

STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
560 No. Nimitz Highway, Suite 200
Honolulu, HI 96817

Joint Meeting of the Committees on Resource Management and
Beneficiary Advocacy and Empowerment
Wednesday, February 24, 2016 9:30 a.m.

ATTENDANCE:

TRUSTEE COLETTE MACHADO, CHAIR
TRUSTEE HAUNANI APOLIONA, VICE-CHAIR
TRUSTEE LEI AHU ISA
TRUSTEE ROWENA AKANA
TRUSTEE DAN AHUNA
TRUSTEE PETER APO
TRUSTEE CARMEN HULU LINDSEY
TRUSTEE ROBERT LINDSEY
TRUSTEE JOHN WAIHEE

ADMINISTRATION STAFF:

KAMANA'OPONO CRABBE, CEO
LISA VICTOR, COO
HAWLEY IONA, CFO
MEHANA HIND
KEITH YABUSAKI
NANCY KING
JACEE-LYNN SMITH
JIM PATTERSON
KAY WATANABE
MISTI PALI
SARAH ANTONE
GARRETT KAMEMOTO

GUESTS:

I. CALL TO ORDER

Chair Colette Machado – Called to order the meeting of the Committees on Resource Management and Beneficiary Advocacy and Empowerment for Wednesday, February 24, 2016, at 9:35 a.m.

Trustee	Present	Excused	Comments
TRUSTEE LEI AHU ISA			9:36 a.m. arrival
TRUSTEE DAN AHUNA			9:36 a.m. arrival
TRUSTEE ROWENA AKANA	X		
TRUSTEE PETER APO			10:05 a.m. arrival
TRUSTEE HAUNANI APOLIONA	X		
TRUSTEE HULU LINDSEY	X		
TRUSTEE ROBERT LINDSEY	X		
TRUSTEE JOHN WAIHE'E	X		
CHAIR COLETTE MACHADO	X		
TOTAL			
At the Call to Order, there are Six (6) Trustees that are Present which constitutes a quorum.			

Trustee Ahu Isa arrives at 9:36 a.m. right after the roll call is taken.

Trustee Ahuna arrives at 9:36 a.m. right after the roll call is taken.

Chair Machado – Moves for a 72-Hour Waiver for IV. A. on Program Updates for OHA Community Grants; although there won't be making any decisions on it. Chair would like to have a motion for the 72-Hour Waiver.

Trustee Apoliona – Moved to approve the 72-Hour Waiver.

Trustee Robert Lindsey – Seconded the motion.

Chair Machado – Asked for discussion on the 72-Hour Waiver. Hearing none, called for the vote.

Motion for the 72-Hour Waiver is approved.							
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA/ ABSTAIN	EXCUSED/ ABSENT
LEI	AHU ISA			X			
DAN	AHUNA			X			
ROWENA	AKANA			X			
PETER	APO			Not present at time of vote			
HAUNANI	APOLIONA	X		X			
HULU	LINDSEY			X			
ROBERT	LINDSEY		X	X			
JOHN	WAIHE'E			X			

CHAIR COLETTE	MACHADO			X			
TOTAL VOTE COUNT				8	0	0	1
MOTION: <input type="checkbox"/> UNANIMOUS <input checked="" type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED							
Motion passed with eight (8) YES votes, none (0) NO vote, no (0) abstentions and one (1) excused.							

II. APPROVAL OF MINUTES

Chair Machado – We are now on the Joint Committees on Resource Management and Beneficiary Advocacy and Empowerment minutes of April 15, 2015 and April 29, 2015 meetings. This was our first committee meeting.

Trustee Ahuna – Moved to approve the minutes of April 15, 2015 and April 29, 2015.

Trustee Apoliona – Seconded the motion.

Chair Machado – Asked for discussion on the minutes. Hearing none, called for the vote.

Joint Resource Management and Beneficiary Advocacy and Empowerment minutes from April 15, 2015 and April 29, 2015 is approved.							
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA/ABSTAIN	EXCUSED/ABSENT
LEI	AHU ISA			X			
DAN	AHUNA	X		X			
ROWENA	AKANA					X	
PETER	APO			Not present at time of vote			
HAUNANI	APOLIONA		X	X			
HULU	LINDSEY			X			
ROBERT	LINDSEY			X			
JOHN	WAIHE`E			X			
CHAIR COLETTE	MACHADO			X			
TOTAL VOTE COUNT				7	0	1	1
MOTION: <input type="checkbox"/> UNANIMOUS <input checked="" type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED							
Motion passed with seven (7) YES votes, none (0) NO vote, one (1) abstention and one (1) excused.							

III. COMMUNITY CONCERNS/BENEFICIARY COMMENTS*

None.

IV. NEW BUSINESS

A. Program Updates for OHA Community Grants – Discussion Only

Chair Machado – Today’s meeting will focus on Program Updates specifically in OHA’s Community Grants. I want to thank the administration primarily Kamana’opono for having this dialogue with his staff and they’ll be updating us with some of the progress they have been making and some possible discussion we can have with them. That is the sole purpose of this presentation. The next step is if we need to ratify then will agendize it for decision making.

Ka Pouhana Crabbe – Before we go into the presentation, I just wanted to share that we thought we’d do a little bit of just the review of what the totality of what the Grants program is because we think that’s important as we go through today’s presentation so that you will understand the different types of grant programs and then based on the feedback this past year, is some of the recommendations that we are looking to adapt and improve the program and then hopefully a discussion and feedback from Trustees as we move forward given some of the challenges we had and then the opportunities for some areas of improvement. Because the presentation is somewhat lengthy, if you indulge the staff to go through it and hold your questions to the end and that way we can address it all one time. So today Trustees we have Dr. Keith Yabusaki the manager for the Grants program and our Grants Specialist Nancy King.

(For details, refer to material distributed: OHA Community Grants Program Updates dated: February 24, 2016)

Keith Yabusaki – Aloha and Good Morning Trustees. Mahalo for this opportunity to share program updates on your OHA Community Grants. This is in part to keep you Trustees informed and to address any questions and concerns that you may have, but before we get started, I know you folks all know Sarah Antone, she is the newest member of our Grants team, please be kind to her. We have on our team four full-time Grant Specialists; they currently manage 10 solicitations, 27 community grant program contracts for Fiscal Biennium FY2016-2017. We have about an estimated about 30 – 35 ‘Ahahui events, they also manage 10 – 15 miscellaneous grants and we also process about 100 sponsorship requests each year. Also, I mentioned my grants team, but I also want to mention Kay Watanabe our Administrative Assistant. Sometimes I feel for my grants team, they’re always busy, never having down time. They’re always planning, soliciting, scoring and ranking proposals, making awards with the Board of Trustees, negotiating contracts, administer and monitor contracts, we do program evaluation with Program Improvement and then they have to do the cycle all over again. The next slide is a summary of OHA Grants and Sponsorships from FY2012 – 2016. 2012 was kind of the peak of funds and awards and FY16, since were in the midst of FY16 these are the best estimates of awards made thus far. As I mentioned for the ‘Ahahui we usually have 30 – 35 events per year, it has an online process. The grants specialist attends and monitors the major events with the COC’s on the neighbor islands. For sponsorships we have a sponsorship process and for FY16, we estimate that there will be over 100 requests. We have BOT initiatives which require an action item be done and that we have to come before the Board for Board approval and then we have our community grants and other grants. Just want to mention that back in 2012 there was 4 solicitations, now in 2016 we do ten solicitations. Specialists have to do desk top quarterly monitoring, where they do a formal assessment report and do on-site monitoring with the agencies. The number of grants may have dropped from 200 to 99 and the granting amount was I think about \$14.8 million has dropped slightly to \$10 million, but that doesn’t mean the amount of work has lessened. We do with Research Program Improvement, were starting to do program evaluations on each and every community grant program. I wanted to give you an example that chose the importance of the evaluations that they work. Recently, an evaluation was done of the DHHL \$3 million award that we make annually to DHHL and DLNR,

The Wao Kele o Puna payments, the evaluation showed that OHA needs to work a little closer with these agencies (grants is working). All of this just demonstrates that the Grant team is working harder than ever.

Trustee Akana – Can we ask that when you folks do these evaluations on this big one, like DHHL and you report to the administrator? Can we ask the Administrator to report to the Board; because it's very important that we keep track of this, it's a matter before the Board anyway.

Keith Yabusaki – We have requested that Program Improvement, once it's approved by KP that the reports are sent to all the Board members and is also put up on Ki'i.

Trustee Akana – The DHHL one is a little bit sensitive, since we're working to resolve some issues. So at a BOT meeting, hopefully we can get a report from our administrator on the progress of what's happening with that.

Chair Machado – Didn't Evaluation do a separate evaluation on that (Jim Patterson)?

Ka Pouhana Crabbe – That is correct Chair. Program Improvement did conduct an evaluation of the totality of the contract. We are currently in discussions with DHHL. I believe either last week or the week before, Research Director Lisa Watkins-Victorino and her staff met with DHHL staff regarding the details of the contract and the outcome in terms of what have they produced over the number of years. There are collating the information and data and we will need from this month to about March/April to complete that report and then there is an agreement to come back before the Board once reports are done and then a discussion on the current contract and what the data is.

Chair Machado – We would have had them here earlier under Trustee Robert Lindsey's agenda, but they have been slaughtered at the Legislature, so they have been trying to keep their heads above the water. So, we are going to wait a little while more and ask them to come in executive session and have a free and full discussion on the Chair's agenda. So that's already being proposed to them and waiting for the best time to situation they're in. I believe they are aware that they have not given us an annual report for the last eight years and that's a requirement in the contract that we signed off on. So, all of these hard questions have been addressed with staff to them. Jobie wasn't ready to meet with us; she might be able in the cross over and may be able to squeeze some time in for her in the next 2 – 3 weeks or early March.

Keith Yabusaki – So presently, your grants team is in the preliminary planning stages for Fiscal Biennium 18-19 Community Grants program. I've always said I work with my grant team members, today it's no difference, they will presenting the updates, but so far we've gathered community input. We're looking to implement recommended process improvements and we will present to you the Grant Cycle Timeline. With that I turn it over to Nancy King.

Nancy King – Aloha Trustees.

Community Input

- Surveyed were 266 emailed, got 120 respondents
- Response Rate: 45%
- 75% did not receive FB16-19 Grant and are still happy with OHA

Demographics of Organizations

- All islands represented
- 57% - 10 or less employees
- 56% - Annual budget > \$500,000
- 64% - Operating 10+ years as a non-profit
- 57% - Majority of clients are Native Hawaiian
- 60% - Received OHA grants in last 5 years

Grant Term

- One of the questions we did ask is whether or not organizations would prefer a one year or two year grant term.
- 87% - Preferred a two-year term

Trustee Waihe'e – Why would anyone want a one-year grant term?

Nancy King – Some smaller organizations have just a one-year project, so they're not doing on-going problematic services, but maybe need to develop curriculum or build a structure. Also with the two-year grant term, organizations need to have further planning, to actually come up with a longer plan. Many grants will require matching funding, so it means you have to secure funding for a longer period. It's one of the reasons we prefer the two-year term.

Industry Standards – Grant Term

- Award multi-year grants
- Federal: 3 - 5 years
- State of Hawaii: 2 years
- Private foundations: 0 – 10 years

The multi-year grants are a benefit to the organization because it offers them the ability to have secured funding for two-years and be able to provide a longer continuity of service. For us (OHA) as the grantor, were able to get more significant data because were funding them for two-years of a service. Some of the survey comments from the organizations are: They like a "Two year term, but they would rather have the RFP or the solicitation available every year." And they like the fact that "The longer grant cycle is beneficial and helpful to them as an organization."

While looking at the idea of possibly offering a grant solicitation every year, there's a few barriers to OHA as an organization to do that. To continue with a two-year funding and offer that every year we would, One we've got a biennium budget, so if we were to do this, this will almost double the amount of money we'd be spending on grants. We also have limited staff, so right now as Keith mentions staff is doing everything from the planning to the solicitation, reviews, contracting, monitoring, if we we're to offer our grants program every year, you would double the number of grants that came in and we would simultaneously be in the midst of soliciting and reviewing as well as trying to do the monitoring. The monitoring was one of the key things that the auditor pointed out, that they wanted us to step up on.

Trustee Ahu Isa – Speaking from experience, when I used to handle the research grants at Hawaii Institute of Geophysics, we would get at three-years because, if the project is so great, we don't want to fund them forever, so we give them time to go out and get funding so they can be self-sufficient and instead keep coming back for money. That's why the 3 - 5 or even the title 3 grants with the community colleges. They would give us like 5 years out, developing institutions so that we can obtain funds later.

Trustee Akana – I'm a little perplexed with this because I think 1 – 2 years should be our maximum. If their exceptional than we can go as far as 3 years. But no grant should be granted unless you can see how they will be sustainable over a period of time. I used to review Federal grants and the Feds give 2 years and sometimes 3 years, but they very rarely go past the 3 years. If that can't be sustainable by 3 years, they don't look at funding these grants because it's a waste of money. The problem I have with giving these grants and you can look at the history of the OHA grants, they get 3 years and then they come back for another 3 years. That's the history of OHA grants. These people keep coming back and the OHA money doesn't go to anybody else, so when you open it up and they have to start looking at other funding and I know it's a lot of work, but some grants just need a help up and we should be able to give these grants to the one time people, if we close our monies up for two years, it stops people for the short term and that's what I don't like because you tie up your funding for two years. What does that mean? That the grants people don't work all you do for two years, you just monitor. Come on now.

Ka Pouhana Crabbe – Thank you for your comments Trustee because later in the presentation they will address very similar issues of how some of the recommendations will try to attempt to take a look at that in terms of greater equity, not just for smaller non-profits but also for the neighbor islands.

Technical Assistance (TA)

Nancy King – We also polled our applicants on their familiarity of Technical Assistance (TA) and how many of them were aware of what technical assistance providers were out there and how many of them have actually availed themselves to those services.

- 73% - Reported having used some of form of TA from one of the organizations we listed (ANA, HACBED, HANO, Hawaii Community Foundation, Hiilei Aloha) and a few others that we weren't aware of. And it shows that
- 60% - Familiar with Hawaii Community Foundation
- ANA – Provides pre-planning and application workshop for those that are applying to ANA and they contract out for that service. They don't do it themselves.
- HACBED – Can be contracted by organizations to do one-on-one capacity building.
- HANO – Is the Hawaii Alliance of Non-Profit Organizations, they offer a whole slew of training workshops and webinars for any non-profit, that's either a member of their organization or just general public.
- Hawaii Community Foundation – Offers a range of technical assistance including small grants program for capacity building.
- Hiilei Aloha – Which is affiliated with OHA and they offer a wide range of training, the unique thing with Hiilei is their services are free. Almost all the other organizations other than ANA there is a fee.

So what we're looking for going forward, grant writing and project planning is not provided by organizations that offer grants, they do just application and eligibility assistance, just technical format type things.

Survey Comments

- “The sessions are helpful and provide insight to what is needed to complete a successful grant.”
- “The grants staff is very helpful and supportive.”

So what we're looking for going forward is to try to make organizations more aware of what technical assistance providers are out there. As far as service to small organizations, in this current FY16-17 grant cycle we're finding a number of small organizations, small by virtue of low annual budget and a few staff, Pa'i Foundation, Papakolea's Kula No Na Po'e, Ma Ka Hana Ka 'Ike out in Hana, Maui. Protect Kahoolawe Ohana and Ka Honua Momona on Moloka'i. We also have some smaller organizations that are first timer awardees, EPIC, Hui Malama Learning Center on Maui, Kualapu'u Charter School on Moloka'i and Kānehūnāmoku Voyaging Academy.

Other Survey Highlights

- 83% - Satisfied or Extremely Satisfied with the online application system
- 95% - Are considering or intend to apply at our next grant cycle

Other Survey Comments

- “Eligibility shouldn't be determined by a technical mistake... There should be some time allotted to correct it...”
- “Would recommend grant review panels also include objective, experienced professionals that are external to OHA.”

So this has helped us inform some process improvements that we're looking to implement by next biennium process improvements that we're looking to implement in the next biennium cycle in FY18-19. A pre-application deadline to address the technicality issues, community reviewers to include them and to promote the technical assistance providers.

Process Improvements

- Pre-Application Deadline
- Community Reviewers
- Promote Technical Assistance Providers

Pre-Application Deadline

- Separate application deadline
- 3 weeks prior to final deadline
- Applications reviewed for eligibility only (a lot of times upload wrong form, updated and outdated form, we would look at their applications to make sure those things are there. Not reading for content of subject matter, but just making sure it would be eligible)
- Ineligible applications returned & re-submission required by final deadline (if anything is missing, send it back to them and they'll have those 3 weeks to catch up).

Trustee Akana – That’s good.

Grant Review Committees

- Expand our Grant Reviewer committees instead of having them just internally OHA staff. To have the OHA Grants Specialist as the lead in that subject matter and include one OHA staff person possibly coming from Advocacy or Research who’s also familiar and experienced in that subject matter. Another Funder from that perspective and also a Subject Matter Specialist.

Subject Matter Specialist

Possible Minimum Criteria: (still in development)

- Live in Hawai’i
- 10 years experience with the Hawaiian community
- 10 years experience in that particular solicitation focus area
- Reliable computer and internet access as were doing an online process

Possible Expectations of Community members:

- Attend 2 onsite meetings (1st upfront orientation and 2nd to do a panel review)
- No conflicts of interests
- Maintain confidentiality of the proposals their reviewing
- Complete all reviews electronically and by the deadline

Technical Assistance

To try and make the community members and organizations more aware of whom out there can help them with putting together their proposals or helping them look for matching funding. Including on our grants website a list of technical assistance providers, promoting these providers at our orientations and then including training for technical assistance providers and OHA COC’s, we are hoping to get Hiilei to come to our grant training workshops, so that some of these more specific questions about putting together a project plan or the application, they can assist with that.

Chair Machado – Nancy, I want to thank you on the offer solicitation training for the TA providers and OHA COC’s, a lot of times that’s the first line that they going get attacked and then we don’t want them to respond, I got to call Honolulu. The more investment we put with our neighbor island COC’s you get a better outcome.

Nancy King – And the COC’s are extremely helpful in working with us when we go and do our workshops.

FB18-19 Preliminary Schedule moving forward we’re planning to announce our solicitations

September 1, 2016 Solicitation Issued Orientation Schedule Release

September 19, 2016 Application Available

September – November 2016 Conducting the Statewide Orientations

November 23, 2016 Pre-Application Deadline (3 weeks before the actual application due date of 12/16)

December 16, 2016 Application Deadline

Chair Machado – Let’s go back to Trustee Akana’s question about providing for. I can say from the realignment budget, I can speak for two projects for the island of Kaua’i, they were very big projects as you

are all aware of and we had to bring it under the fiscal reserve which was our indicated period that was potentially a violation to us, but those were some of the opportunities we were looking to allow for that kind of allocation to provide for the smaller grants like the R.E.A.C.H. Project and the afterschool funding. So, Trustee Akana raises this issue and we've been going back and forth at the table, so I would call on Trustee Ahuna on any comments.

Trustee Ahuna – I got all my questions, thank you very much Chair. My first one is do we have any type of number of the ratio of money given to each island and the comparison of the amount of Native Hawaiians on each island? What is that ratio, like for example how much money went to serve the population on Kaua'i and do we have the ration for each island?

Nancy King – We do have data on the number of grants that were awarded to each island, we could even look at the number of applications that came in per island and the number of grants that were awarded. It would take a little bit more research for us to come up with the demographics on the Native Hawaiian population.

Trustee Ahuna – The reason why I ask that question you mentioned there was 57% of the organizations only serve the Native Hawaiians.

Nancy King – Not only serves, it primarily serves the Native Hawaiians.

Trustee Ahuna – What's happening on Kaua'i, their coming up with this transient tax and the service of how much money services the community and the infrastructures in our community? We're noticing that the amount of money does not correlate with the other islands, the infrastructures and everything, so our taxes are going up, so we're affected by it. So, I think those numbers are very important because we're here, we're setting a standard going down a one way where a two years is the best way, but we create these rules, we cannot open them up for all. Short, long, extra-long, that's just an idea. I have a lot of questions; I don't have to get all the answers now. Evaluations of OHA grant money to DHHL, for example, what is the policy and how do I know that some of those monies are serving Kaua'i? Are we just giving it to them or are we writing policy to that?

Ka Pouhana Crabbe – The Board position at the time when they voted on it was to help with the debt consolidation as a result of that debt consolidation there were contingencies or expectations on what those funds were to be used for. One of the outcomes that were looking at is exactly what was spent on the different projects whether that is infrastructure or that is actual homes and what islands. We won't have that data until our Research Department continues to have the discussion and collects it from DHHL. We are looking at some time for May or June for DHHL to report back to the Board.

Trustee Ahuna - I think we should be looking at the policy.

Ka Pouhana Crabbe – I agree, we are currently working on that. Trustee, can I address your question about and what I hear you saying is about parity and fairness for neighbor islands based on the population of Native Hawaiians on the island. So, I think what would be helpful either Keith or Nancy, just to share on how they look at the dispersing when they go through these different grant programs on how they are trying to provide equity but yet, maybe we still can be open to some improvements.

Trustee Ahuna – I just wanted to add, it might be a violation to how we did it to Kaua'i, the small little grants. But the thing is, I don't want to hear that kind of stuff over here. But, I have a lot of questions, and want to ask you. The two year term, can we do both, long and short term? You know how we promote the technical assistance groups, how come we cannot partnership with these people and have these people in our Advocacy offices on Kaua'i and all over the place and really include them in with us.

Ka Pouhana Crabbe - That's what we're trying to propose, I guess during the time that they're having the solicitation process, they're bringing the technical support to the community outreach on each island and having maybe workshops and classes. But to have them throughout the whole year, may be out of our budget range, but we're trying to make sure that service is provided to the community and non-profit.

Trustee Ahuna – The reason I'm saying is if we can have a grant writer for these people to be there and to just look at the feasibility and amount. We got to go search, we got to create for Kaua'i and it's really hard. You know when you guys was talking about the people we are going to choose to be on this grants committee. Who makes those decisions now on the policy?

Ka Pouhana Crabbe – That's an administrative responsibility. We're sharing with you because that's been brought up a number of times by Trustees that there may be some bias because we only have internal reviewers. We actually did it before in the past, but have cancelled that, so now we're bringing it back.

Trustee Ahuna – The recommendations that you're saying is for a vote for us.

Ka Pouhana Crabbe – No.

Trustee Ahuna – So, the policy or however it is written for these people to be on the grant committee doesn't go through.

Trustee Akana – It's because we suggested that the use of professionals from the outside and not just have internal reviewers look at the grants but have people from our community, so beyond their panel, so that it's more fair.

Nancy King – So part of the decision making will need to be made by us because it depends on the availability of the grant reviewer on whether or not they have a conflict of interest because of an organization they may be associated with. But we would welcome from Trustees suggestions of who they feel would be good reviewers.

Trustee Ahuna – I just wanted to make sure that this is written in and we have an understanding of that. I'm not familiar with all of that and to make sure that Kaua'i gets its fair share. And then one last question, the technical assistant groups, do we give money to any of them?

Nancy King – No. Only Hiilei.

Trustee Ahuna – Just Hiilei, okay.

Trustee Hulu Lindsey – I have a two part question. Can you tell me the difference between the Ahahui and the Sponsorships?

Ka Pouhana Crabbe – That's a good question Trustee. So, Trustees if I can refer you to page 2, because I think Trustee is bringing up a very good question regarding the differences and the different programs that we provide.

Nancy King – Within our community grants program we have two formal promoted application programs. The Community Grants which are the solicitation and the `Ahahui Event Grants. Those have solicitations are announced, there's applications and deadlines and there is a score review and contracting and monitoring. Sponsorships are the request that may come through the Trustees and are forwarded to the CEO's office and those tend to be buying a table at Lunalilo's luau, so those one-time events where the sponsorship is usually with funders, a sponsorship is we provide funding to support what it is you're doing and in return we get some recognition benefits that we are a sponsor of your event.

Trustee Hulu Lindsey – The maximum on the `Ahahui is \$25,000.00.

Nancy King - \$10,000.00 and part of that decision was looking at community groups and what they actually needed to host events and to be able to support as many events as possible with the funding in that budget.

Ka Pouhana Crabbe – Some examples would be like.

Nancy King – For the `Ahahui, the Prince Lot Hula Festival, we've funded several Makahiki events in January statewide, we'll be doing that wonderful up on Maui at Bailey house. Papakōlea's Health Fair is coming up. So there's some that vary small that are unique to a community like Papakōlea and then some that are very large like the Book and Music Fest or the Prince Lot Hula Festival.

Chair Machado – Along the same lines we used to fund Legacy. Is this part of the Legacy under Sponsorships?

Nancy King – Yes, the Legacies would be included under the sponsorship category.

Trustee Hulu Lindsey – My second question is. Is it budgeted for the 12 months of a fiscal year?

Hawley Iona – Madam Chair, it is not pro-rated every month.

Trustee Hulu Lindsey – My question is: I kind of hear that we don't have any money left for sponsorships?

Nancy King – Correct.

Trustee Hulu Lindsey – How did that happen, when the fiscal year ends June 30th?

Ka Pouhana Crabbe – I can answer that Trustee. Actually for this year's biennium budget we had to make budget reductions, because of our fiscal situation. So we actually had to cut the number of areas, we reduced unfortunately the budget for sponsorships.

Trustee Akana – Where did that money go?

Ka Pouhana Crabbe – We did make a transition and over the past year or two, that went to Trustee allowances.

Trustee Hulu Lindsey – How come it was in the budget for sponsorships, if it went there?

Ka Pouhana Crabbe – Before we had more money in sponsorships, but because the Board approved for Trustee allowances that money went to Trustee allowances and then overtime we just decreased the sponsorship monies.

Trustee Akana – But that didn't show up in the budget.

Ka Pouhana Crabbe – Maybe Hawley.

Nancy King – With this sponsorship budget we had this FY16 that began in July we started considering sponsorship requests and have awarded out that monies, so there was \$213,000.00 in awards to sponsorships to 32 different activities or events.

Trustee Hulu Lindsey – But that was only for 6 months. What are we going to do for the next five months? That's embarrassing to OHA, it was very embarrassing they didn't have a table at Lunalilo, we always buy a table at Lunalilo. We had 4 seats in the back of the tent. It's not me personally, but people don't know that OHA gave so much money for the renovation. To see us like that, it seems that we did not support them and not once did the Lunalilo people recognize OHA that day for the money that we gave them to renovate. They should have at least said that and in my perspective and doing business in Hawai'i for 60 years, I would've given OHA one table that day, based on the contribution we made to Lunalilo. But they didn't suggest that, we were able to buy only 4 tickets and of course we not going make any noise, I just sat in the back of the tent.

Trustee Akana – I bought my own tickets.

Ka Pouhana Crabbe – So, you bring up a really good point Trustee. I do want us to respond to it because what I can say is we have funded them for the past four plus years. But because of our budget situation the totality of the sponsorship budget has decreased.

Hawley Iona – Madam Chair, just by looking at the numbers during our peak in fiscal year 2012 we actually allocated over \$1 million to the same category that we only have unfortunately this year of \$200,000.00. It was not a decision or my recommendation to limit per month the \$200,000.00. Unfortunately, we did have in the beginning of the year a number of requests and that's why unfortunately the monies have been depleted.

Trustee Akana - While we're on the subject, you know when monies are moved, it is really incumbent upon the administration to let the Board know when monies are moved and where they went, so that we don't come across a situation like this and then we have to say wait a minute, what happened and where did it go. At every Board meeting if between the last Board meeting and the meeting we're meeting at it is incumbent upon the administration to advise the Board on any movements of monies, so that it isn't embarrassing, when we have to find out like this that we don't have that money. You know what I'm saying.

Hawley Iona – Madam Chair, we do report the movements.

Chair Machado – In the variance.

Hawley Iona – Not just in the variance report which is one way we report on the budget but, we actually have a separate, it's called a 10% Re-Allocation. A memo goes out quarterly as well and that's when we notify of the movements, unfortunately there are actually a number of movements that happened, some as small as \$400.00 or even less and some as much as \$25,000.00, all pursuant to his 10% Authority and that's why we call it the 10% Re-Allocation level. If we want to increase the frequency, I could certainly appreciate the Trustees should be as updated as possible.

Trustee Hulu Lindsey – The reason this upsets me so much is that the way I run my life, I budget the money that I have. I spread it out if I have \$5,000.00 a month, then I'm going to make sure all my bills are paid with that \$5,000.00. So if we knew that we're going to have \$213,000.00 in the fiscal year 2016, I would think that we would have budgeted it over the number of months that the \$213,000.00 would cover. I just got a call from the Royal Order of Kamehameha celebrating their 150th Anniversary asking OHA for \$20,000.00 and we couldn't give them \$1,000.00. That's shame, you know, how can we not give the Royal Order of Kamehameha some money. I just think we need to budget this sponsorship a little bit more because we never know when emergencies are coming up like this, last minute requests from very legitimate people.

Hawley Iona – If I may and sorry that I didn't clear this up earlier. Of the \$213,000.00 that you see under sponsorships, some of it is already allocated, part of that is what we contribute to WDC sponsorships and they have actually attached to it very specific events and some of it would be under discretionary of the CEO. So it is not necessarily all of it was actually available and unintended, most of it actually was intended for when the budget was approved. And I believe that was included.

Trustee Akana – So WDC was included in that.

Hawley Iona – Is included in that.

Ka Pouhana Crabbe – That includes like the Lei Draping, they have the dinner, EPIA. I just want to share again I think Trustee Hulu brings up a very good point and if we can just step back a little. I just wanted to provide a broad overview is that we are in the post center to Inouye/Akaka era, where the funding is very limited at the Federal level and our level. And in the past several months, we've been sharing of what our fiscal situation is and while there are very noble requests for support. Administration is taxed or struggling with how to maintain the budget just within our Core Operating Budget. You bring a point Trustee and how we are going to like allocate per month, I believe the grants staff, what they do, we actually are giving less sponsorship funding than we usually are, because we got to stretch the budget and the money and what we're really trying to do our best is be fiscally disciplined as our SPIRE consultants have shared, but we are moving in a direction where we have to be as prudent as possible. The reality is we would like to give as much money for sponsorships, the reality is we don't have that flexibility as we did, we just don't.

Trustee Ahu Isa – I had a question Chair followed by a comment. When you get this sponsorships or legacy, every year do you have the same, like is there a standard, okay they come to us and we going to give them and

we know already which ones are important, kind of like Bishop Museum and Lunalilo. And the other part of it when I first got elected I went to the University of Hawaii, we bought a table for the College of Hawaiian Studies, we didn't get acknowledged, Senator Akaka didn't get acknowledged or President Lassiner, no leis nothing, and I thought that was shame. So as for as a OHA rep, I not shame if they don't introduce me, but they didn't introduce him, this is the College for Hawaiian Studies and it was a fundraiser. I was the only Trustee that was there, so this is how we get treated, even when I go to different functions, they never recognize OHA.

Trustee Akana – I think it's an appropriate time to bring this up Madam Chair. I know that the administration knows that the budget is approved by the Board; anytime we deviate from that it causes a problem. OHA has always done I think its best as Trustees to make sure our staff even though we're not part of the collective bargaining, we always make sure that our staff are staff members get pretty much across the board get what State workers in fact we go over and beyond that, we used to have an incentive kind of pay under Mr. Namuo so that people got a salary plus some sort of incentive that Namuo had. I don't know what the table was, but I want to say this, but giving individual raises whether it's departments or several people in any administrative position without talking to the Board is a big problem that happens because it affects our budget and it'll have a trickle-down effect on us over the rest of the fiscal year. And so I encourage the administration not to do this, if you feel that people deserve raises in between a fiscal year, that you come before the Board and tell us what our fiscal climate is like and whether this can happen. I would rather you come up with some form of incentive kinds of raises and show us how we can pay for this rather than allow raises to be given when we don't have the money. We are in dire straits here and I think everybody in these four walls understand that, so I'm only saying this out because I recognize our situation and I hope we get it.

Ka Pouhana Crabbe – All I can say Trustee Akana, we are working on that.

Trustee Akana – It also causes a moral problem.

Ka Pouhana Crabbe – It does and we're looking at a total HR program of looking at the personnel structure in terms of their SR rating commensurate with their salary and high performance in terms of incentives.

Trustee Ahuna – I don't know what group is more important than the other group. That's why policy should be written because every group is important, but for me, Kamehameha's is important even Lunalilo's, I know we get treated like that, but we can only do things that is concrete, is what I'm saying. When we bring up Kamehameha, we bringing back the cape and only a few of us going go and that is Kamehameha the Royal Order. So, I don't know how we can align, but I think we should be writing more policies so the due diligence, we can talk to that, instead of us talking to things that we don't understand. I'm fighting for Kaua'i, that's what I trying to say.

Trustee Apo – Just a quick comment I mean I think everything everyone is saying is right on. We have to supply and demand, we have an over demand and not supply, and we need to start concentrating on making revenue. Like Kaka'ako Makai, how long is that going to be before we stop losing money over there. So, that's where the focus kind of has to be and that's the answer to all of this in terms of spreading the money around. Otherwise, some going get, some not going get. Revenue, revenue, revenue.

Trustee Hulu Lindsey – I'm like Trustee Ahuna, I'm fighting for Maui, that's what I'm here for. A few weeks ago, administration gave us a list of all the recipients of sponsorship money. And I want you to know that Maui did not get anything. Not one and that's why I'm talking about the Royal Order of Kamehameha today, because that's the first request for sponsorship that came to my attention. And when I looked at the list, I looked all the way down, I said my goodness, maybe Maui did not ask, I didn't know. What I'm saying is that we did not get anything. So, somehow I would like to get the Royal Order some money cause I think that's a really important celebration equally as important bringing back the cloak which is going to come back to us only on loan, not even to keep.

Trustee Apoliona – We don't know if it's loaned forever. My point is some of these things, talking about the cloak. This is things yet to come, I'm sure. The example of the Royal Order and how do you anticipate the requests that may come that are uncertain, we know where the bulk of money would be. Will there be an annual or monthly piece that's allotted and then the other side of the coin is when the people want to request, do they request early enough for the kind of occasion or event they're going to need. It is really a balancing and I don't have the answer, because this is something that you folks have to figure and balance through some clarifications, because if we're going to be set to okay only so much a month or that's what we're going to do annually than that's how it's going to be. Again, we got to look at setting some specificity on things, that we better be ready to be able to accept whatever the constraints or the opportunities are. So let's talk that kind of balance and reality.

Trustee Hulu Lindsey – I think that's a good idea. First come, first served.

Trustee Akana – But that's not a good idea.

Trustee Ahuna – Yeah, that's not good idea.

Trustee Apoliona – See we have different point of view here, so that's where the dilemma is. We all got good ideas.

Trustee Ahu Isa – Thank you Peter for bringing that up. There is an article on the PBN that talks about OHA. All of our stuff going on at Kaka'ako Makai, does it have to be approved by HCDA.

Chair Machado – Yes.

Ka Pouhana Crabbe – Yes.

Trustee Ahu Isa – See this article here talking about Howard Hughes and developing at Kewalo Waterfront properties. Steven Scott, Vice-Chair of HCDA Board had concerns with both proposals of Howard Hughes and the waterfront property. But it may not be over for Oceanfront Commercial Development in the area according to Wayland who is the Chair of HCDA who said that nearby Office of Hawaiian Affairs lands along the Ewa side of the harbor is where it would probably be appropriate for the commercial development that these waterfront Kewalo partners are looking at. And who backed us up was Mary Pat Waterhouse, my friend from the city; she was the City Director of Finance at one time. There are a very few waterfront properties left on Oahu to develop and that the Board has a serious responsibility to make the right decisions, we should be

bringing proposals to HCDA, so they can kind of fit things in. But, we're not even giving them anything to look at, whether it's confirmed or for discussion. That's all I wanted to bring up in the RM committee.

Chair Machado – I've been working with the Land Management Division and we've spent some time on that and you folks deserve an update. I believe that our next meeting set for March 9th, we will be discussing Kukaniloko and some of the other pending areas. It is at that meeting we can ask them to come and prepare the progress and other issues. Kamana'o can talk to Miles on that.

Ka Pouhana Crabbe – I just wanted to expound on Trustee Apo's comments.

Chair Machado – Revenue, revenue, revenue.

Ka Pouhana Crabbe – That is one of the solutions and urgency. Administration agrees, Kaka'ako Makai is one piece. We are looking at the investment portfolio to increase greater oversight over the money managers to increase our stand as in terms of the benchmarks and elevating it and reducing their fees. I think also on the other end is and we've had this discussion with Chair Machado and Vice-Chair Apoliona as well as SPIRE Financial Consultants is we have great demand, we have tremendous demand, but the reality is we only have limited resources. The more we hone in at what our actual budget and financial constraints are and look at the different areas, we have to make really difficult choices, so what I'm sharing is that Trustee Machado has shared with us, so if we cut here and cut there, where is the potential for a pot for small non-profits. We are open to that, but then, on just behalf of administration, what we're struggling with is these parachute initiatives that come into the organization and we no longer can use fiscal reserve that's limited and we've dipped into core operating budget and we realize we cannot do that anymore, but because it puts greater constraints on our programmatic funding. So, I'm sharing that is because this is what we're challenged with and need cooperation from the Board on how to streamline, how to be more efficient, or how to take a better and clearer look at what we're spending on areas that we need to either make a hard decision and say we cannot do that anymore, we got to do this. I just wanted to put that out.

Chair Machado – This might be foreseen as a bomb being thrown on the table but, I do know in Community Engagement and Outreach there is a provision on I Mana Ka Lahui grants that are issued to the community at \$750.00 per event. But I'm not sure what the total amount that has been allocated for community outreach in that particular capacity. To me that is like a duplicative approach that if you having an activity, you can go up to \$750.00 on a respective event. But it's not being overviewed by the TAPs program, but being administered internally by community outreach.

Nancy King – I believe there is a little difference with I Mana Ka Lahui, it's not a program where an organization or entity can come to OHA and say we want to do this, can we get support. Their initiated by the program staff COC's on Oahu and the neighbor islands.

Chair Machado – Nancy what I'm looking at is the bottom line is they have \$150,000.00 that is allocated for that type of activities that is overseen by the different COC offices. Why can't that be allocated for the in between periods for the smaller grants and not be just addressed on the community outreach. That's all I'm saying, this may be available to the smaller programs like R.E.A.C.H. and some of the other ongoing projects and needs.

Hawley Iona – Madam Chair, I'm not familiar with the funding, so that of course is concerning for me. I believe it's not a significant amount of funding. With that said, it could be as much as \$25,000.00, but is not something I'm familiar with.

Chair Machado – I think it's more like \$150,000.00 in the I Mana Ka Lahui line item.

Hawley Iona – I'm very surprised that it wasn't explained to me what it was intended for.

Chair Machado – I would encourage to look into that as a possibility to allow the grant making be provided with those funds already encumbered in the Core Operating Budget. That would give us a lot of comfort level that these smaller groups can be afforded some accessibility and not taking from another place.

Ka Pouhana Crabbe – We will follow-up on that.

Trustee Akana – Another place to look is “staff training”. A lot of money is being spent on staff training, \$100,000.00 here, \$100,000.00 there, I don't know if we need all this staff trainings, especially out of state. Let's revisit these kinds of activities that are in the budget.

Chair Machado – We'll take that under advisement when we have our briefing with KP and his team Hawley. Is there anything else that anybody would like to say. Chair Lindsey, you have been very quiet.

Trustee Robert Lindsey – Yes, thank you Madam Chair. When I look at table 2, I guess the concern I have is if we are reducing our budget because we want to be fiscally responsible, than what is the impact that it's having in terms of when we look at our strategic plan and we look at our strategic priorities, is it hurting our efforts on behalf of serving our beneficiaries. Logically, if we're cutting funding then it should have a negative impact, but my logic says, I hope I'm wrong.

Ka Pouhana Crabbe – We are in discussions on taking a look at what would be some primary areas. For example, we're doing good in education, we already spent \$500,000.00 for two years for scholarships and spending \$1.2 million for Charter Schools. That may be an area, because we have exceeded in terms of our post high school results as well as reading and math. It is actually increasing, so we can predict that we will surpass those goals, we may need to give greater thought to where the priorities will be in funding for other areas. For example, economic self-sufficiency and increased family income for housing and rent subsidies as well as looking at other areas like health and culture. So while the reduction in budget and grant funding is less, if we are smart about it and strategize correctly we can still at least maintain the status quo in terms of certain areas where we want to continue to make the greatest impact.

Trustee Robert Lindsey – And I just want to echo what Trustee Apo shared earlier. Yes, it's good that we spend time and energy that we're spending in managing our budget, but at the same time we need to look very seriously at increasing our revenues. One, by moving forward with Kaka'ako, and the other staying at the wheel and working real hard to get the Legislature to support our PLT Bill.

Trustee Hulu Lindsey – Since we ended Liko A'e and all of our educational monies have been going to the Hawaii Community Foundation, many of our students are not aware that OHA monies are in that Hawaii Community Foundation. There has to be a way for that to come out, because they think that since Liko A'e

pau, there is no Hawaiian money. So somehow, we have to get that out that Hawaii Community Foundation has OHA monies.

Trustee Waihe'e – Based on this presentation, is the plan to incorporate all the separate recommendations as seen in this presentation. So the RFP every year is that going to be something we're going to entertain.

Hawley Iona – That was not a (inaudible) funding. It was something that we addressed as it would be difficult (inaudible). Those are the three major changes.

Nancy King – We would still intend to have a two year grants program that aligned with our biennium budget.

Trustee Akana – So there would be no new applicants that would come in for a one year grant, because our monies would be tied up for two years.

Hawley Iona – Not with the community grants program.

Trustee Apo – What is the average yield on our portfolio for the last (inaudible) years? Is it over 7%.

Hawley Iona – Madam Chair, we have been making the benchmark which is CPI plus 3 years. We've actually been able to maintain anywhere between 8 – 12% in annual returns for the last two – three years or so. We are not looking at that kind of returns moving forward. We are still aiming for single digit returns and aiming for 3 – 5% which is now becoming the norm if you will.

Trustee Apo – Looking at the market it does provide some kind of predictability of some sort of multi-year budgeting and revenue. So, I'd be really curious of the last few years, if we had settled out instead of Kaka'ako Makai for \$200 million and we had put that in the portfolio. Where would we be today on the return? That would be kind of an interesting number.

Trustee Akana – I'm not sure we got 8%. I think we got more like 7% or slightly below. And I think going forward we are looking at 3%.

Hawley Iona – I can verify that.

Trustee Ahu Isa – On closing comments, I just want to mahalo Nancy & Dr. Yabusaki for all their work because Clarita who used to work with you. I know Clarita really well because she was Deputy Director for DBED, but when I was Chair for the Economic Development committee, she said that I never worked so hard in my whole life except when I worked at OHA. I used to stay up to 12:00 midnight getting everything done because the Board wanted the info right away.

Nancy King – It's a kakou thing.

Ka Pouhana Crabbe – So that concludes our presentation Chair Machado.

Chair Machado – You will appraise me if it's going to require any kind of policy or additional decision making and to be put back on the agenda to ratify at the Board level.

Ka Pouhana Crabbe – That is correct.

Chair Machado – That concludes our meeting for today. Is there a motion to adjourn?

V. ANNOUNCEMENTS

None

VI. ADJOURNMENT

Chair Machado – Asked for a motion to adjourn the meeting.

Trustee Apoliona – Motioned to adjourn.

Trustee Ahuna – Seconded the motion.

Chair Machado – Asked if anyone is in opposition of adjournment. Hearing none. **Meeting was adjourned at 10:51 a.m.**

Respectfully submitted,



Laurene Kaluau-Kealoha, Aide
Committee on Resource Management



Colette Y. Machado, Chair
Committee on Resource Management



John Waihe'e, IV, Chair
Committee on Beneficiary Advocacy and
Empowerment

Approved: JT RM-BAE Committee's meeting July 12, 2016