 applications received; $118,526\(^9\) in aid distributed to 77 Native Hawaiian households statewide facing emergency situations (unrelated to COVID-19); distribution and awards are found at left; Prior to KCAP, CNHA fielded approximately 290 calls per week; current calls per week increased to 820 calls per week; with the duration of calls increasing from 3.03 minutes to 12.4 minutes—76% increase; approximately 40 calls per day were missed; and staff re-allocations and increases were needed.

C. Updated KCAP Application Information as of April 23, 2020. Approximately a month after the initial report, the number of applications increased to approximately 2,500 (125% increase from the March report). At this point, for projection purposes, if only 60% of the total applications were eligible for the maximum award of $1,500, the total need would be $2,250,000 (2,500 x 60% x $1,500) just with the applications in the system. The information as of March and April 2020 helped inform the need for Trustee action via BOT #20-03 of increasing the EFA commitment by $2,170,000 for a total EFA commitment to $3,830,000.

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\(^9\) Pre-COVID-19 maximum award amount was up to $2,000; In-COVID-19 award amount was lowered to a maximum of $1,500 to provide for more awards and targeted to housing and utilities assistance; auto repair and funeral expenses were redirected to OHA and CNHA’s consumer micro loan programs.
D. Rationale for Separate Contract. Post Board action in May 2020 and in preparation to implement the Board’s actions, Administration determined that a separate, new contract (separate from Contract #3363) was warranted for the $2,170,000 for the following reasons: 1) the $2,170,000 is funded 100% by Trust Funds compared to the original $1,660,000 Contract #3363 ($830,000 general funds/proviso and $830,000 matching trust funds); 2) Allowed for restoration of previously eliminated funding purposes (e.g., auto repair, funeral costs); and 3) Allowed for a service period beyond the December 31, 2021 in Contract #3363.

E. Administration Update #2 Summary. The November 6, 2020 dispute resolution letter (Reference C) also addressed new contractual parameters and elements consistent with the amendment to Contract #3363 above and the Grants Program is working on drafting new contract language. However, since Contract #3363 amendments are still outstanding, Administration is holding any new contract execution activities (e.g., further drafting, reviewing with organization), pending resolution of the initial contract #3363 activities.

V. Conclusion

To date, despite: 1) Federal COVID-19 $ responses (e.g., COVID-1, COVID-2 and COVID-3 CARES funding); 2) State responses via the departments of labor and industrial relations, health, and human services; 3) Private, philanthropic, public efforts (e.g., Foodbank, AUW); 4) OHA’s own advocacy (e.g., eviction moratorium, vulnerable populations including houseless, pa‘ahao and data disaggregation); and 5) OHA’s own COVID-19 responses (e.g., $450,000 Kaiaulu Meals, $830,000 community based food security grants to Hawaii Community Foundation and $2.17MM emergency financial assistance); beneficiaries continue to report the impacts of COVID-19 continue to disrupt and highlight beneficiary ‘ohana and communities’ needs.

In addition, while the largest dollar amount of $2.17MM was approved by Trustees in May 2020, due to current and continuing contractor compliance and performance matters on the initial contract #3363, the additional $2.17MM amount, approved in May 2020, has not been deployed to date.
Only substantive changes to OHA’s Grants Program Standard Operating Procedures Monitoring Process, as deemed by OHA, will require grant agreement updates.

I – OVERALL GRANTS MONITORING PROCESS

Per the OHA Grants Program Standard Operating Procedures (SOP) the grants monitoring process and noncompliance policy is provided as follows. OHA reserves the right to modify these provisions and thus, these provisions are subject to change.

4.7.4 Desktop Monitoring

The Grants Program (GP) Specialist is responsible for the desktop monitoring process as follows:

- Receive and review forms including Progress Report, Performance Measurement Table, Assurance of Benefit to Hawaiians, Expenditure Report, Grantee Invoice and any quantitative or qualitative reports from Grantee as specified in the Grant Agreement.
- Ensure that the Progress, Performance Measurement and Expenditure Reports conform to the Grantee’s Grant Agreement requirements.
- If Grantee is in noncompliance with the Grant Agreement requirements, GP Specialist will proceed in accordance with the Noncompliance Policy.
- Provide Technical Assistance to support Grantee’s compliance with Grant Agreement terms and conditions. Technical assistance may be provided by telephone, email, mail, and/or in-person. Technical Assistance is ongoing and critical to compliance and will be documented in the OHA Grants Portal as follow-up notices and/or corrective action notices.
- Complete and submit Grant Assessment form to GP Manager for review and approval. The Grant Assessment form evaluates Grantee’s progress on the grant in accordance with the Grant Agreement.
- If the Assessment is approved, GP Specialist processes the payment disbursement as requested by Grantee invoice (in accordance with Financial Services Program [FSP] procedures). The Grant Assessment Form and Grantee Invoice is attached to the online Request for Payment on Contract.
- If the Grant Assessment is not approved, the GP Manager and/or Lead Specialist in coordination with the GP Specialist shall determine the next steps for addressing the Grantee’s deficiencies in accordance with the Noncompliance Policy. This may include reduction in funding or the termination of the Grant Agreement.

4.7.5 On-Site Monitoring

The purpose of On-Site Monitoring is to provide for a more in-depth review of the Grantee’s program and to address grant issues and concerns. On-Site Monitoring is recommended for all grants as determined by the GP Manager. Required On-Site Monitoring shall be conducted if it is determined by the GP Manager that the grant may be at risk for failure or there are discrepancies that require an on-site visit. Any area of noncompliance may be considered including, but not limited to: 1) complaints by participants 2) Grantee failure to meet performance expectations on over half of the critical performance measures without correction action implemented and 3) concerns regarding expenditures that have not been addressed by the Grantee.

The On-Site Monitoring process is as follows:

- Schedule on-site visit via written notice to Grantee
• Conduct on-site visit which shall include:
  o Project/program observation, if deemed necessary to determine compliance
  o Staff meeting/interviews, if necessary to determine compliance.
  o Participant interviews, if necessary to determine compliance.
  o Document review to determine compliance including, but not limited to:
    ▪ Documentation to support participant programs and services
    ▪ Expenditure Reports and support documents verifying expenditures, i.e.,
      receipts, consultant invoices and contracts.
    ▪ Subcontractor contracts, expenditures and monitoring
    ▪ Verification of Native Hawaiian Ancestry eligibility

• Participant documentation verifying Native Hawaiian ancestry at On-Site Monitoring, if necessary, to
determine compliance.

• Complete and submit On-Site Monitoring Report to the Lead Specialist and GP Manager for review and signature.
• Upon approval of the GP Manager, GP Specialist sends the On-Site Monitoring Report to Grantee. GP Specialist is responsible to ensure that an email receipt confirmation from the Grantee is received and placed in the Grantee’s OHA Grants Portal file.

Provide technical assistance and/or corrective action assistance to support Grantee’s compliance with grant agreement terms and conditions. Assistance may be provided by telephone, OHA Grants Portal email via a follow-up or corrective action form, mail, and/or in-person.

4.7.6 Noncompliance Policy
All grants are subject to monitoring to assure compliance with grant requirements. Reviews may result in the identification of “Findings of Non-Compliance.”

• A Grantee is considered to be in a noncompliant status when the Grantee is not meeting any of the conditions of the grant agreement, including an approved modification of the grant agreement. Noncompliance includes, but is not limited to:
• Noncompliance with the terms and conditions of the grant agreement includes failure to comply with:
  • Expenditure requirements
  • Activities
  • Scope of service
  • Performance measure
  • Programmatic and fiscal reporting requirements or Report deadlines
  • Grantee is not responsive to grant communications, including emails and phone calls
  • Grantee is not responsive to or does not meet the deadlines and follow-up requests
  • Submission of incomplete reports
  • Grantee is not responsive to or does not comply with information and/or document requests and/or modifications
  • Files are incomplete and/or missing documents
  • Failure to comply with site monitoring requests
  • Failure to comply with previous required corrective actions
  • Grant budget is not reconciled in accordance with deadlines set by the GP
4.7.6.1 Corrective Action Plan
When a Corrective Action Notification is issued, a Corrective Action Plan (CAP) may be sent to the Grantee with the notification. The Grantee is required to formally respond via a completed CAP and demonstrate that the proposed corrective action is in progress or completed.

- If the GP Specialist has identified specific corrective action and/or implementation deadlines in the corrective action notification and/or CAP, Grantee is required to respond in accordance with the required corrective action and/or deadlines set by the GP Specialist.
- To complete a CAP, the Grantee must demonstrate, that it has corrected the issue(s) that caused the noncompliance and provide evidence that the correction has been implemented. The Grantee’s CAP must specifically provide how noncompliance will be addressed, who will be responsible, and when the solutions will be implemented. If needed, the Grantee must provide specific documentation that supports the completion of the CAP.
- When the proposed CAP is received, the GP Specialist, in consultation with the GP Manager and/or Lead Specialist, will determine whether the CAP reasonably and sufficiently addresses the Non-Compliance Findings. The GP Specialist shall notify the Grantee if the CAP is approved, or, if further information or documentation is required.
- If corrective action is not sufficient and does not re-establish a status of compliance, upon approval from the GP Manager, the GP Specialist may proceed with consequences up to and including the termination of the grant agreement. If grant termination is recommended, the GP Specialist will proceed in accordance with the grant termination policy provided herein.

4.7.6.2 Noncompliance Evaluation
Before determining the consequences of noncompliance, Grantee noncompliance will be evaluated by the GP Specialist based on the following considerations:

- Whether the noncompliance is repeated;
- The number of times the GP Specialist has contacted the grantee regarding compliance;
- The impact on the project;
- The impact of continued expenditures of OHA grant funds;
- The impact on beneficiaries;
- The need for immediate action; and
- Whether there are mitigation factors.

4.7.6.3 Noncompliance Consequences
After an evaluation of noncompliance, the GP Specialist may apply one or more of the following remedies as a consequence of noncompliance:

- Require corrective action;
- Conduct a site visit;
- Withhold authority for the Grantee to proceed to the next phase of the project pending correction of noncompliance;
- Require prior GP Specialist approval be obtained before implementing one or more aspects of the project or grant agreement;
- Temporarily withhold payments pending correction of noncompliance;
- Disallow OHA grant funds for all or part of the cost of the project not in compliance;
- Amend the grant agreement to modify the scope of services and reduce funding for project areas that are not in compliance;
- Terminate the grant agreement; and/or
• Designate the grantee ineligible for future OHA grants.

4.7.6.5 Ineligibility Status-Closed and Terminated Grants
When a grant agreement period of performance ends or a grant agreement is terminated, a Grantee deemed in substantial noncompliance, based on the provisions herein, will be designated as ineligible to apply for future OHA grants in accordance with the period specified in the Grantee’s grant agreement. OHA may also take into consideration material noncompliance and determine that a Grantee is ineligible for future OHA grants indefinitely, i.e., the Grantee owes and does not reimburse grant funds to OHA.

4.7.6.6 Ineligibility Determination Date

• The ineligibility determination date shall be the date that the GP Manager has deemed the Grantee ineligible for future grants, the end date of the Grantee’s grant agreement or the date the grant was terminated.
• For grants that have not been terminated, the GP Specialist shall send the Grantee a notice of ineligibility that includes an ineligibility determination date.
• The notice shall be sent to the Grant’s primary contact and fiscal sponsor, if applicable, and shall be sent via certified mail to Grantee’s designee and to the address provided in the Notices provision of the Grantee’s Grant Agreement.

4.7.6.7 Ineligibility Status Reconsideration-Closed and Terminated Grants

• A Grantee with a closed or terminated grant may request reconsideration of the Grantee’s ineligibility status.
• The Grantee must demonstrate in writing that the Grantee has corrected the issues that caused the noncompliance and provide evidence, measures, and dates that correction was implemented.
• The GP Manager will take into consideration Grantee’s noncompliance, factors that resulted in noncompliance and Grantee’s actions implemented to ensure that noncompliance will not be repeated.
• The GP Manager will review the Grantee’s reconsideration request including all documentation provided. If the request to remove the Grantee from ineligibility status is approved, the Grantee must provide a written assurance that the Grantee has the capacity and capability to manage an OHA grant. Upon receipt and approval of the written assurance, the Grantee’s status shall be changed from ineligible to eligible. The Grantee shall receive a notification of the status change and the Grantee’s status will be changed in the OHA Grants Portal. The notice shall be sent to the Grant’s primary contact and fiscal sponsor, if applicable, and may be copied to the Grantee's and sponsored organization’s Board President and/or lead administrator.

4.7.6.8 Ineligibility Status Reconsideration-Current Grants

• A Grantee with a current OHA grant that is in noncompliance must request written approval from the GP Manager before applying for another grant.
• The Grantee must demonstrate, in writing, that the Grantee has corrected the issues that caused the noncompliance and provide evidence that the correction has been completed or is in progress, including dates that corrective action has been implemented and measures taken to ensure the noncompliance will not be repeated. The GP Manager will take into consideration Grantee’s noncompliance, the Grantee’s progress in correcting noncompliance and other factors that resulted in noncompliance.
• The GP Manager will review the Grantee’s reconsideration request including all documentation provided. If the request to remove the Grantee’s ineligibility status is approved, the Grantee must provide a written assurance that the Grantee has the capacity and capability to manage an OHA grant. Upon receipt and approval of the written assurance, the Grantee will receive a notification that the Grantee will be allowed to apply for another OHA grant.
• The notice shall be sent to the Grant’s primary contact and fiscal sponsor, if applicable, and shall be sent via certified mail to Grantee’s designee and to the address provided in the Notices provision of the Grantee’s Grant Agreement.

4.7.7 Fiscal Sponsor
A fiscal sponsor is an organization that has an IRS nonprofit designation and has agreed to act as the sponsoring organization for a sponsored organization. The fiscal sponsor is the Grantee and the noncompliance provisions herein apply to the fiscal sponsor.

4.7.8 Sponsored Organization
A sponsored organization is an organization that does not have an IRS nonprofit designation and has a fiscal sponsor submit a grant application on its behalf. The noncompliance provisions herein apply to the sponsored organization.

4.7.9 Grant Amendments
Grantees are required to make a formal request in writing for an amendment to a Grant Agreement if the change proposed will result in a significant modification to an approved project. Conditions under which Grantees must request a Grant Agreement amendment are as follows, but not limited to the below:

Budget Changes. A revised budget must be requested if changes in a budget line item is needed. A revised budget is also required when line items are added or deleted from the original approved budget or the most recently approved revised budget. All budget revisions must be signed by the financial officer responsible for the grant and include an itemized, revised budget and compared to the original or most recently approved revised budget.

• Period of Performance “No Cost Extension” – GP Manager may extend the expiration date of a grant if additional time is required to complete the project or the orderly phase-out of the project. The Grantee shall provide a justification for the grant extension. The fact that funds remain at the expiration of the grant is not, in itself, sufficient justification for an extension. The extended period of performance is determined by the GP Manager and may be up to 12 months from the original expiration date of the grant.
• Statement of Work Changes
  • Changes in the direction, scope, or objectives of the approved project.
  • Changes to specified firms, vendors, or individuals stipulated in the scope of work to provide services for the project.
  • Changes in the location(s) of services that are not in conformance with Grantee’s contract requirements.
• Other Changes – Changes in significant terms or conditions.
• For minor budget amendments the process is as follows:
A request for a minor budget amendment must be submitted at least SIX (6) weeks before the end of the approved "Period of Performance" in order to be considered for approval. A minor budget amendment is a 25 percent or less change in any budget activity or line item or budget change that does not have a significant impact on the grant.

The Grantee shall submit a signed OHA Grant Amendment Request form. The request will be reviewed by the GP Specialist and the GP Manager based on the criteria outlined below.

If the GP Manager recommends approval of the request, the GP Specialist and the GP Manager shall sign the form and include a hard copy in the grant file and the Grantee’s OHA Grants Portal file.

For significant modifications including major budget modifications, period of performance or statement of work changes, the process is as follow:

Any requests for a Grant Agreement amendment must be submitted at least SIX (6) weeks before the end of the approved "Period of Performance" in order to be considered for approval.

If the GP Manager recommends approval of the request, the GP Specialist shall issue a formal Grant Agreement amendment that will be circulated for review and signature by the authorized officials of OHA and Grantee (refer to Grants Program Standard Operating Procedures, Grant Agreement Routing for Execution under Item 4.6.3 “Contracting”).

Amendment Review Criteria. Criteria to be met for approval of contract/Grant Agreement amendments are as follows:

- Circumstances requiring the change are beyond the control of the Grantee.
- Circumstances that were not and could not have reasonably been anticipated.
- Modification does not alter the direction of the original proposal in a critical way.
- Modification is feasible within the programmatic, fiscal, and time constraints of the Grant Agreement

4.7.10 Termination of Grants by OHA
Termination is the cancellation of a grant, at any time prior to its expiration, for non-compliance with the terms and conditions of the Grant Agreement or for other reasonable cause. The Grantee must be informed beforehand of OHA’s intended action, the reasons for the termination, and given the opportunity to correct deficiencies in accordance with the Noncompliance Policy. The GP Specialist shall devise a termination letter to the grantees. The termination letter must be reviewed by both the GP Manager as to content and Corporate Counsel as to form. The termination letter must also be reviewed by the CEO for approval. The GP Manager signs the final approved termination letter. The letter shall be sent to the Grant’s primary contact and fiscal sponsor, if applicable, and shall be sent via certified mail to the Grantee designee to the address provided in the Notices provision of the Grantee’s Grant Agreement.

4.7.11 Program Process Reporting
During each cycle and phase, the GP Specialist will generate various process reports to aid in tracking current process volumes, noting process efficiencies, applicant and process phase status, and any other insights regarding the process cycle:
The Grants System Administrator will generate program cycle process reports throughout the application process that track at a summary and detail levels various data elements.

• Report(s):

  Status of contracts in monitoring phase (e.g., scheduled date of site visit, invoices, quarterly assessment report, closed).

4.7.12 Deliverable Documentation

The following documents support the Monitoring step in the program/process/cycle: Grant Quarterly Progress Report, Grant Assessment Report, On-Site Monitoring Report and Grant Amendment Request Form.

4.7.13 Close of Grant

• Upon receipt of Grantee Final Reports, GP Specialist completes Grant Closeout Report and submits to Lead Specialist and GP Manager for review and approval.

• Upon approval of the Grant Closeout Report, the GP Specialist checks the final payment box on the Payment on Contract form to initiate the closeout of the grant purchase order. The final payment is processed and sent to the Grantee. The GP Specialist uploads a copy of the Payment on Contract form and check to the Grantee’s file in the OHA Grants Portal and completes the online form.

• A closeout notification is sent to Grantee. The notification shall include a determination on whether the Grantee is eligible for future grant funding. The GP Specialist shall include the notification in the Grantee’s file in the OHA Grants Portal.

• If Grantee has not fully expended OHA funds and a final payment will not be made, the appropriate FSP form is completed and submitted to appropriate Financial Services Program (FSP) staff.

• If it has been determined that the Grantee was overpaid, the Grantee is required to reimburse OHA. The GP Specialist shall notify the GP Manager, complete the reimbursement documents, and follow-up with the Grantee for reimbursement. If unpaid, the GP Specialist shall document inability to collect payment. OHA can determine how to proceed regarding collection in consultation with Financial Services and communication of such action (e.g., organization, Trustees, beneficiaries).

GRANT AGREEMENT SPECIFIC MONITORING PROCESS

The final grant agreement may include specific grant monitoring elements aligned to the grantee application and award.
OHA Contract Number: 3363
Grantee: Council for Native Hawaiian Advancement
Award Amount: 1,660,000.00
Grant Award Period 1/1/2020 - 12/31/2021
Reconciliation Period 1/1/2020 - 11/15/2020

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Total Expenses

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<td>Per Y1Q4 Expenses Report (Exp' 1)</td>
<td>1/1/2020</td>
<td>3/31/2020</td>
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<tr>
<td>Per Y1Q4 Expenses Report (Exp' 2)</td>
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<tr>
<td>Per Y1Q4 Expenses Report (Exp' 3)</td>
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<td>9/30/2020</td>
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<tr>
<td>Per Y1Q4 Expenses Report (Exp' 4)</td>
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Total Expenses: 821,914.57

Outstanding Payments

123,461.88

As of 2/3/2021, Y1Q4 is under review. Y1Q3 progress report approved 1/29/2021
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<th>Over(Under) Budget</th>
<th>% Budget Expended</th>
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<td>12,852.40</td>
<td>60,000.00</td>
<td>60,000.00</td>
<td>-</td>
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</tr>
<tr>
<td>Salaries - Assistant Program Manager</td>
<td>1,250.00</td>
<td>1,435.20</td>
<td>1,468.80</td>
<td>846.00</td>
<td>5,000.00</td>
<td>5,000.00</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>Salaries - Accountant</td>
<td>3,750.00</td>
<td>6,500.00</td>
<td>1,940.50</td>
<td>2,809.50</td>
<td>15,000.00</td>
<td>15,000.00</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>Payroll Tax, Fringe Benefits &amp; Medical Insurance (Tax $3,680yr, fringe $1,152yr, Med Ins. $8,236yr)</td>
<td>4,996.28</td>
<td>3,680.53</td>
<td>3,267.00</td>
<td>1,124.19</td>
<td>13,068.00</td>
<td>13,068.00</td>
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<td>100%</td>
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<tr>
<td><strong>TOTAL Personnel Costs</strong></td>
<td>24,996.28</td>
<td>28,282.40</td>
<td>22,157.23</td>
<td>17,632.09</td>
<td>93,068.00</td>
<td>93,068.00</td>
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<table>
<thead>
<tr>
<th>Other Expenses</th>
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</thead>
<tbody>
<tr>
<td>Contractual Services - OHA Program Direct Services, Contract services to expand financial assessment, processing, Online Web Services</td>
<td>10,708.35</td>
<td>738.22</td>
<td>11,446.57</td>
<td>100,000.00</td>
<td>(88,553.43)</td>
<td>11%</td>
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<tr>
<td>Contractual Services - IT Services to Support Operations</td>
<td>4,203.00</td>
<td>4,203.00</td>
<td>4,203.00</td>
<td>-</td>
<td>100%</td>
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<tr>
<td>Contractual Services - Enhanced telephone system to support program</td>
<td>629.00</td>
<td>629.00</td>
<td>629.00</td>
<td>-</td>
<td>100%</td>
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<tr>
<td>Contractual Services - Payroll processing fee for employee payroll</td>
<td>221.00</td>
<td>221.00</td>
<td>221.00</td>
<td>-</td>
<td>100%</td>
<td></td>
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</tr>
<tr>
<td>Equipment - Lease/Rental</td>
<td>596.35</td>
<td>126.65</td>
<td>723.00</td>
<td>723.00</td>
<td>-</td>
<td>100%</td>
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<tr>
<td>Insurance - Liability Insurance</td>
<td>1,004.92</td>
<td>360.00</td>
<td>444.08</td>
<td>1,809.00</td>
<td>1,809.00</td>
<td>-</td>
<td>100%</td>
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</tr>
<tr>
<td>Facilities - Grant share of Office Rent @ Kapolei</td>
<td>4,564.00</td>
<td>-</td>
<td>4,564.00</td>
<td>4,564.00</td>
<td>-</td>
<td>100%</td>
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<tr>
<td>Facilities - Grant share of Janitorial &amp; Pest Control</td>
<td>322.71</td>
<td>850.00</td>
<td>398.29</td>
<td>1,571.00</td>
<td>1,571.00</td>
<td>-</td>
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<tr>
<td>Facilities - Security</td>
<td>80.00</td>
<td>21.00</td>
<td>34.00</td>
<td>135.00</td>
<td>-</td>
<td>100%</td>
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<tr>
<td>Facilities - Storage</td>
<td>344.68</td>
<td>86.00</td>
<td>146.32</td>
<td>577.00</td>
<td>-</td>
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<tr>
<td>Emergency Financial Assistance Fund</td>
<td>622,500.00</td>
<td>45,421.23</td>
<td>35,046.77</td>
<td>702,968.00</td>
<td>622,500.00</td>
<td>80,468.00</td>
<td>113%</td>
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</table>

<table>
<thead>
<tr>
<th>Equipment</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td></td>
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</tr>
</tbody>
</table>

| TOTAL Other Expenses                  | 645,174.01        | -        | 47,476.45| 36,196.11| 728,846.57    | 736,932.00| (8,085.43)       |                  |
| TOTAL EXPENSE                         | 670,170.29        | 28,282.40| 69,633.68| 53,828.20| 821,914.57    | 830,000.00| (8,085.43)       |                  |