

**State of Hawai'i  
Office of Hawaiian Affairs  
560 N. Nimitz Hwy., Suite 200  
Honolulu, HI 96817**

**Minutes of the Office of Hawaiian Affairs Board of Trustees Meeting  
Thursday, June 25, 2015, 10:00 am**

**I. CALL TO ORDER**

Chair Robert K. Lindsey, Jr. called the meeting of the Office of Hawaiian Affairs Board of Trustees to order at 10:02 am. Those present were as follows:

**Attendance**

Trustee Robert K. Lindsey, Jr., Chair	Trustee Peter Apo
Trustee Dan Ahuna, Vice Chair	Trustee Carmen Hulu Lindsey
Trustee Lei Ahu Isa (arrived 10:03 am)	Trustee Machado
Trustee Rowena Akana (arrived 10:22 am)	Trustee John Waihe'e IV (arrived 10:07 am)

**Excused**

Trustee S. Haunani Apoliona

**Staff Present**

Dr. Kamana'opono Crabbe, Ka Pouhana/CEO	Hawley Iona
Lisa Cataldo, Acting Board Counsel	Kawika Riley
Harold Nedd, Chief of Staff	Kehau Abad
Capsun M. Poe, Board Secretary	Miles Nishijima
Jeremy Kama Hopkins	Lisa Watkins-Victorino
Kauikeaolani Wailehua	David Okamoto
Kathy Owara-Takeo	Ernest Kimoto
Lehua Itokazu	Lorna Loebel
Claudine Calpito	Merlyn Akuna
Louise Yee Hoy	Francine Murray
Reynold Freitas	John Kim
Lady Garrett	Ryan Gonzalez
Alvin Akee	Momilani Lazo
Liana Pang	Sterling Wong

**Others Present**

D. Kapua Sproat	Stephanie Tsumoto
Florence Sheldon	Kimberly Lau
Rodney Lee	

**II. APPROVAL OF MINUTES**

At 10:04 am, Trustee Hulu Lindsey moved, seconded by Trustee Ahuna, to approve the minutes of June 16, 2015 (Workshop). The motion passed via voice vote.

**III. COMMUNITY CONCERNS**

Ms. Kapua Sproat, of Ka Huli Ao Center for Excellence in Native Hawaiian Law at the William S. Richardson School of Law at the University of Hawai'i at Mānoa, addressed the Board to thank OHA for its longstanding support of the A'ō Aku A'ō Mai Initiative. Their program is included in the FY16/FY17 Biennium Budget and they look forward to continuing their work and partnership with OHA.

#### **IV. UNFINISHED BUSINESS**

##### Chair's Updates on Board Activities

Chair Lindsey had the following updates:

- In the weeks ahead, he will be proposing that the Board create an Ad Hoc Committee on Travel. Its task will be to make policy recommendations that would allow us to address ongoing concerns about our Travel Services.
- Also, in response to Trustees' interest at our Moloka'i BOT meeting, Administration has scheduled a special screening of Pa'a Ke Aupuni, a hand-drawn animated Hawaiian history film created by Digital Media. That will take place at noon, so Trustees and Aides are strongly encouraged to attend. Ka Paia Lono, Community Engagement, will provide lunch.

##### CEO's Update on Ho'oulu Lāhui Aloha and OHA Activities

Dr. Crabbe reported OHA Administration submitted testimony to the BLNR on the management of Mauna Kea. Mr. Sterling Wong reported that three OHA bills, including the OHA budget will be signed on Tuesday, June 30, 2015, 9:30 am, in the Executive Chambers. He hoped some of the Trustees would attend. Mr. Wong noted that the Mauna Kea Comprehensive Management Plan testimony included much of the information that was shared with the Trustees. The testimony noted concerns that the Annual Report makes it hard to get a sense of what is going on and a request that the CMP include cost estimates. He believes there will still be long-term concerns on how Mauna Kea is being managed. Whether UH gets a master lease extension should be based on whether they significantly demonstrate compliance and advancement of the CMP.

Trustee Apo stated that UH has indicated that they do not need to be the primary manager. He felt that OHA should pursue that and asked for the status of the Governor's cultural advisor committee. Dr. Crabbe responded that Administration will follow-up with DLNR on the status. Trustee Apo also expressed concern that the State thinks these issues are for OHA to coordinate, when it is a State responsibility.

Trustee Machado asked if there is any progress on the legal front with respect to these issues and with the Auditor's recommendations. Mr. Wong noted the Hawaii Supreme Court will take up the CDUP case in August. She believes the people involved in the case need assistance to pay for their legal fees. Mr. Wong reported that he would followup with Naiwi Wurdeman and Kalani Flores about what kind of assistance they need and what OHA or other resources may be available.

Trustee Akana asked if OHA still has a Native Rights Fund. Dr. Crabbe responded that it does exist and those funds have been used to supplement Native Hawaiian Legal Corporation. Trustee Akana explained that the Fund exists to help in instances when there are conflicts and now that it goes to NHLC, OHA is in a hard position to be able to help people who need legal help that NHLC cannot provide.

Trustee Machado believes it would be a good thing if OHA can help the beneficiaries who have been going through the courts about the Mauna Kea issue. Dr. Crabbe added that UH has actually been reviewing many of OHA's past testimony from years past.

Dr. Crabbe asked Dr. Kehau Abad to present about the future of *Ka Wai Ola* and OHA communications. She presented the following information on a proposal to expand audiences, increase offerings and decrease costs by implementing a hybrid print and digital solution:

- What data informs the proposed hybrid (print and digital) option?
  - Online news consumption continues to increase
  - Demand for printed hardcopies of newspapers, magazines, and books continues to decline
  - Digital news sources engage all age groups at a high rate
  - Online sites are sharply rising as the preferred sources of information for voters during elections (with newspapers sharply declining as sources where voters get their information)
  - Social media, especially FB, has become a critical tool for people to become aware of news
  - Facebook use is ubiquitous across various demographic categories, with greatest increases in use among those 65+ in age
  - Increases in the use of smartphones and tablets have increased the audiences reached by digital news outlets
- "Online and digital news consumption continues to increase." Pew Research Center
- And people are losing interest in printed newspapers, television, and radio as news sources.
- "Print on the decline" Pew Research Center
- "News websites saw the greatest growth, while print audiences stood out for their continued decline." Nielsen Media Research
- Digital news engages all age groups at a high rate. Newspaper Association of America
- "The percentage using the internet as a main campaign news source has increased." Pew Research Center
- "Social Media: A critical tool for news discovery." Pew Research Center
- A significant percentage of people find out about news through Facebook, YouTube, Twitter
- High frequency of FB users evident across demographic categories Pew Research Center
  - The fastest growing group of FB users are those 65+ in age
- "The increased usage of mobile devices—smartphones and tablets—have driven upward the audience reached by newspaper digital media." NAA
- What does our own OHA data suggest? Examples of OHA Facebook posts include:
  - Rise be Heard, Nation Building Campaign: 4/1/14-5/1/14
    - Reach: 542,284 (Reach = unique users who see content)
    - Impressions: 642,950 (Impressions = amount of times users see content)
    - Cost: \$3,098
  - Ola I Ka Wai campaign for Nā Wai 'Ehā advocacy: 10/13/14-10/15/14
    - Reach: 75,277
    - Impressions: 138,110
    - Cost: \$0

- Announcing Project Kuleana 2: 5/2/15 – 5/4/15
  - Reach: 124,864
  - Impressions: 146,343
  - Cost: \$200
- Announcing OHA Mauna Kea survey: 4/27/15-4/29/15 (46 hours)
  - Reach: 63,700
  - Impressions: 132,775
  - Cost: \$0
- Kawaikini Charter School High Tech Youth: 5/26/15
  - Reach: 31,792
  - Impressions: 34,377
  - Cost: \$150
- Ka Wai Ola print subscriptions
  - Subscriptions over the past three years have remained stable with modest increases over time.
  - As of this month, there are about 54,000 individual subscribers, and a number of institutions that request a set number of copies for distribution at their sites, bringing the total distribution to approximately 63,000 copies.
  - Since the new www.oha.org was launched in February—and the option provided to unsubscribe to KWO—more than 400 people have done so (we believe for reasons largely related to the above presented data).
  - Given the data on information consumption, print subscriptions are not expected to grow.
- A strong online, digital, fully functional KWO publication will attract additional readers to KWO who are currently not engaged.
  - The potential viewership in a digital context is unlimited.
  - All data indicate continued robust growth of digital consumption of news and other information.
- More time to develop articles
  - “Deeper dive” content including culturally rich stories, investigative reports, and thought leadership pieces
  - More strategic stories purposefully created to improve the image of OHA, OHA’s partners, and Native Hawaiians
- More time for production
  - To create print layout
  - To create different layouts for various digital devices
- OHA already has the software, hardware, and staff expertise to implement the hybrid solution. The added time needed would be provided by the change from monthly to bi-monthly publications.
- What are the budget implications of the hybrid solution?
  - About \$500,000 per biennium would be made available for other OHA priorities.
- Hybrid KWO roll out proposal
  - Transition period
    - July-Dec. 2015: Monthly issues (no changes until 2016)
    - Opportunity to share with readers

- Plan to switch to bi-monthly printed issues beginning with a Jan/Feb 2016 issue
- Benefits of “best of both worlds” hybrid option: Digital KWO and bi-monthly printed KWO
- Option for subscribers to go online to opt-out of receiving a printed version and sign up for auto notifications of new posts to the digital KWO
- Option for subscribers to do nothing and continue to receive bi-monthly printed versions
- Bi-monthly issues beginning in 2016
  - Additional content afforded by increased preparation time
  - Additional “deeper dive” content including culturally rich stories, investigative reports, thought leadership pieces
  - Additional strategic stories purposefully created to improve the image of OHA, OHA’s partners, and Native Hawaiians
- Digital KWO with full online functionality launched in January 2016
- Regular reports to the BOT on readership engagement
- Hybrid KWO option offers “best of both worlds”

Trustee Ahu Isa expressed that the data looks like we are comparing apples and oranges. OHA is the only source for information and could have better engagement numbers.

Trustee Akana expressed a desire to monitor both the actual costs and the trends to ensure digital media options are being cost-effective. She also expressed concern about *Ka Wai Ola* going to a bi-monthly publication schedule.

Trustee Hulu Lindsey expressed that one of her strongest concerns is that OHA is not engaging enough with our Hawaiian people. She stated that *Ka Wai Ola* is the most recognized of OHA’s communications products. Although we have other products, they are often not seen.

Trustee Apo also expressed concern that *Ka Wai Ola* reaches the largest number of people.

Trustee Waihee asked why OHA cannot keep the *Ka Wai Ola* monthly publication schedule and do the digital things in addition. With 54,000 households reached, there is no better vehicle than *Ka Wai Ola*. He also shared that OHA has had similar broadcast and digital efforts in the past, but *Ka Wai Ola* has been consistent and has increased readership. Dr. Abad responded that cuts would need to be made elsewhere in the Community Engagement to pay for *Ka Wai Ola*.

Trustee Ahu Isa asked who prints *Ka Wai Ola*. Dr. Abad responded Oahu Publications and added that she believes OHA has the most cost-effective option right now.

Trustee Machado asked for more information on digital costs and expressed concern if we are not able to use those services.

Trustee Ahuna expressed his support for the digital proposal, noting that is the direction that everyone is going, especially teachers. He believes this is important for a cultural footprint and to be able to connect to all of our people.

## Recess

Chair Lindsey called a recess at 11:12 am and reconvened the meeting at 11:22 am.

## V. NEW BUSINESS

### FY16/FY17 Biennium Budget

#### Motion

At 11:25 am, Trustee Ahuna moved, seconded by Trustee Hulu Lindsey, to approve BOT #15-02, OHA Biennium Budget for the Fiscal Biennium Period 2015-2016 (FY16) and 2016-2017 (FY17), with the following additional provisos:

- 1) Instituting a moratorium on all Out-of-Country (International) travel, agency-wide, except for Cook Islands Celebration 2015. This proviso shall be effective July 1, 2015 until an international travel policy is adopted by the BOT.
- 2) Requiring the BOT Chair and CEO to work to reduce use of Out-Of-State travel funds, agency-wide, by 10% over FY15 levels.
- 3) Requiring the CEO to provide a monthly breakdown to Trustees of all approved Out-Of-State travel, agency-wide, as it is approved.
- 4) Requiring the CEO to submit quarterly budget variance reports to Trustees.
- 5) Instituting a moratorium on purchasing any legacy (non-revenue-producing) lands. This proviso shall be effective July 1, 2015 – June 30, 2016.
- 6) Decreasing the Palauea Culture Preserve budget to \$30,000 per year in FY16 and FY17.

Trustee Akana expressed a desire for a hiring freeze and that the Board approves creation of positions because the Board controls the budget. She believes the Trustees would be within their rights to implement a moratorium on hiring. She added that OHA has been warned by our Budget Analyst that we need to reduce our spending.

Trustee Machado agreed that the Trustees should institute some form of management control.

Ms. Lisa Cataldo opined that the matter would need to receive additional review by Board Counsel in order to give a formal opinion. She deferred to Mr. Ernest Kimoto to share his opinion. Trustee Akana objected to Mr. Kimoto's commenting on this issue because he is the attorney for the Administration and reports to the CEO whereas the Board Counsel reports to the Board. Mr. Kimoto shared a March 10, 1999 opinion by then-Board Counsel Sherry Broder about the role of the Administrator and added that as a State agency, there are also other compliance issues.

Dr. Crabbe reported that the Board has authorized 169 positions and an additional 10 receive Federal funding. He added that there are currently 8 vacancies, with 5 in the process of hiring. He agreed with Trustee Akana that Administration can only hire positions the Board authorizes. Trustee Akana asked that the CEO only hire those positions that are absolutely necessary to achieve some cost savings.

Trustee Hulu Lindsey added that proviso 6 would not affect legacy lands that would be offered free of charge. However, she did ask that Administration not use any of the Palauea money on travel. She believes the less OHA uses, the better, as this will provide sufficient funds for long-term maintenance of the property.

Chair Lindsey added that there are three reasons for proviso 6: it will allow LPM to take a step back, our last State Audit opened our eyes to some deficiencies in our approach, and to have a more thoughtful and strategic approach to being a land steward.

Dr. Crabbe reported that Administration did make reductions within the budget, including on long-time sponsorships. He also explained that if Trustees want to fund small projects, those can be routed through the Chair, to Administration, for consideration.

Trustee Akana expressed concern that many of the divisions are funded in the operating budget and then have additional funds under grants. She believes the Trustees need more clarification from Administration on the sponsorship spending.

Trustee Hulu Lindsey believed it would be helpful to see a breakdown of travel between BOT and Administration, which would be helpful to guide the Trustees in trying to reduce spending. Chair Lindsey agreed this will be something reviewed by the Ad Hoc Committee on Travel that he will appoint shortly.

Trustee Machado expressed support and thanks for the inclusion of Hawaiian-focused public charter school funding and the 1.5% pay increase for staff.

Trustee Akana believes OHA would be a better agency if raises were given on the basis of performance. Trustee Machado acknowledged that OHA has very dedicated staff and that 1.5% is not a large increase. Dr. Crabbe noted that performance increases were instituted in 2012, but after some problems in the implementation, they decided to do away with it.

Chair Lindsey asked how proviso 5 would impact the Kuamo'o purchase. Ms. Iona confirmed that it will not affect Kuamo'o because it took place prior to July 1, 2015.

At 11:25 am, Trustee Ahuna moved, seconded by Trustee Hulu Lindsey, to approve BOT #15-02, OHA Biennium Budget for the Fiscal Biennium Period 2015-2016 (FY16) and 2016-2017 (FY17), with the following additional provisos:

- 1) Instituting a moratorium on all Out-of-Country (International) travel, agency-wide, except for Cook Islands Celebration 2015. This proviso shall be effective July 1, 2015 until an international travel policy is adopted by the BOT.
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- 4) Requiring the CEO to submit quarterly budget variance reports to Trustees.
- 5) Instituting a moratorium on purchasing any legacy (non-revenue-producing) lands. This proviso shall be effective July 1, 2015 – June 30, 2016.
- 6) Decreasing the Palaua Culture Preserve budget to \$30,000 per year in FY16 and FY17.

TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI AHU ISA			X			
TRUSTEE DAN AHUNA	1		X			
TRUSTEE ROWENA AKANA					X	
TRUSTEE PETER APO			X			
TRUSTEE HAUNANI APOLIONA						X
TRUSTEE HULU LINDSEY		2	X			
TRUSTEE COLETTE MACHADO			X			
TRUSTEE JOHN WAIHE'E			X			
CHAIR ROBERT LINDSEY			X			
TOTAL VOTE COUNT			7		1	1

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

Motion passed with seven (7) YES votes, no (0) NO votes, one (1) abstention, and one (1) excused.

**VI. BENEFICIARY COMMENTS**

There were no Beneficiary Comments.

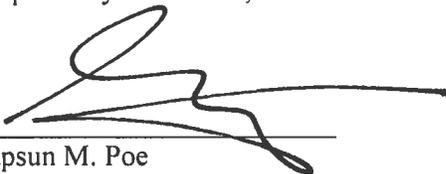
**VII. ANNOUNCEMENT**

Chair Lindsey announced the next Board meeting will be on Thursday, July 9, 2015, at 12:30 pm.

**VIII. ADJOURNMENT**

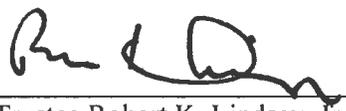
Having no further business, Chair Lindsey adjourned the meeting at 12:17 pm.

Respectfully Submitted,



Capsun M. Poe  
Board Secretary

Approved by the Board of Trustees on July 9, 2015:



Trustee Robert K. Lindsey, Jr.  
Chair, Board of Trustees