

SR 123



SCR162/SR123

**REQUESTING THE ESTABLISHMENT OF THE PUBLIC LAND TRUST REVENUES
NEGOTIATING COMMITTEE**

Senate Committee on Water, Land, and Agriculture
Senate Committee on Hawaiian Affairs

March 28, 2016

1:15 p.m.

Room 016

The Office of Hawaiian Affairs (OHA) **SUPPORTS** SCR162/SR123, which would request the establishment of a Public Land Trust Revenues Negotiating Committee comprised of the President of the Senate, the Speaker of the House of Representatives, the Governor, and the Chairperson of the Board of Trustees of the Office of Hawaiian Affairs, or their designees. If adopted, this concurrent resolution would be the first major step taken in the past ten years to ensure that Native Hawaiians receive a fair annual share of the Public Land Trust.

Hawai'i's constitution provides that a share of Public Land Trust income be used for the "betterment of the conditions of native Hawaiians." Accordingly, state law requires that OHA expend 20% of all funds derived from the Trust.

Unfortunately, for decades, OHA and the state disagreed on how OHA's 20% share should be calculated. In 2006, OHA and the state finally agreed on an interim resolution by the passage of Act 178, which temporarily set OHA's annual share as \$15.1 million, "until further action is taken by the legislature." Importantly, Act 178 also required individual state agencies to report on their proceeds and revenues from the Public Land Trust; these reports can now be used to better estimate OHA's 20% share.

Clearly, the temporary, \$15.1 million cap established ten years ago no longer fairly reflects Native Hawaiians' 20% share of the Public Land Trust, and the cap and related issues should be revisited and discussed by the Governor, the Legislature, and OHA. Such a discussion is necessary for Hawai'i to meaningfully uphold its constitutional, statutory, and moral responsibilities to the Native Hawaiian community. For example, according to the state's own reports, which omit certain revenue streams, the state generated an average of \$158,077,656 annually in Public Land Trust revenues over the past three fiscal years. 20% of this amount is \$31,615,531, more than twice the \$15.1 million received annually by OHA under Act 178.

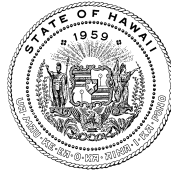
Providing OHA with a fairer share of the Public Land Trust would benefit the Native Hawaiian community as well as the social, economic, environmental, and cultural welfare of our islands. Just this past year alone, OHA provided nearly \$11 million in grants

for programs addressing our state's most critical issues, including housing and homelessness, education, environmental stewardship, food security, and healthcare. OHA also provided more than \$1 million in loans for beneficiary needs ranging from home and auto repairs to legal fees and educational opportunities. Furthermore, OHA manages over 27,000 acres of legacy, conservation, and agricultural lands, in furtherance of the state's environmental, cultural, and food self-sufficiency interests. By taking steps to establish a more fair share of the Public Land Trust revenues due to Native Hawaiians, this resolution will allow OHA to improve its support for Native Hawaiians and, by extension, all those who live in and love Hawai'i nei.

In light of the above, OHA strongly urges the Committees to **PASS** SCR162/SR123.

Mahalo nui loa for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
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DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
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OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON HAWAIIAN AFFAIRS
AND WATER, LAND, AND AGRICULTURE
ON
SENATE RESOLUTION NO. 123/SENATE CONCURRENT RESOLUTION NO. 162**

March 28, 2016
1:15 p.m.

**REQUESTING THE ESTABLISHMENT OF THE PUBLIC LAND TRUST REVENUES
NEGOTIATING COMMITTEE**

Senate Resolution No. 123/Senate Concurrent Resolution No. 162 establishes a Public Land Trust Revenues Negotiating Committee to discuss the monies that the Office of Hawaiian Affairs (OHA) is to receive as its pro rata portion of the public land trust. This measure also requires that the negotiating committee submit a status report of its discussions to the Legislature no later than 20 days prior to the convening of the 2017 Regular Session and shall submit a final report of its findings, recommendations, and any proposed legislation to the Legislature no later than 20 days prior to the convening of the 2018 Regular Session.

The Department of Budget and Finance would like to point out that departments making ceded land payments have informally expressed concerns with respect to the recent report that OHA commissioned on public land trust payments. These concerns relate to the completeness and appropriateness of the conclusions reached in the report including, but not limited to, discrepancies over land parcels that the report identified as public land trust lands and discrepancies regarding revenues to which OHA is entitled to a pro rata share.

We strongly recommend that these issues and concerns be taken into consideration by the Public Land Trust Revenues Negotiating Committee.



Association of Hawaiian Civic Clubs

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COMMITTEES ON HAWAIIAN AFFAIRS; WATER, LAND AND AGRICULTURE

SR 123/SCR 162 Requesting the establishment of a Public Land Trust Revenues Negotiating Committee

Monday; 3/28/16; 1:15pm; Rm 016

Aloha Chairman Shimabukuro and vice chair English of the Hawaiian Affairs Committee, and Chairman Gabbard and vice chair Nishihara and members of the Senate joint committees.

I am Annelle Amaral, president of the Association of Hawaiian Civic Clubs, an organization formed in 1918 as an advocacy group on behalf of the Native Hawaiian people. I submit this testimony on behalf of the AHCC which has benefited from the programs and grants from this Trust Fund.

The first Hawaiian Civic Club was founded by Prince Jonah Kuhio Kalanianaʻole as a Delegate to the US Congress trying to establish the legislation that is the cornerstone for the Department of Hawaiian Home Lands. He gathered a group of prominent Hawaiian men and formed the Hawaiian Civic Club of Honolulu to help promote the Hawaiian homesteading legislation before the Congress.

In 1959 existing civic clubs on all islands were incorporated into an Association currently numbering sixty seven clubs throughout Hawaii and the continent. Members join understanding that civic clubs serve as advocates for the betterment of conditions of the indigenous people of Hawaii.

The Board of Directors of the Association of Hawaiian Civic Clubs held a quarterly meeting on January 15, 2016 which included the

presidents and board members of the councils in each county of Hawaii as well as the council representing sixteen states on the continent. Representatives from the Office of Hawaiian Affairs appeared before the AHCC Board to discuss the OHA legislative measures to be introduced in the 2016 legislative session.

After some discussion the AHCC board agreed to support legislation that would provide OHA with a fair share of the Public Trust Land revenues. OHA's share of the PTL revenues go toward a wide range of support programs, services and initiatives that include but are not limited to health, education, housing, culture and general community wellness.

This legislation will establish a public land trust revenues negotiating committee to sort out what has become a complicated issue of payment, overpayment, shortfalls and repayments. We sincerely hope that the committee suggested in SR 123/SCR 162 to consist of: the Senate president (or designee), Speaker of the House (or designee), Governor of Hawaii (or designee) and the Chairperson of the Office of Hawaiian Affairs (or designee) will be able to fairly resolve the matter of PLT annual income and proceeds to OHA.

We would like to offer an amendment to the bill that would require transparency when the negotiating committee meets and a pre-meeting agenda be published just as with any other board or commission.

Thank you for the opportunity to testify on this concurrent resolution that is of extreme importance to the continued betterment of conditions of the indigenous people of Hawaii.

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