

# SB190 SD1 RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS

Senate Committee on Ways and Means

<u>February 21, 2019</u> 10:00 a.m. Room 211

The Office of Hawaiian Affairs (OHA) <u>STRONGLY SUPPORTS</u> SB190 SD1, OHA's 2020-2021 budget proposal vehicle, and respectfully requests that the original appropriation amounts and position counts be reinserted into this measure. OHA respectfully asks that the Committee support OHA's biennium request, which would further the long and successful partnership between the State of Hawai'i and OHA, and which would multiply the community impact of the requested general funds through OHA's proven strategic leveraging efforts.

Since OHA's establishment in 1978, the scale of our mandate has increased substantially. With now more than 520,000 beneficiaries who continue to be disproportionately represented in many negative health, education and socio-economic statistics, OHA's mission may be more critical now than ever before. Accordingly, OHA continuously endeavors to fulfill its statutory responsibilities, including:

- Bettering the conditions of Native Hawaiians;
- Coordinating programs and activities relating to Native Hawaiians;
- Assessing other agencies' policies and practices which impact Native Hawaiians;
- Conducting advocacy efforts on behalf of Native Hawaiians; and
- Serving as a receptacle for reparations for Native Hawaiians.

The proposed partnership in SB190 SD1 would not only further these important responsibilities, but would also represent a wise investment that has <u>quadrupled</u> the community impact of state general funds. OHA has and remains committed to carefully and strategically leveraging each state dollar it receives towards targeted programs and services that systematically benefit the Native Hawaiian and larger Hawai'i communities. For fiscal biennium 2017-2018, OHA was able to leverage the \$3.3 million in general funds it received for programmatic support, to provide over \$14 million to critical community programs in social services and case management, educational improvement, and legal services. In other words, for every \$1 in general funds that OHA received for programmatic purposes, community programs received \$4.24. Continuing OHA's highly successful funding partnership with the State would allow for the continued leveraging of State general funds and OHA trust funds with additional resources to efficiently and effectively foster innovative solutions to some of the State's most pressing challenges, and maintain a high level of accountability and due diligence in the use of limited financial resources.

As reflected in the original draft of this measure, OHA also hopes to expand our existing partnership with the state to jointly fund housing programs through a general fund request of \$500,000 per year for housing improvement grants. This additional request would build off of OHA's recent and successful investments in housing programs, to provide substantial and widespread relief to OHA beneficiaries struggling under our current housing crisis.

With regards to this housing program request, OHA notes that Native Hawaiians have significant and unique housing needs, and are particularly affected by the housing crisis. Data shows that Native Hawaiians are less likely to own a home;¹ Native Hawaiian households are also much more likely to be "doubled up," with multi-generational or unrelated individuals living together in single households.² Furthermore, Native Hawaiian households are more than three times more likely to have a 'hidden homeless' family member than all state households.³ Recent research has further shown that state and Native Hawaiian housing rental housing demand is almost entirely for increasingly rare "affordable" units, rather than for market-rate or other 'gap'-rate units.⁴ Such data demonstrate the dire need for housing among the Native Hawaiian community.

Over the last decade, OHA has accordingly provided more than \$40 million to support the housing and housing-related needs of Native Hawaiians throughout the continuum of housing security, including the houseless, at-risk families and youth, and those seeking to increase their financial capacity and purchase or rent their own home. **OHA grant-supported programs have proven to be particularly successful at helping our beneficiaries obtain and maintain stable and sustainable housing, even achieving national recognition for their effective and innovative approaches. OHA's original \$500,000 general fund request will enable OHA to significantly increase its investment in housing programs, expanding their reach and providing substantial relief to those individuals and families impacted by our housing crisis.** 

Additionally, OHA's biennium request, as reflected in the original draft of this measure, includes a modest increase of \$562,130 in general funds annually to help address OHA's increasing fringe expenses. As a result of the unexpected and rapid increase in the state's fringe rate to 60.08%, OHA's personnel costs has risen substantially in recent years. OHA anticipates the fringe rate may continue to increase in the near future, further

<sup>&</sup>lt;sup>1</sup> See Office of Hawaiian Affairs, Native Hawaiian Homeownership Hoʻokahua Waiwai Fact Sheet Vol.2016, No. 1, page 3, available at <a href="https://19of32x2yl33s8o4xza0gf14-wpengine.netdna-ssl.com/wpcontent/uploads/NH-Homeownership-Fact-Sheet-2016.pdfSheet-2016.pdf">https://19of32x2yl33s8o4xza0gf14-wpengine.netdna-ssl.com/wpcontent/uploads/NH-Homeownership-Fact-Sheet-2016.pdfSheet-2016.pdf</a>. This figure includes 8,329 DHHL residential lease "owner-occupied" property units. DHHL Annual Report 2014, at 47, available at <a href="http://dhhl.hawaii.gov/wpcontent/uploads/2011/11/DHHL-Annual-Report-2014-Web.pdf">http://dhhl.hawaii.gov/wpcontent/uploads/2011/11/DHHL-Annual-Report-2014-Web.pdf</a>. For non-DHHL properties, the Native Hawaiian homeownership rate is therefore 41.2%, 15.5 percentage points below the statewide rate.

<sup>&</sup>lt;sup>2</sup> 24.8% of Native Hawaiian households, compared to 9.6% of state households include more than two generations or unrelated individuals. SMS, *supra* note 1, at 70.

<sup>&</sup>lt;sup>3</sup> 14.1% of Native Hawaiian households, compared to 4.2% of state households have a hidden homeless family member. *Id.* 

<sup>&</sup>lt;sup>4</sup> See SMS, HAWAI'I HOUSING PLANNING STUDY, at 34 (2016), available at https://dbedt.hawaii.gov/hhfdc/files/2017/03/State\_HHPS2016\_Report\_031317\_final.pdf.

increasing its personnel costs. The requested general fund appropriation increase will help OHA cover a portion of the unexpected fringe cost increase, and allow it to maintain a level of community investment and organizational capacity commensurate with the previous biennium.

Accordingly, OHA respectfully urges the Committee to **PASS** SB190 SD1, with the reinsertion of the measure's original appropriation amounts and position totals. Please find attached specific detailed testimony on OHA's budget request. Mahalo nui loa for your time and careful consideration of this matter.



# Committee on Ways and Means February 21, 2019, 10:00 am Conference Room 211

# SB 190 SD1

## FY 19 and Biennium FY 20 and FY 21

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### **OVERVIEW**

### A. Background and Mission

### 1. Background

Upon statehood in 1959, Section 5(f) of the Admission Act directed the State to hold lands in trust for five purposes, one of which was "the betterment of the conditions of Native Hawaiians," as defined in the Hawaiian Homes Commission Act of 1920. In 1978 a Constitution Convention reviewed and revised the responsibilities of Hawai'i's government. Among the provisions incorporated into the new State constitution was the establishment of the Office of Hawaiian Affairs (OHA), as a public trust with mandates to better the conditions of Native Hawaiians and Native Hawaiian community in general. In 1979, the legislature enacted Chapter 10 of the Hawai'i Revised Statues (HRS) which created OHA as a semi-autonomous self-governing body. Subsequent legislation has defined the amount of the revenue streams accruing to OHA. OHA's Board of Trustees is composed of nine trustees, five of whom represent specific island districts. OHA's key administrators include a Chief Executive Officer, Chief Operating Officer and five Departmental Directors (www.oha.org).

Hawai'i is an ethnically-diverse state. Currently, one in five (21.67%) of our island population define themselves as Native Hawaiian. Native Hawaiian households typically consist of larger, multi-generational families with more children, yet have less income per person than other populations residing in the State of Hawai'i (American Community Survey, U.S. Census Bureau, 2015). Native Hawaiians live in each county, with greater density in rural areas than metro cities.

### 2. Mission

OHA's mission is to mālama (protect) Hawai'i's people, environmental resources and assets, toward ensuring the perpetuation of the culture, the enhancement of lifestyle, and the protection of entitlements of Native Hawaiians, while enabling the building of a strong and healthy Hawaiian people and nation, recognized nationally and internationally. According to Hawai'i Revised Statutes Chapter 10, OHA is the principal public agency in the State of Hawai'i responsible for:

- Betterment of conditions of Native Hawaiians;
- Performance, development, and coordination of programs and activities relating to Native Hawaiians;
- o Assessing the policies and practices of other agencies impacting Native Hawaiians;
- o Conducting advocacy efforts for Native Hawaiians; and,
- Serving as a receptacle for reparations.

OHA carries out its mission through the strategic allocation of its limited resources. Consistent with best practices among foundations and endowments, and with the purpose of ensuring the continued viability of its Native Hawaiian Trust Fund (NHTF), OHA's Board of Trustees adopted its first Spending Policy in 2003. This Policy limits its annual spending to 5% of the rolling 20

quarter average of the NHTF to help ensure sufficient resources are available for future generations. FY 2018 is used as an example to depict OHA's net assets and core operating budget.

Figure 1. OHA's FY 2018 Net Assets (unaudited) = \$662,915,500

OHA's Spending
Policy limits the
amount of annual
withdrawals from
its investment
portfolio for
operations.

For FY 2018 the spending limit was \$17,555,826, which was an increase of \$256,762 from FY 2016 of \$17,299,064.

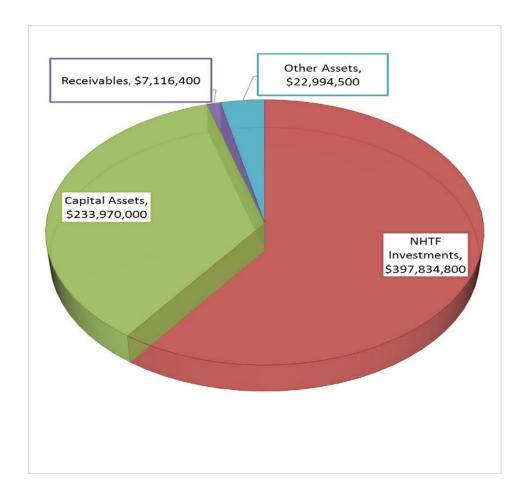
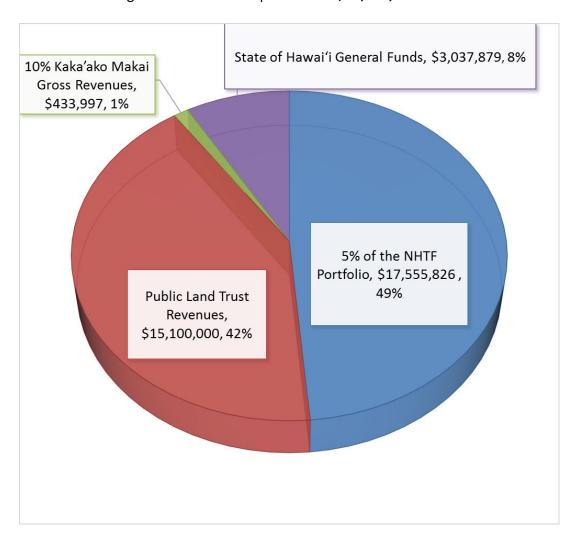
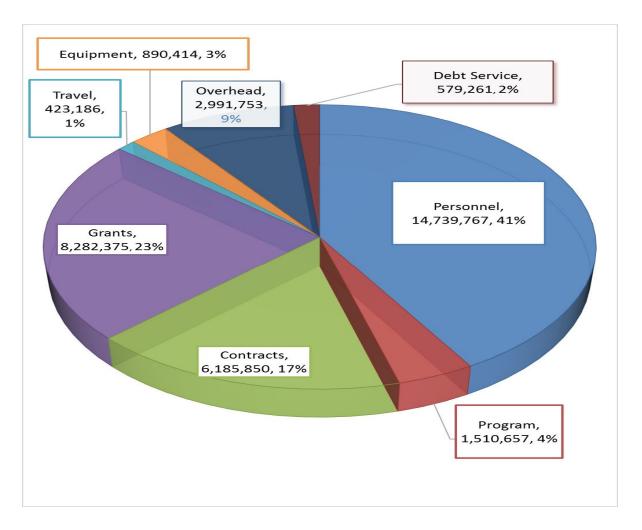


Figure 2. OHA's FY 2018 Funding Sources for Core Operations = \$36,127,702



**Figure 3.** OHA's FY 2018 Core Operating Budget = **\$35,603,263** 



Each year, OHA publishes its activities and financial performance in its Annual Report. This year's report illustrates how the organization continues to make inroads on our three main goals: providing resources, advocating for Native Hawaiians on a range of issues, and facilitating collaboration among key stakeholders.

We encourage you to review the 2018 Office of Hawaiian Affairs Annual Report. The complete report can be downloaded from <a href="https://www.oha.org/about/annual-reports/">www.oha.org/about/annual-reports/</a>.

OHA's 2010-2018 Strategic Plan guides the achievement of its vision and mission. **Table 1** outlines the progress made on key strategic indicators related to the priorities and expected future outcomes outlined in this request. OHA has begun the challenging process of updating the Strategic Plan. Administrative staff has presented the Board of Trustees with the key steps and timetable for the update process. Developing the content of the plan will require interaction between the Board and staff, with final approval of the plan resting with the Board.

**Table 1.** Key Education, Economic, Health and Legal Indicators

Target Area	<ul><li>Strategic Indicator</li><li>Related Measure/Evidence from OHA funding</li></ul>	Progress FY 17 - FY18	Future Progress	\$ Requested from State
EDUCATION				
Adults	Increase number of degrees or certificates earned by Native Hawaiians from the UH System by 12%	97.8% FY2018	Maintain	\$ 0
	<ul> <li>Number of OHA scholarships provided</li> </ul>	384 awarded / yr	Maintain	
K-12	Increase the percentage of Native Hawaiian student that meet or exceed math standards*	26% SY2018*	Increase	\$ 615,000
	Increase the percentage of Native Hawaiian student that meet or exceed reading standards*	38% SY2018*	Increase	
	<ul> <li>Number of Native Hawaiian students OHA assisted</li> </ul>	3,428 students / yr	Maintain**	
ECONOMIC				_
Income	Increase Native Hawaiian median family income to 92% or greater of the total State median family income	87.7% FY2016	Increase	\$ 0
	→ Number of Native Hawaiians assisted	170 families / yr	Maintain**	
Housing	Increase Native Hawaiian homeownership rate to 58%	50.3% FY2016	Increase	\$ 500,000
	Decrease the percent of Native Hawaiians who pay more than 30% of Income on rental housing cost to 55%	51% FY2016	Decrease	
	<ul> <li>Number of Native Hawaiians assisted</li> </ul>	894 families / yr	Maintain**	
Social Services	<ul> <li>Number of Native Hawaiians assisted</li> </ul>	924 individuals / yr	Maintain**	\$ 415,000
Income/ Housing/ Social Services	<ul> <li>Number who completed Financial Literacy Training to secure OHA economic assistance</li> </ul>	757 individuals / yr	Maintain**	\$0
HEALTH	➤ Reduce the rate of <b>obesity</b> among Native Hawaiians to 35%	45.6% FY2016	Decrease	\$0
	<ul> <li>Number of Native Hawaiians who lost weight</li> </ul>	535 individuals / yr	Maintain**	
LEGAL	<ul> <li>Number of Native Hawaiians who received legal services including representation</li> </ul>	580 individuals / yr	Maintain**	\$ 524,400
	TOTAL ANNU	JAL PROGRAMMA	TIC REQUEST:	\$2,054,400

**Note.** \* = Due to changes in the Department of Education's state standards and related assessments, these results are incomparable with previous years and with OHA's strategic target developed in 2009. In alignment with the DOE's updated targets, an update to OHA's strategic target is currently under consideration.

<sup>\*\* =</sup> Future progress expected to be consistent with the ratio of funding provided to meet each strategic indicator.

### **B. Current Economic Conditions & Notable Performance**

### 1. Impact of Current Economic Conditions

Budget cuts on the State and Federal levels, combined with a volatile stock market have significant indirect impact to OHA's operational funds, programs and/or needs of OHA's beneficiaries in a number of ways.

- Reductions. In general, any loss of government funding to beneficiary programs and the organizations that serve them will cause an increased demand for supplemental funding from OHA to ensure that the health, education, legal, housing, and other daily needs of our beneficiaries are met. Reduced State appropriations have created a reduction in beneficiary assistance, from non-OHA programs, including but not limited to reductions in: 1) emergency financial assistance programs, 2) case management services which assist beneficiaries to access community resources, 3) clinicians providing mental health and substance abuse counseling and support, and 4) health monitoring/navigation programs that assist those with chronic disease to get needed medical care.
- Reduced Program Funds. Trust funds available to OHA increased in FY2018 but OHA notes a
  decrease in the first half of FY2019 due to the current volatile stock market.
- Beneficiaries. Due to many factors, Hawai'i continues to experience increases to costs of living (i.e. housing and food) that exceed increases in wage and income. This has exacerbated Native Hawaiians' housing instability, high rates of homelessness, and higher rates of poverty. Additionally, although Native Hawaiians participate in the labor force at higher rates than the state average (66.7% versus 65.3%), Native Hawaiian per capita income is substantially lower than the state population, \$24,188 compared to \$33,882 (U.S. Census Bureau, 2018; U.S. Census Bureau, 2018).
- Bottom Line. State and federal budget cuts may have reduced services and programs that
  previously serviced OHA beneficiaries. When there are cuts beneficiaries often turn to OHA
  to fill the gap. Also, increasingly non-profits and other social services organizations have
  looked to other avenues to support their work and have turned to OHA for support.

### 2. Notable Performance, Results and Expected Outcomes

**Enhanced performance measures.** In the quest to improve conditions for Native Hawaiians, OHA continues to work closely with many community-based partners who continue to play a critical role in the successes presented in Table 1. OHA remains encouraged by visible signs of progress in helping Hawai'i's citizens improve their health; improve their economic self-sufficiency; secure stable housing; improve skills in reading and math; and protect legal rights. Within the last year OHA has continued to align its funded projects with its strategic priorities, increased its grants monitoring, strengthened its grants performance measures, and streamlined its grant processes with input from past and current providers. Additionally, trustees

have adopted new guidelines for its Kulia grants program and are in the process of amending trustee allowance policies and its fiscal reserve policy. Currently, all OHA community grant applications, from each county and for every grant type, are submitted online at OHA's updated website - <a href="www.oha.org">www.oha.org</a>. Finally, OHA's Board approved a policy amendment that requires Board approval for all grants and sponsorships and therefore these decisions will be made in open public meetings.

**Significant Return on Investment via OHA and Community Commitment**. For FY18 and FY19 OHA successfully leveraged \$3,347,660 of general funds into \$14,160,959 in the areas of social services, legal services, education, and income, a 4.23 : 1 total impact.

Strong demand continues for OHA grant money to help tackle priority issues. Community partners increasingly tailor marketable services to OHA priorities to meet critical needs across the State. Organizations contribute a minimum 20% cash match in each grant request. In turn, OHA anticipates that it will be as successful as it was in this past fiscal biennium, and through continued partnerships with the State and many well-connected organizations, we will leverage OHA funds as much as 8.4:1 (in the area of housing).

**Bottom Line**. State General Funds are highly leveraged through its partnership with OHA, as evidenced by an impressive overall **4.23**: **1 total impact** as depicted in Table 2.

In other words, OHA will turn **\$4.1 million** into **\$17.4 million** to strengthen Hawai'i families and communities

Table 2. Summary of FB 20/21 Projected State Leveraged Impact by Priority Area: State Funds Leveraged 4.23:1

Priority Area	Requested State General Funds	Projected OHA Matching Funds	Projected Minimum 20% Community Match	Other OHA Trust Funds [A]	Total Investment [B]	Leveraged Impact [C]	Estimated # of Individuals to be Served	Estimated # of Native Hawaiians to be Served
Social Services	830,000	830,000	332,000	0	1,992,000	2.40	1,847	1,847
Legal Services	1,048,800	1,048,800	676,218	0	2,773,818	2.64	1,160	1,160
Education	1,230,000	1,230,000	200,000	1,540,000	4,200,000	3.41	9,687	6,856
Housing (inc \$6M DHHL)	1,000,000	1,000,000	400,000	6,000,000	8,400,000	8.40	4,432	3,576
TOTAL:	4,108,800	4,108,800	1,608,218	7,540,000	17,365,818	4.23	17,126	13,439

### Notes:

[C] Leveraged Impact = Total Investment / State General Funds; Projected State General Funds leveraged through OHA Partnerships: 4.23: 1

Above does not include OHA in-kind salary & administrative support

<sup>[</sup>A] Housing includes \$3M/year to DHHL.

<sup>[</sup>B] Additional Funds through OHA Partnership: \$13,257,018 [ = \$17,365,818 (Total Investment) - 4,108,800 (State General Funds) ]

### **FEDERAL FUNDS**

### C. Impending Loss of Direct Federal Funds

OHA currently administers one (1) Federally-funded pass-through program and one (1) Federally-funded direct program. As of this time, these awards have not lost, or are not at risk, of losing federal funding. They are summarized as follows:

Federal Grantor / Pass-through Grantor / Program Title	<u>Federal</u> <u>CFDA</u> <u>Number</u>
U.S. Department of Transportation - Federal Highways	
Pass-through Program: Department of Transportation,	
State of Hawai'l Interstate Route H-3	20.205
U.S. Department of Health and Human Services	
Direct Program: Native American Program, Native	
Hawaiian Revolving Loan Program	93.612

- 1. The Hālawa Luluku Interpretive Development (HLID) Project is a pass-through from the State's Department of Transportation. Its three basic goals are compliance, mitigation, and community support relating to the adverse impacts as a result of construction of Interstate Highway H-3.
- 2. The Native Hawaiian Revolving Loan Fund (NHRLF), whose mission is to enhance access for all persons of Native Hawaiian ancestry to credit, capital, and financial services to create jobs, wealth, and economic and social well-being for all the people of Hawai'i, issued its first loan in 1989.

The Native American Programs Act (NAPA) of 1974, as amended, requires the Administration for Native Americans to submit an Annual Report to the Congress on the NHRLF. The most recent report, submitted in March 2016, noted that through FY 2015 (June 30, 2015), "OHA has successfully revolved the Fund twice by lending a cumulative \$57 million to more than 2,000 Native Hawaiians. More importantly, the Fund has contributed to the economic self-sufficiency of Native Hawaiians." The report continues by informing the Congress of joint efforts to develop a Three-Year Business Plan that "will demonstrate that the \$26 million Fund can be self-sustaining and continue to advance the economic and social self-sufficiency of Native Hawaiians."

### **NON-GENERAL FUNDS**

### D. Reports to the Legislature on Non-General Funds pursuant to HRS 37-47

Please see Appendix C.

### **BUDGET REQUEST**

### E. Budget Development Process and Priority Requests

### 1. Budget Development

As documented in Figure 4, OHA's request centers on both the State and OHA's commitment to Native Hawaiians. The process involves an assessment of priorities, previous progress and needs by OHA's Executive Team prior to Board Approval and eventual Legislative Submission.

Legislative **Preparation Approval** Verification of State Commitment Needs and & Support of OHA **Progress Programs** 2010-2018 Strategic plan Development Legislative **Process OHA Executive Commitment to** Team **OHA Budget Bill** Native Hawaiians Identification of Submission Focus Areas **OHA Approval OHA Approval** CEO Approval of **OHA BOT Review** Focus Areas & & Approval of Development of **General Funds General Funds Budget Request** 

Figure 4. OHA's General Funds Biennial Budget Development Process

Request

### 2. Summary of Priority Requests

**Historical Funding.** OHA has received State General Funds since 1981 for a portion of its personnel and operating cost and to provide services. Through its FY 2018 - FY 2019 appropriations, OHA currently supports services to beneficiaries in the priority areas of **Social Services**, **Legal Services**, **Education**, and **Income**. OHA considers all of its programmatic request (Social Services, Legal Services, Education, and Housing) as well as support provided for personnel and operations as priorities.

**Budget Changes.** OHA is requesting an increase in programmatic support totaling \$500,000/year in the areas of Housing, as well as an increase in personnel support totaling \$562,130/year as explained in Section E. Significant Adjustments and Related Outcomes below.

In summary, OHA requests \$7,921,158 including \$4,108,800 for programmatic support plus \$3,852,358 for personnel and operations during the next biennium. OHA hopes to leverage State's General Funds provided for programmatic support of \$4,108,800 to a projected \$17,365,818 or 4.23:1, as summarized in Table 2.

As of this time, OHA considers all budget requests, including changes, as a priority since these funds will be used as leverage to heavily invest over the next two years in addressing four specific priority areas that are ultimately about helping statewide efforts to strengthen families and communities.

### F. Significant Budget Adjustments and Related Outcomes

OHA's FB 20/21 State General Funds request includes the following significant adjustments:

### **Budget Adjustments/Changes**

### **HOUSING:**

o **Increase** request for the combined areas of \$500,000/year.

### **INCOME:**

Decrease request of \$119,430/year.

### **PERSONNEL:**

o **Increase** request totaling \$562,130/year and \$1,124,260/FB 20/21.

OHA is one of few State agencies whose primary source of funding is non-State-General Funds. Therefore, OHA has and will continue to be severely impacted by the large and unexpected increase in the State's fringe rate. Increased General Funds would allow OHA to more easily absorb the impact of the fringe rate increase and continue to service. As stated previously in this testimony, State and federal budget cuts have reduced services and programs that previously serviced OHA beneficiaries. As a result, these beneficiaries often turn to OHA to fill the gap. Also, increasingly non-profit and other social services organizations have looked to other avenues to support their work and have turned to OHA for support. Strong demand continues for OHA grant money to help tackle priority issues.

Community partners increasingly tailor marketable services to OHA priorities to help them stay afloat and meet critical needs across the State. Organizations contribute a 20% cash match in each grant request. In turn, OHA funding will allow many well-connected organizations to leverage OHA funds as much as 8.4:1 (see Table 2. Leveraged Impact, under "Housing").

Changes for the upcoming FB 20/21 biennium are summarized in **Table 3** below:

**Table 3.** Overview of OHA's Budget Request by Priority Area (per year)

		FB 18/19 (	per year)	year) FB 20/21 (per year)		Adjustments	
	Purpose	General Funds	Trust Fund Match	General Funds	Trust Fund Match	General Funds	Trust Fund Match
1.	Social Services	\$ 415,000	\$ 415,000	\$ 415,000	\$ 415,000	\$ 0	\$ 0
2.	Legal	524,400	524,400	524,400	524,400	0	0
3.	Education	615,000	615,000	615,000	615,000	0	0
4.	Housing	0	0	500,000	500,000	500,000	500,000
5.	Income	119,430	619,430	0	0	-119,430	-619,430
Sul	o-Total Programs:	\$ 1,673,830	\$ 2,173,830	\$ 2,054,400	\$ 2,054,400	\$ 380,570	\$ -119,430
A.	Personnel	1,067,175	3,959,000	1,629,305	3,959,000	562,130	0
В.	Operations	296,874	296,874	296,874	296,874	0	0
	Sub-Total Non Programs:	\$ 1,364,049	\$ 4,255,874	\$ 1,926,179	\$ 4,255,874	\$ 562,130	\$ 0
	Totals:	\$ 3,037,879	\$ 6,429,704	\$ 3,980,579	\$ 6,310,274	\$ 942,700	\$ -119,430
	FB 20/21 (2-year) Programs Total:		\$ 4,108,800	\$ 4,108,800	*Same as Tabl	e 2, 1:1 match	
	_	FB 20/21 (2-year	) Overall Total:	\$ 7,921,158	\$12,620,548	*Overall 1.6:1	match

Although OHA requests State General Funds each year, OHA's support to the State and its programs far exceeds its ask. During the same period of time (FY 11-FY 19) in which OHA committed over \$54 million in support of State agencies and its University, it received less than half that amount, or \$25 million in State General Funds, as summarized in Table 4 to the right.

The infographics on the pages following summarize OHA's overall budget request as well as its projected leveraged impact as it relates to the four priority areas.

**Table 4.** State General Funds to OHA FY 11-FY 19

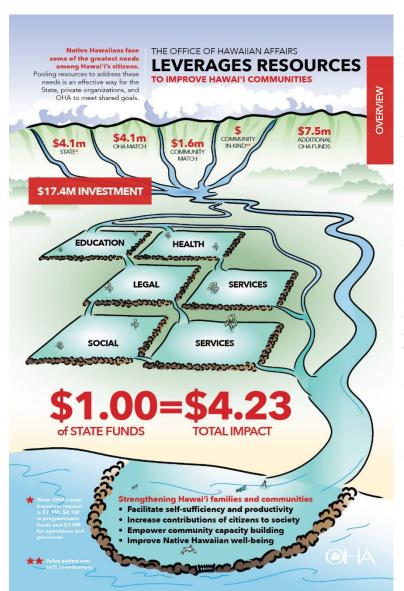
Fiscal Year	<b>General Funds Amount</b>
FY 2011	2,469,659
FY 2012	2,370,872
FY 2013	2,370,872
FY 2014	3,141,574
FY 2015	2,741,574
FY 2016	2,991,004
FY 2017	2,991,004
FY 2018	3,037,879
FY 2019	3,037,879
Total:	\$ 25,152,317

### Summary of OHA's Budget Request and Projected State Leveraged Impact

In its quest to improve the conditions of Native Hawaiians, OHA has worked closely with a number of community-based partners to bring attention, needed resources, and advocacy to address the many urgent issues facing the Native Hawaiian community and the State as a whole. OHA remains encouraged by signs of progress in Native Hawaiians' ability to secure stable housing, improved socioeconomic conditions, increased financial stability, and greater awareness of and ability to protect their legal rights. In the months and years ahead, the immediate challenge will be maintaining and building upon this progress.

Strong demand remains for OHA grant money to help tackle these issues and OHA has seen community partners increasingly tailor their services to align with OHA's priorities. Many of these community partners have already proved their value in enhancing OHA's efforts to help create a solid future for Native Hawaiians and Hawai'i residents.

Figure 5. Summary Infographic (See Appendix A-1 for larger image)



OHA's grants program has substantially enhanced its community impact by requiring projects to align with OHA's strategic priorities, and by closely monitoring grant projects to ensure adequate progress toward specific, measurable outcomes. Therefore, it is with optimistic enthusiasm that OHA is now requesting \$4.1 million (over half of OHA's \$7.9 million total budget request) in programmatic state funds for the 2020-2021 fiscal biennium. OHA hopes to leverage \$4.1 million in State funds into a \$17.4 million investment in four specific areas that further existing State efforts to strengthen Hawai'i's families and communities.

OHA is committed to further leveraging the requested state funds by requiring a 20% cash match by all providers awarded funds under OHA's community grants program.

### 1. Social Services

In partnership with the State, OHA hopes to continue to provide support and funding for social services to at-risk Native Hawaiians. Through its grants program, OHA works with and funds organizations that serve Native Hawaiians who may be struggling financially or facing unexpected crises.

Unfortunately, the need for social services support within the Native Hawaiian community remains high. The most recent data from 2017 reveals that 12% of Native Hawaiian individuals and 10% of Native Hawaiian families live in poverty (U.S. Census Bureau, 2018). These rates are nearly 2.4% points higher than that of the total state population (U.S. Census Bureau, 2018). In fact, although Native Hawaiians participate in the labor force at higher rates than the state average (66.7% versus 65.3%), Native Hawaiian per capita income is only 71% of that of the total state population, \$24,188 compared to \$33,882 (U.S. Census Bureau, 2018; U.S. Census Bureau, 2018).

For many in our communities who are already living paycheck-to-paycheck and struggling to survive financially, emergency situations such as natural disasters, sudden unemployment, medical issues, or family

THE OFFICE OF HAWAIIAN AFFAIRS in poverty. Providing support for unforeseen needs of such financially vulnerable families can LEVERAGES RESOURCES SOCIAL SERVICES TO IMPROVE SOCIAL SERVICES IN HAWAI'I ent a downward spiral towar debilitating debt, an inabilit to maintain employment, an \$830k \$830k \$332k \$2M INVESTMENT of STATE FUNDS TOTAL IMPACT Improvement in the financial stability and sufficiency of families and comm

crises, exacerbate their already dire financial situation. In 2018, we saw many Native Hawaiian families affected by extreme flooding in Wainiha and Hā'ena, and by lava flows in Kalapana-Kapoho and Pāhoa.

OHA's emergency assistance program, funded through our social services proviso, collaborates with community partners to provide relief to struggling Native Hawaiians faced with unforeseen circumstances by providing funds to pay for necessities like rent and utilities, helping to ensure that they do not fall deeper into poverty, lose employment, or become homeless. Financial literacy training remains a condition for this emergency assistance, which is part of a larger effort to encourage financial self-sufficiency.

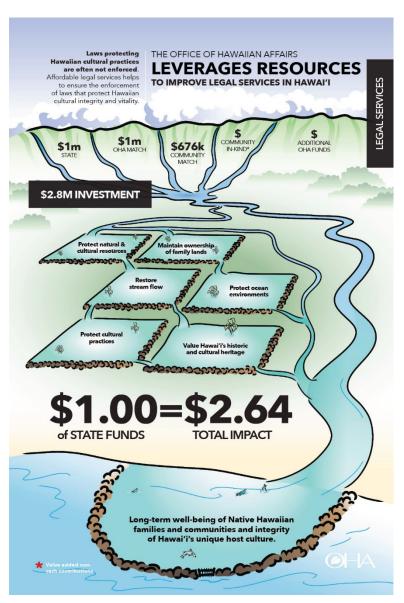
**Figure 6.** Social Services Infographic (See Appendix A-2 for larger image)

OHA is committed to matching \$830,000 from the State over the next two years, and leveraging these funds with contributions from community partners to help more at-risk Native Hawaiians and their families address unexpected crises, and make smart-money-management decisions meant to improve their economic well-being and self-sufficiency.

### 2. Legal Services

Over the next two years, OHA will continue to support access to justice for Native Hawaiians seeking to perpetuate their culture, and maintain a connection to their 'āina, their communities, and their 'ohana. The Legislature has found that the "historic and cultural heritage of the State is among its important assets" and has declared that it is the policy of the State to "provide leadership in preserving, restoring, and maintaining historic and cultural property . . . in a spirit of stewardship and trusteeship for future generations." However, Native Hawaiians continue to have unique legal needs relating to issues such as quiet title, land title, traditional and customary practices, protection of significant places, and protection of natural and cultural resources. Accordingly, OHA's legal services program provides funding that ensure state laws passed by the Legislature are upheld and Native Hawaiians have access to affordable legal services.

Figure 7. Legal Services Infographic (See Appendix A-3 for larger image)



OHA hopes to leverage \$1,040,800 in state funds over the next two years for a total investment of \$2.77 million in legal services that can improve and consistently uphold state laws that are meant to protect Native Hawaiians' rights and interests.

### 3. Education

In the year ahead, OHA will continue to focus on closing the persistent achievement gap between Native Hawaiian students and their peers across the State, particularly in math and reading. OHA recognizes the need to reverse this trend, which threatens to undermine the future success of Native Hawaiian students. Last school year, 2017-18, 74% of Native Hawaiian students were not proficient in math and 62% were not proficient in reading (vs 58% and 46% of all students respectively) (DOE, 2018).

In order to close this gap, OHA seeks to support programs that provide Native Hawaiian students with learning opportunities that are culturally-based, that strengthened students' sense of well-being, and that provide specific strategies to help them understand the math and reading concepts with which they are struggling. Research shows that teaching environments using a culture-based education approach positively influence

THE OFFICE OF HAWAIIAN AFFAIRS LEVERAGES RESOURCES (vs 58% and 49% of students TO IMPROVE EDUCATION IN HAWAI'I respectively statewide). Improving se core abilities for students would crease their life-long opportunities in education and employment. CATION \$1.2m 5200k \$4.2M INVESTMENT of STATE FUNDS TOTAL IMPACT ong-term improvement in community member mic and educational capacity.

key student outcomes, including improved community connections and cultural relationships, increased self-efficacy and a sense of belonging, and increased college aspirations. (Kanaiaupuni et al., 2017).

In addition, OHA believes that successful educational outcomes for all students, are critical to supporting the State's economy, overcoming our present and future social and environmental challenges, and maintaining a culturally enriched and socially conscious island society.

**Figure 8.** Education Infographic (See Appendix A-4 for larger image)

OHA is hoping to continue to partner with the state and other organizations to leverage an anticipated \$1,230,000 from the State, to invest in closing educational achievement gaps and ensuring a brighter future for Native Hawaiian students. With the requested state funding, OHA and its partners will be able to invest an additional \$2.97 million into educational programs designed to help Native Hawaiian students succeed academically. These students will also graduate with the skills needed to obtain well-paying jobs and/or pursue a college education.

### 4. Housing

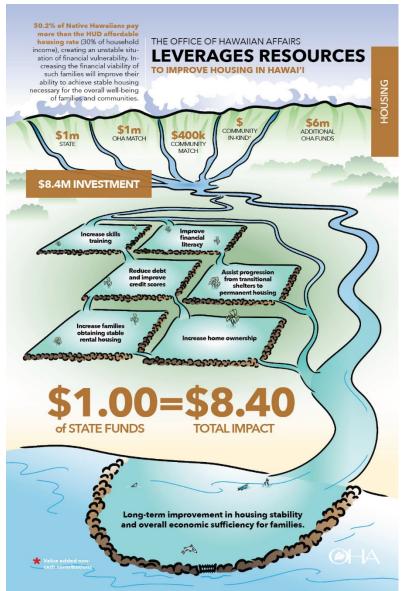
OHA continues to focus on helping more Native Hawaiians achieve housing stability, as many continue to struggle to achieve homeownership, afford adequate rental housing, and avoid homelessness. According to the latest available figures from 2017, only 54% of Native Hawaiians reside in owner-occupied housing, compared to 58.5% of residents of the state/State (U.S. Census Bureau, 2018). Of Native Hawaiian households planning to buy a home, the average amount available for a down payment was half that of non-Hawaiian households, \$24,440 compared to \$59,225; Native Hawaiians' median affordable monthly mortgage payment was \$1,000 less (HHFDC, 2016).

Meanwhile, more than half of Native Hawaiian renters live in homes they are struggling to afford, and many may also live in overcrowded situations to reduce rental payments (U.S. Census Bureau, 2018). In fact, one in four Native Hawaiian homes are occupied by two or more families in order to share housing costs and 14% include "hidden homeless" persons. These rates are more than two times that of non-Hawaiian households (10% doubled-up and 4% with hidden homeless). (HHFDC, 2016). In addition to being burdened by the same unaffordable housing costs as the rest of Hawai'i, Native Hawaiians also earn substantially less—nearly \$10,000 less—than that of the per capita income of the State (U.S. Census Bureau, 2018).

Among the State's homeless populations, Native Hawaiians represent the largest ethnic group, comprising 27% of all clients receiving homeless services statewide (Yuan & Cauci, 2018) and 32% of surveyed homeless on O'ahu (PIC, 2017). In fact, 25% of emergency shelter clients and 32% of transitional housing clients are Native Hawaiian (Yuan, 2017). Additionally, 22% of Native Hawaiian households are at-risk of becoming homeless (HHFDC, 2016).

In response to this data, OHA is advocating for appropriate affordable housing policies, and hoping to leverage \$500,000 from the State over the next two years to improve housing stability. OHA is accepting grants to assist Native Hawaiians improve housing stability, including Native Hawaiians that are currently homeless, at risk of homelessness, in transitional housing, in unstable or unaffordable rentals, and/or those pursuing homeownership.

Figure 9. Housing Infographic (See Appendix A-5 for larger image)

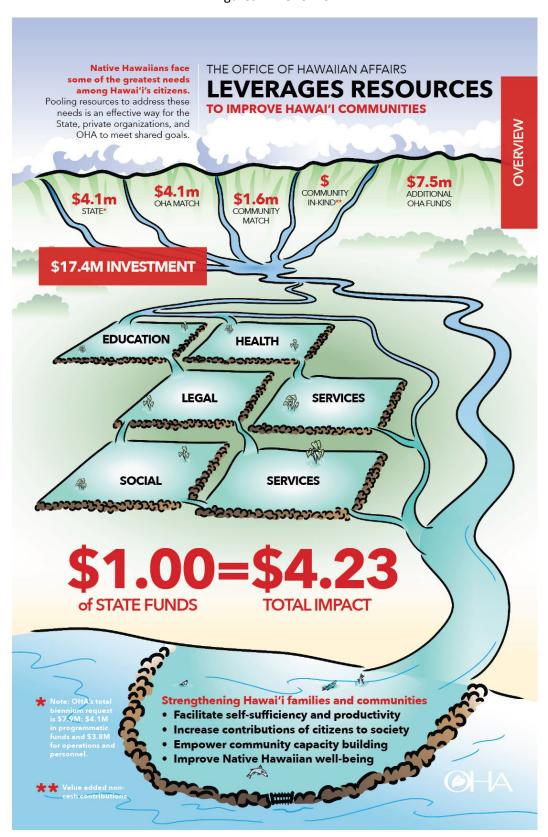


OHA and community partners expect to invest \$8.4 million into helping Native Hawaiians achieve housing stability, become more creditworthy, improve financial management, and increase their home ownership rate.

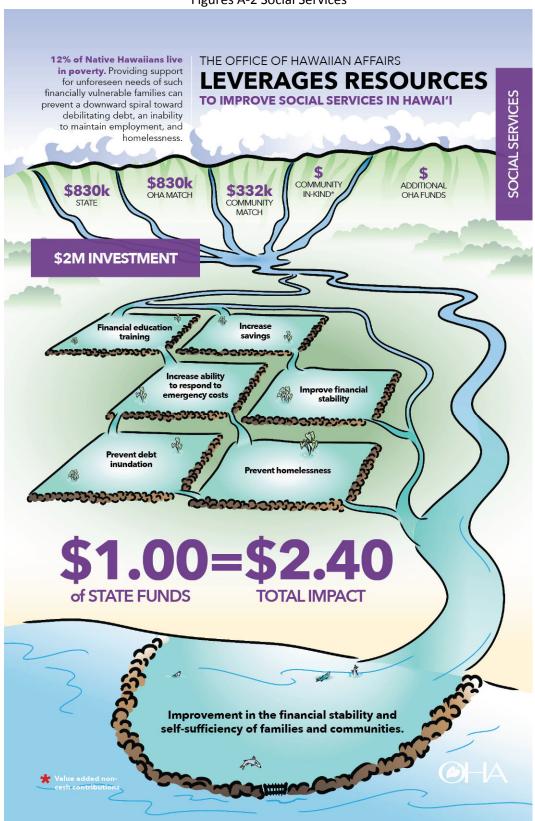
OHA has already seen real results through past grantees that have successfully helped Native Hawaiians, including homeless families and renters, become more economically self-sufficient and housing secure across the State.

# Appendix A OHA's Full Size Infographics

Figures A-1 Overview



Figures A-2 Social Services



Laws protecting THE OFFICE OF HAWAIIAN AFFAIRS Hawaiian cultural practices EVERAGES RESOURCES are often not enforced. Affordable legal services helps LEGAL SERVICES TO IMPROVE LEGAL SERVICES IN HAWAI'I to ensure the enforcement of laws that protect Hawaiian cultural integrity and vitality. \$1m COMMUNITY ADDITIONAL \$676k IN-KIND\* OHA MATCH **OHA FUNDS** MATCH \$2.8M INVESTMENT /laintain ownership of family lands Protect natural & cultural resource stream flow Protect ocean Protect cultural practices Value Hawai'i's historic and cultural heritage of STATE FUNDS TOTAL IMPACT Long-term well-being of Native Hawaiian families and communities and integrity of Hawai'i's unique host culture.

Figure A-3 Legal Services

Figure A-4 Education

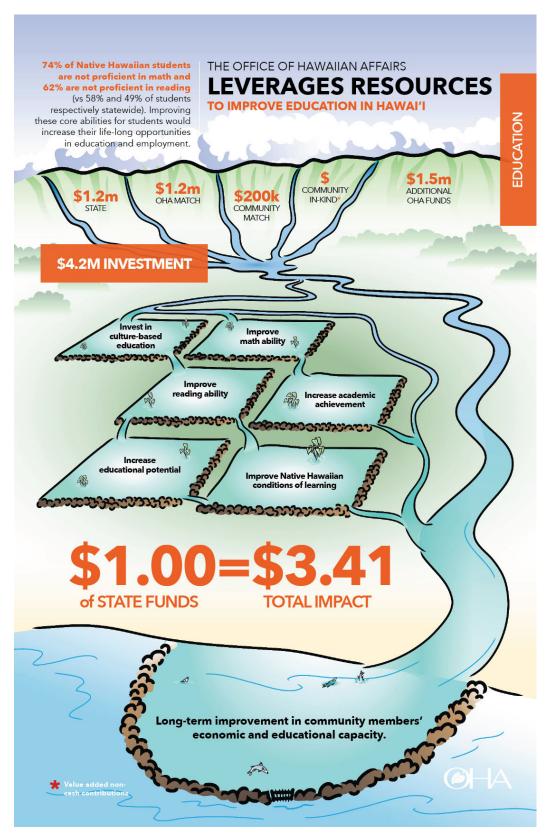
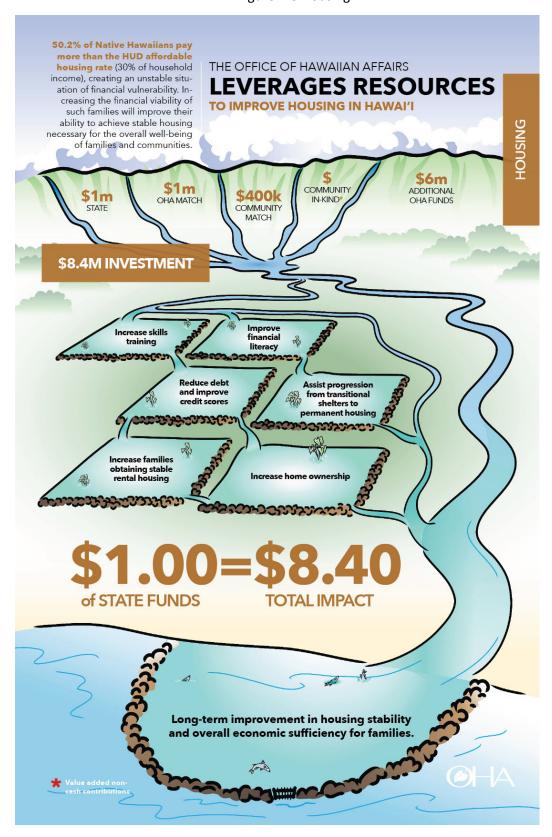


Figure A-5 Housing



# SB-190-SD-1

Submitted on: 2/19/2019 4:13:28 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Charlene Hoe	Testifying for Hakipuâ€~u Learning Center	Support	No

### Comments:

As a member of the 1978 Constitutional Convention and supporter of the conveingof the Office of Hawaiian Affirs, I strongly **SUPPORT** SB190, which appropriates funds for Fiscal Biennium 2020-2021 for operations of the Office of Hawaiian Affairs. OHA is a semi-autonomous state agency established by the constitution and laws of the State of Hawaii, and mandated to better the conditions of Native Hawaiians, Hawaii's indigenous, native people. OHA fulfills its mandate through advocacy, research, community engagement, land management and the funding of community programs. OHA's budget bill requests approximately \$3.9 million in matching state general funds for each of the next two fiscal years. It would support OHA's three historical provisos (social services, legal services and education improvement), as well as an additional proviso, which would allow OHA to increase its housing grants.

# SB-190-SD-1

Submitted on: 2/19/2019 5:20:50 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
De MONT R. D. CONNER	Testifying for Ho'omanapono Political Action Committee (HPAC)	Support	Yes

Comments:

WE STRONGLY SUPPORT SB190, which appropriates funds for Fiscal Biennium 2020-2021 for operations of the Office of Hawaiian Affairs. OHA is a semi-autonomous state agency established by the constitution and laws of the State of Hawai'i, and mandated to better the conditions of Native Hawaiians, Hawai'i's indigenous, native people. OHA fulfills its mandate through advocacy, research, community engagement, land management and the funding of community programs. OHA's budget bill requests approximately \$3.9 million in matching state general funds for each of the next two fiscal years. It would support OHA's three historical provisos (social services, legal services and education improvement), as well as an additional proviso, which would allow OHA to increase its housing grants.

In the last six fiscal years (2011-2018), OHA awarded over \$110 million in programmatic funding, grants, and sponsorships, that address our state's most critical issues, including environmental stewardship, food security, housing and homelessness, education, and health care.

I support the contiuned partnership betweend the State and OHA to fund these critical programs and humbly request that this measure be passed out of this committee.

<u>SB-190-SD-1</u> Submitted on: 2/20/2019 12:41:18 AM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:

<u>SB-190-SD-1</u> Submitted on: 2/19/2019 5:39:27 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph Kohn MD	Testifying for We Are One, Inc www.WeAreOne.cc - WAO	Support	No

Comments:

Center for Hawaiian Sovereignty Studies 46-255 Kahuhipa St. Suite 1205 Kane'ohe, HI 96744 (808) 247-7942

Kenneth R. Conklin, Ph.D. Executive Director e-mail <a href="mailto:Ken\_Conklin@yahoo.com">Ken\_Conklin@yahoo.com</a>
Unity, Equality, Aloha for all



To: SENATE COMMITTEE ON WAYS AND MEANS

For hearing Thursday, February 21, 2019

Re: SB 190, SD1

RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS. Appropriates funds for Fiscal Biennium 2019-2021 for operations of the Office of Hawaiian Affairs divisions. Includes operating budgets for Office of Trustees – OHA150; Administration – OHA160; and Beneficiary Advocacy – OHA175. (SD1)

# **TESTIMONY IN OPPOSITION**

There are two main issues for you to consider:

1. OHA already has assets of more than \$662 Million, according to its latest annual report. Most of that money is squirreled away in real estate, stocks, and bonds. And for greedy OHA that's not nearly enough! This year OHA has bills in the legislature demanding "back rent" of \$139 Million, plus \$35 Million more every year. No other branch of the State government has such a hoard of wealth. It is

immoral and probably illegal for OHA to have such a huge cash stash.

Act 273 (1980) says "twenty per cent of all funds derived from the public land trust ... shall be expended by the office of Hawaiian affairs ... for the purposes of this chapter." Act 273 does not say the funds may be invested in an investment portfolio, it says the funds SHALL BE EXPENDED to provide services. Yet OHA seems to think it can grab tens of millions of dollars every year which it then invests or uses for political purposes such as lobbying Congress or the Department of Interior to "recognize" ethnic Hawaiians as an Indian tribe; but OHA fails to provide more than sporadic and inadequate funding for purposes which OHA should be supporting.

Act 273, Session laws of 1980 should be rescinded. OHA should be funded in the same manner as any other branch of the State government; i.e., by an appropriation included in the annual or biennial State budget, including a line-item listing of the purposes for which the money is to be spent. Then there would be no further conflict or litigation over how to calculate the 20%.

2. OHA is a branch of the State government. But unlike any other government agency, OHA is aggressively using government equipment and employees to solicit its beneficiaries to engage in the political activity of lobbying the legislature to appropriate additional megabucks to increase OHA's own cash stash. Proof of that solicitation is provided in the attached email. It's probably illegal, and certainly unethical, for paid employees of a government agency to use government equipment to engage in political activity.

OHA often claims it is not a government agency. But the whole purpose of SB190 is to get the legislature to provide OHA with operating funds in the same way the legislature provides operating funds to all state agencies. In the same hearing notice where WAM is appropriating money for OHA's operating expenses, WAM is also appropriating money for the operating expenses of the Department of Business, Economic Development and Tourism (SB989), the

Department of Public Safety (SB595) the Department of Defense (SB597), the Department of Land and Natural Resources (SB923), the Department of Labor and Industrial Relations (SB797), Hawaii Public Housing Authority (SB17), and others. Thus we see that OHA is indeed a government agency.

But none of the other government agencies uses government equipment and paid employees to send out emails to their employees and beneficiaries urging them to submit testimony to the legislature to support the department's appropriations bill for operating expenses. Does DBEDT ask businesses that use its data to lobby the legislature to support SB989? Does the HPHA ask recipients of Section 8 vouchers for subsidized housing to lobby the legislature to support SB17 to pay the salaries of HPHA bureaucrats?

You members of the legislature know very well that you are not allowed to use your office equipment or your legislative staffers to send out requests for campaign contributions. But attached is an email I received on OHA webpage header on Tuesday night February 19 asking hundreds or thousands of recipients to send in testimony for the WAM hearing on Thursday February 21 to support SB190 to pay for OHA's operating expenses. The email provides clickable links to automatically contact WAM, and it provides suggested content for the testimony.

You should ignore any testimony containing OHA's pre-scripted message, because the people sending it to you were merely sheep being herded by their masters, and/or they were too lazy or too ignorant of the issues to write their own testimony. Whoever at OHA organized this lobbying campaign should be fired or at least demoted, along with a reduction in pay. The Campaign Spending Commission should take note of how OHA is operating as an unauthorized and undeclared non-candidate committee engaged in advertising and lobbying.

See attached OHA email.

### ACTION ALERT: SB190 Relating to OHA Budget

From: Office of Hawaiian Affairs (OHAoutreach@oha.org)

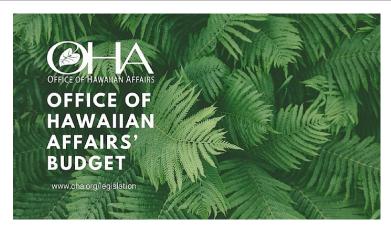
To: Ken\_Conklin@yahoo.com

Date: Tuesday, February 19, 2019, 3:11 PM HST



Please review the following information regarding upcoming hearings and how to submit testimony.

We appreciate your engagement and encourage your continued advocacy throughout this legislative session!



Support SB190 - Relating to the Budget of the Office of Hawaiian Affairs

SB190to be heard on Thursday, February 21, 2019 at 10:00 am, Hawaiʻi State Capitol, Conference Room 211

Click this button to email testimony directly to the House Committee:

**Email Testimony** 

OR Submit testimony via capitol website View Hearing Notice for SB190

View more Information on SB190

Need help submitting testimony? Click here. SAMPLE TESTIMONY

I strongly **SUPPORT** SB190, which appropriates funds for Fiscal Biennium 2020-2021 for operations of the Office of Hawaiian Affairs. OHA is a semi- autonomous state agency established by the constitution and laws of the State of Hawaii, and mandated to better the conditions of Native Hawaiians, Hawaii's indigenous, native people. OHA fulfills its mandate through advocacy, research, community engagement, land management and the funding of community programs. OHA's budget bill requests approximately \$3.9 million in matching state general funds for each of the next two fiscal years. It would support OHA's three historical provisos (social services, legal services and education improvement), as well as an additional proviso, which would allow OHA to increase its housing grants.

In the last six fiscal years (2011-2018), OHA awarded over \$110 million in programmatic funding, grants, and sponsorships, that address our state's most critical issues, including environmental stewardship, food security, housing and homelessness, education, and health care.

I support the contiuned partnership betweend the State and OHA to fund these critical programs and humbly request that this measure be passed out of this committee.



# THE ASSOCIATION OF HAWAIIAN CIVIC CLUBS

Senate Committee on Ways and Means

Pōʻahā, Pepeluali 20, 2019 Lumi ʻAha Kūkā 211 Ke Kapikala Mokuʻāina 415 South Beretānia Street

# Re: SB190 SD1 - RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS

Aloha Luna Ho'omalu Donovan Dela Cruz, Hope Luna Ho'omalu Gilbert Keith-Agaran, and members of the Senate Committee on Ways and Means:

The Association of Hawaiian Civic Clubs <u>SUPPORTS</u> SB190 SD1. This bill appropriates funds for Fiscal Biennium 2019-2021 for operations of the Office of Hawaiian Affairs. At its 53rd annual convention, the Association passed resolution 2012-8, which reaffirms its support of the Native Hawaiian trusts, including the Office of Hawaiian Affairs (OHA).

OHA is a trust for Native Hawaiians and functions as a semi-autonomous state agency that was established by the constitution and laws of the State of Hawai'i. OHA fulfills its mandate through advocacy, research, community engagement, land management, and the funding of community programs. OHA's budget bill requests state general funds for each of the next two fiscal years to support OHA's budget plans for the upcoming biennium. This bill maintains the three historical provisos of social services, legal services and education improvement, while also requesting general funds for housing programs. In addition, this bill proposes matching OHA trust fund resources with the requested state general funds. Through passage of this bill, the state will better fulfill its trust responsibilities to Native Hawaiians by supporting programs and operations that directly benefit Native Hawaiians, while strengthening all of the communities of Hawai'i.

Thus, the Association respectfully urges the committee to **PASS** SB190 SD1.

The civic club movement was founded in 1918 by Congressional Delegate Prince Jonah Kūhiō Kalaniana'ole with the creation of the Hawaiian Civic Club; the Association was formally

organized in 1959 and has grown to a confederation of over sixty (60) Hawaiian Civic Clubs located throughout the State of Hawai'i and the United States. The Association is the oldest Hawaiian community-based grassroots organization. The Association is governed by a 16-member Board of Directors; advocates for improved welfare of Native Hawaiians in culture, health, economic development, education, social welfare, and nationhood; and perpetuates and preserves language, history, music, dance and other Native Hawaiian cultural traditions.

Mahalo for allowing us to share our mana 'o.

Me ka 'oia'i'o,

Hailama Farden *Pelekikena* 

# ASSOCIATION OF HAWAIIAN CIVIC CLUBS

# A RESOLUTION

# REAFFIRMING SUPPORT OF THE NATIVE HAWAIIAN PUBLIC AND PRIVATE ALII TRUSTS BY THE ASSOCIATION OF HAWAIIAN CIVIC CLUBS

WHEREAS, in English Common Law a trust is defined as tangible or intangible property held to benefit others; and

WHEREAS, with much foresight, understanding and love for their people, Hawaii's Alii created private trusts from their estates to benefit the Native Hawaiian people in fundamental conditions of life; and

WHEREAS, King Lunalilo left his estate to care for Hawaiian elderly, Princess Pauahi's trust is for educational purposes, Kamehameha III and Queen Emma created a trust addressing the health of Hawaiians and Queen Liliuokalani left a trust to care for orphaned and half orphaned Hawaiian children; and

WHEREAS, despite the betrayals and overthrow of the Kingdom, and although he had no estate to share, in keeping with alii tradition, the legacy of Prince Kuhio as Delegate to Congress in 1920 was the creation of the Hawaiian Home Lands, providing a portion of ceded lands for Hawaiians of thirty two percent blood quantum; however, the blood quantum requirement was amended to fifty percent blood quantum by unfriendly members of Congress and remains at fifty percent today; and

WHEREAS, when Hawaii became a State of the Union in 1959, one of the conditions of the Admissions Act, was that the State had to accept the public trust obligations of the Hawaiian Homes Commission Act under its State Constitution, including the fifty percent blood quantum requirement as defined in Section 5(f) of the Admissions Act; and

WHEREAS, in 1978, in acknowledgement of Hawaiians as Hawaii's native people, another public trust was created when the Office of Hawaiian Affairs(OHA) was constitutionally and statutorily confirmed using the same blood quantum requirements as defined in the Admissions Act whose beneficiaries are also defined in Hawaii Revised Statutes, Chapter 10-2 as native Hawaiians and Hawaiians; and

WHEREAS, the State Legislature agreed to provide a twenty percent portion of revenues generated on ceded lands to OHA for the provision of programs, projects and advocacy for the betterment of conditions of the Hawaiian and native Hawaiian people; and

WHEREAS, the Legislature acknowledged that native Hawaiians are identified only as those of fifty percent blood quantum, and provides a limited sum of general funds of the State for operational, administrative and other expenses for Native Hawaiians, or those of less than fifty percent blood quantum; and

WHEREAS, the alii and public trusts have been consistently challenged in court and will continue to be challenged by hostile persons who believe they should share in the trust benefits and/or that Hawaiians are not deserving of such largesse; and

WHEREAS, suits brought against the alii and public trusts have been extremely costly and created much ill will, and the trusts have had to be constantly vigilant to fend off such attacks and even the possibility thereof; and

WHEREAS, in keeping with Prince Kuhio's intent when he and a group of prominent Hawaiians founded the first civic club in 1918 to support the Hawaiian Homes legislation and protect vestiges of the Kingdom, the Association of Hawaiian Civic Clubs has strongly supported rules and requirements set by the trustees of the alii and public trusts at the legislature, in the Congress, in the public and in the courts; and

WHEREAS, on those few occasions when there has been disagreement on issues we have worked with trustees, commissioners and administrations to resolve things amicably "among the family" to preserve Hawaiian solidarity.

NOW THEREFORE BE IT RESOLVED, that the membership of the Association of Hawaiian Civic Clubs, meeting at convention in Washington, D.C. this 20<sup>th</sup> day of October, 2012, Reaffirms support of the private ali'i and public trusts, while reserving the right to make meaningful inquiries and/or to engage in constructive dialogue as needed; and

BE IT FURTHER RESOLVED, that certified copies of this resolution shall be transmitted to the Chairperson of the Board of Trustees of Kamehameha Schools, Chairperson of the Board of Trustees of Lunalilo Estate, Chairperson of the Board of Trustees of the Queen Liliuokalani Estate, Chairperson of the Board of Trustees of the Office of Hawaiian Affairs and Chairperson of the Department of Hawaiian Home Lands; and

BE IT FURTHER RESOLVED, that the aforesaid Chairpersons are requested to share copies of this resolution with their respective Trustees and Commissioners in anticipation of a creative discussion to protect the Trusts and benefits for qualified beneficiaries.



The undersigned hereby certifies that the foregoing Resolution was duly adopted on the 20<sup>th</sup> day of October 2012, at the 53rd Annual Convention of the Association of Hawaiian Civic Clubs in Washington, D.C.

Soulee L.K. Stroud, President



### Luna O Na Papa Alakai

Committee on Ways and Means

Pelekikena A. Makana Paris

Thursday, February 21, 2019 10 am Conference Room 211 State Capitol

Hope Pekekikena Ekahi

415 South Beretania Street

**AFFAIRS** 

Randi Fernandez

Tio South Beretaina Street

Hope Pelekikena Elua Matthew Gumapac

Puuku Denise Kekuna Aloha Chair Dela Cruz and Vice-Chair Keith-Agaran and honorable members:

Kakauolelo Hoopaa Sai Furukawa The Prince Kūhiō Hawaiian Civic Club **SUPPORTS** the passage of SB190 SD1. The bill appropriates funds for Fiscal Biennium 2019-2021 for operations of the Office of Hawaiian Affairs.

Re: SB190 SD1 - RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN

Kakauolelo Hooholo Palapala Kamuela Werner Native Hawaiians enjoy a trust relationship with the State. OHA is the entity in which Native Hawaiians as trust beneficiaries can access their trust resources in the form of grants, services, programs, scholarships, and loans. OHA's budget bill requests state general funds for each of the next two fiscal years to help support OHA's work. This bill focuses on social services, legal services, education improvement, and housing programs. Further, this bill proposes to match OHA trust fund resources with the state general funds. By passing this bill, the state will more justly fulfill its trust responsibilities to Native Hawaiians by supporting programs and operations that directly benefit Native Hawaiians and also improves the conditions for all of Hawai'i.

Pelekikena Hala Koke Yvonne 'PeeWee' Ryan

Founded in 1964, PKHCC was organized to promote the education and social welfare of people of Hawaiian ancestry and objectives include supporting high ethical standards in business, industry and the professional fields of enterprise.

Luna Alakai
Kuni Agard
Puamana Crabbe
Kanani Pali
Marlene Sai
Jennifer Smythe
Bruce Wong

PKHCC urges the committee to **PASS** SB190 SD1.

Mailing Address: P.O. Box 4728 Honolulu ~ Hawaii 96812

A. Makana Paris

Me ke aloha

Pelekikena

president@pkhcc.org

www.pkhcc.org

Founded in 1964 by Liliuokalani Kawananakoa Morris

<u>SB-190-SD-1</u> Submitted on: 2/19/2019 3:13:56 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Kamuela Werner	Individual	Support	No	

Comments:
Aloha mai,
I strongly support SB190 SD1.
Me ke aloha,
Kamuela Werner, MPH
Maili Resident

# SB-190-SD-1

Submitted on: 2/19/2019 3:16:15 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Leanne Fox	Individual	Support	No	

### Comments:

I strongly **SUPPORT** SB190, which appropriates funds for Fiscal Biennium 2020-2021 for operations of the Office of Hawaiian Affairs. OHA is a semi-autonomous state agency established by the constitution and laws of the State of Hawai'i, and mandated to better the conditions of Native Hawaiians, Hawai'i's indigenous, native people. OHA fulfills its mandate through advocacy, research, community engagement, land management and the funding of community programs. OHA's budget bill requests approximately \$3.9 million in matching state general funds for each of the next two fiscal years. It would support OHA's three historical provisos (social services, legal services and education improvement), as well as an additional proviso, which would allow OHA to increase its housing grants.

In the last six fiscal years (2011-2018), OHA awarded over \$110 million in programmatic funding, grants, and sponsorships, that address our state's most critical issues, including environmental stewardship, food security, housing and homelessness, education, and health care.

I support the continued partnership betweend the State and OHA to fund these critical programs and humbly request that this measure be passed out of this committee.

<u>SB-190-SD-1</u> Submitted on: 2/19/2019 3:23:14 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Banner Fanene	Individual	Support	No	

Comments:

# SB-190-SD-1

Submitted on: 2/19/2019 3:25:41 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
cheryl corbiell	Individual	Support	No	

### Comments:

strongly **SUPPORT** SB190, which appropriates funds for Fiscal Biennium 2020-2021 for operations of the Office of Hawaiian Affairs. OHA is a semi-autonomous state agency established by the constitution and laws of the State of Hawai'i, and mandated to better the conditions of Native Hawaiians, Hawai'i's indigenous, native people. OHA fulfills its mandate through advocacy, research, community engagement, land management and the funding of community programs. OHA's budget bill requests approximately \$3.9 million in matching state general funds for each of the next two fiscal years. It would support OHA's three historical provisos (social services, legal services and education improvement), as well as an additional proviso, which would allow OHA to increase its housing grants.

In the last six fiscal years (2011-2018), OHA awarded over \$110 million in programmatic funding, grants, and sponsorships, that address our state's most critical issues, including environmental stewardship, food security, housing and homelessness, education, and health care.

I support the continued partnership betweend the State and OHA to fund these critical programs and humbly request that this measure be passed out of this committee.

<u>SB-190-SD-1</u> Submitted on: 2/19/2019 3:59:06 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Donna K Santos	Individual	Support	No	

### Comments:

I am a Native Hawaiian from the island of Kauai and I SUPPORT SB190, which appropriates funds for Fiscal Biennium 2020-2021 for operations of the Office of Hawaiian Affairs.

I believe in the continued partnership of the State of Hawaii and OHA to continue programs to better the conditions of Native Hawaiians and I humbly ask that you pass this measure out of this committee.

Mahalo.

<u>SB-190-SD-1</u> Submitted on: 2/19/2019 4:11:59 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Keiki Kawaiaea	Individual	Support	No	

### Comments:

I strongly SUPPORT SB190, which appropriates funds for Fiscal Biennium 2020-2021 for operations of the Office of Hawaiian Affairs and the contiuned partnership betweend the State and OHA to fund these critical programs. I humbly request that this measure be passed out of this committee.

<u>SB-190-SD-1</u> Submitted on: 2/19/2019 4:42:11 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Mike Golojuch	Individual	Support	No	

### Comments:

I strongly Support SB190, which appropriates funds for Fiscal Biennium 2020-2021 for operations of the Office of Hawaiian Affairs.

Mike Golojuch, Sr.

<u>SB-190-SD-1</u> Submitted on: 2/19/2019 4:55:35 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Wayne	Individual	Support	No	

### Comments:

Mahalo nui for the opportunity to testify in STRONG SUPPORT of SB190 SD1.

This measure represents a smart investment in a longstanding partnership to meet the critical needs of Native Hawaiians, through innovative and cost-effective investments and initiatives that have effectively quadrupled the impact of appropriated general funds.

Accordingly, I respectfully urge the Committee to PASS SB190 SD1.

Thank you,

Wayne Tanaka

# SB-190-SD-1

Submitted on: 2/19/2019 7:34:55 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Kauahi Perez	Individual	Support	No	Ī

### Comments:

### Aloha kakou!

My name is Kauahi Perez, and I strongly SUPPORT SB190, which appropriates funds for Fiscal Biennium 2020-2021 for operations of the Office of Hawaiian Affairs. OHA is a semi-autonomous state agency established by the constitution and laws of the State of Hawaii, and mandated to better the conditions of Native Hawaiians, Hawaii's indigenous, native people. OHA fulfills its mandate through advocacy, research, community engagement, land management and the funding of community programs. OHA's budget bill requests approximately \$3.9 million in matching state general funds for each of the next two fiscal years. It would support OHA's three historical provisos (social services, legal services and education improvement), as well as an additional proviso, which would allow OHA to increase its housing grants.

In the last six fiscal years (2011-2018), OHA awarded over \$110 million in programmatic funding, grants, and sponsorships, that address our state's most critical issues, including environmental stewardship, food security, housing and homelessness, education, and health care.

I support the contiuned partnership betweend the State and OHA to fund these critical programs and humbly request that this measure be passed out of this committee.

Mahalo nui,

Kauahi PErez

# SB-190-SD-1

Submitted on: 2/19/2019 10:32:22 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Robert K. Merce	Individual	Support	No

### Comments:

My name is Bob Merce. I am a retired lawyer and recently served as vice chair of the HCR 85 Task Force on prison reform. I am also on the Board of Directors of the Native Hawaiian Legal Corp. (NHLC).

I am writing in **strong support**of HB 172.

OHA is an extremely important and vital part of our community and should receive continued funding as outlined in HB 172. OHA's support of NHLC has helped preserve ancestral lands for Native Hawaiians and protected traditional and customary water and land rights. With OHA funding, NHLC has also protected na kupuna 'oiwi (Native Hawaiian burials), enforced important trust obligations, and advocated for Native Hawaiians caught up in the criminal justice system and for Hawaiian children seeking access to a Hawaiian language education.

For the past two years OHA has played a leading role on the HCR 85 Task Force and was intrumental in shaping the Task Force's recommendations.

The OHA staff I have worked with are extremely competent, smart, hard working, and deeply committed to improving the lives of Native Hawaiians. It is an honor to be a part of their very important work.

Thank you for the opportunity to comment on HB 172 and I apologize for submitting my testimony at the last minute.

<u>SB-190-SD-1</u> Submitted on: 2/20/2019 7:40:29 AM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Fred Keolahou Francis Wilhelm III	Individual	Support	No

Comments:

Aloha no,

I strongly urge this committee to pass measure SB190. This will ensure that these critical provisos will continue to assist Native Hawaiians today and in the future. Also, this measure includes a new provision that addresses an increasing problem for Native Hawaiian throughout the Islands.

With Warmest Regards,

Fred Wilhelm III



91-1270 Kinoiki Street, Building 1, Kapolei Hawaii 96707 Ph: 808 529 1624 www.hawaiiancouncil.org

February 20, 2019

Senate Committee on Ways and Means Chair Donovan, Vice-Chair Keith-Agaran, and Committee Members

Re: OHA Budget Bill SB 190, SD1



The Council for Native Hawaiian Advancement (CNHA), a Native Hawaiian serving organization, testifies in strong support of the OHA budget bill because of the financial support and funding for programs it provides for Native Hawaiian individuals, their families, and their communities. This funding will enable OHA to work towards achieving its mission of "bettering the conditions of Hawaiians" as is its duty and responsibility under the State of Hawaii Constitution and the related laws of the State of Hawaii promulgated after OHA was created through the amendments passed by the 1978 Constitutional Convention and later ratified and adopted by a vote of the people.

CNHA Supports \$4.1 Million of General Funding for the Proposed OHA Budget Bill and for a Commitment In An Equal Amount of Matching OHA Trust Funds.

The OHA budget bill proposes and requests \$4.1 million in state general funds through the various provisions of section 5, section 6, section 7, and section 8 for the combined two years of the coming biennium. In return, OHA will match, through their trust funds, on a dollar for dollar basis, this \$4.1 million committed by the State Legislature. In addition, OHA will commit an additional \$9.1 million in OHA resources on top of the total \$8.2 million set forth in their proposed budget bill as a way to leverage this initial Legislative general fund investment of \$4.1 million. Expressed another way, each dollar invested by the state will yield a minimum of \$4.23 in OHA funding for all of the sectors set forth in sections 5,6,7, and 8 of the OHA budget bill. By any standard economic rubric, this \$4.2 to \$1 leverage marker makes good economic sense, and helps to address the needs of Native Hawaiian beneficiaries who also comprise approximately 25% of the general population of Hawaii.

Section 5 of the OHA budget bill proposes and requests \$415,000 in State general funds (for each of the two years of the biennium) to be matched by \$415,000 (for each of the two years of the biennium) in OHA trust funds to provide education and direct support to assist Hawaiians who are at-risk of being overwhelmed financially and who may be at jeopardy of becoming homeless. Through its relationship with community funders, OHA's financial commitments will yield and create an additional \$332,000 in external community funding and support for these OHA program initiatives. When expressed another way, each dollar of State funding will yield nearly \$2.40 in additional resource commitments from OHA and its community partners to improve the social service safety net for Native Hawaiians.

Section 6 of the OHA biennium budget bill addresses the need to improve education outcomes for Native Hawaiian students and to thereby increase their lifelong economic, health, and social well being. The bill proposes and requests \$615,000 in State general funds (for each of the two years of the biennium) to be matched, on a dollar for dollar basis, by \$615,000 (for each of the two years of the biennium) in OHA trust funds. In addition to this commitment of their trust funds, OHA will commit to adding \$1.5 million in OHA funds plus \$200,000 in community funds to support these Native Hawaiian education initiatives for a leverage rate of \$1 of state funds being matched by \$3.41 in OHA spending to improve the education of Native Hawaiians.

Section 7 of the OHA biennium budget bill addresses OHA's need to defend the rights of Native Hawaiians to protect their Hawaiian kuleana lands, to defend Hawaiian families against quiet title actions increasingly brought by mainland buyers with huge financial resources to force Hawaiians without sufficient cash resources to sell their ancestral lands rather than defend their ownership of their family lands, to encourage, define, and defend the rights of Hawaiians to practice their traditional and customary rights and to exercise their kuleana to malama 'aina while nurturing their connection to their homelands and encouraging a sense of well being and fostering a strong sense of Hawaiian identity through such actions, and to defend the special status of the lands of the Kingdom of Hawaii which were seized without permission by the Committee of Safety, transferred without Kingdom permission to the provisional government, transferred without Kingdom permission to the United States, and eventually transferred by the Federal government to the State of Hawaii in 1959 when Hawaii became the 50th state in the Union. We further support OHA funding to assure that the trust lands themselves, as well as the income, rents, and proceeds and the additional trusts created by federal and state Constitutions, by State compacts, and by federal and state statutes from this original trust res for Native Hawaiians, shall be honored, adhered to, and given full force and effect in the relevant and appropriate federal and state courts.

Section 7 proposes and requests \$524,000 in State general funds (for each of the two years of the biennium) and \$524,000 (for each of the two years of the biennium) in matching OHA trust funds for these crucial and necessary legal services. OHA will provide additional matching funds in the amount of \$676,000 to support these legal services which, when added to the total amount of funds OHA will provide for these legal services, equates to \$2.64 of OHA funds for every dollar in general State funds authorized and appropriated by the legislature to defend the rights of Native Hawaiians.

Section 8 of the OHA biennium budget bill proposes and requests \$500,000 in general funds (for each of the two years of the biennium) for housing and housing related programs for Native Hawaiians that will, in turn, be matched by \$500,000 (for each of the two years of the biennium) in OHA trust funds. OHA is committed to spend an additional \$6 million of its agency funds, in addition to acquiring a community match of \$200,000 to support its housing initiatives for Native Hawaiians. The effective leverage rate by OHA for each dollar of State general funds authorized and appropriated is \$3.41.

Respectfully,

J. Kuhio Lewis

Chief Executive Officer

Council for Native Hawaiian Advancement

Respectfully,

J. Kuhio Lewis Chief Executive Officer







### Senate Committees on Ways and Means

Time: 10:00 a.m.

Date: Pepeluali 21, 2019 Where: Capitol Room 211



### **TESTIMONY**

Submitted by the listed organizations

To: Chair Shimabukuro, Vice Chair Kahele, and Members of HWN

RE: SB 190, SD1, Relating to the Budget of the Office of Hawaiian Affairs

Aloha e Luna Hoʻomalu Dela Cruz, Hope Luna Hoʻomalu Keith-Agaran, a me nā Lālā Kenekoa o kēia Kōmike. The listed organizations submit this joint testimony in <u>SUPPORT</u> of SB190, SD1, which appropriates funds for Fiscal Biennium 2019-2021 for operations of the Office of Hawaiian Affairs.

OHA is a semi-autonomous state agency established by the constitution and laws of the State of Hawai'i, and mandated to better the conditions of Native Hawaiians, Hawai'i's indigenous, native people. OHA fulfills its mandate through advocacy, research, community engagement, land management, and the funding of community programs. OHA's budget bill requests state general funds for each of the next two fiscal years to support OHA's budget plans for the upcoming biennium. While still maintaining the three historical provisos (social services, legal services and education improvement), SB190, SD1 also requests general funds for housing programs. This bill proposes matching OHA trust fund resources with the requested state general funds. By passing this measure, the state would reaffirm its commitment to address the needs of Native Hawaiians by supporting programs and operations that directly benefit Native Hawaiians, while strengthening Hawai'i's communities as a whole.

Therefore, the undersigned organizations urge the Committee to <u>PASS</u> SB190, SD1. Mahalo nui for the opportunity to submit testimony on this measure.

Sincerely,

The Queen's Health Systems Gerard Akaka, M.D., Vice President of Native Hawaiian Affairs & Clinical Support

Kamehameha Schools Livingston Jack Wong, Chief Executive Officer

Council for Native Hawaiian Advancement J. Kuhio Lewis, Chief Executive Officer

KUA Kevin K.J. Chang, Executive Director

Kanu o Ka 'Āina Learning 'Ohana Taffi Wise, Executive Director



<u>SB-190-SD-1</u> Submitted on: 2/20/2019 8:46:27 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brandon Keoni Bunag	Testifying for Halau Ku Mana Public Charter School	Support	No

Comments:



# SB-190-SD-1

Submitted on: 2/21/2019 1:58:18 AM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By		Organization	Testifier Position	Present at Hearing	
	R. Kawehilani Akau	Individual	Support	No	

### Comments:

Aloha Chairman of Ways and Means WAM,

My family and I strongly **SUPPORT** SB190, which appropriates funds for Fiscal Biennium 2020-2021 for operations of the Office of Hawaiian Affairs. OHA is a semi-autonomous state agency established by the constitution and laws of the State of Hawaii, and mandated to better the conditions of Native Hawaiians, Hawaii's indigenous, native people. OHA fulfills its mandate through advocacy, research, community engagement, land management and the funding of community programs. OHA's budget bill requests approximately \$3.9 million in matching state general funds for each of the next two fiscal years. It would support OHA's three historical provisos (social services, legal services and education improvement), as well as an additional proviso, which would allow OHA to increase its housing grants.

In the last six fiscal years (2011-2018), OHA awarded over \$110 million in programmatic funding, grants, and sponsorships, that address our state's most critical issues, including environmental stewardship, food security, housing and homelessness, education, and health care.

I support the contiuned partnership betweend the State and OHA to fund these critical programs and humbly request that this measure be passed out of this committee.

Aloha,

R. Kawehilani Napoleon Akau

4186 Kilauea Avenue

Honolulu, HI. 95816

(809) 721-5528

### **Multiple testifiers**

Mark Vascinellos Harold Lamp Shannon Lima Donald e Sommer Elixabeth Sala

Rosemary Fujimoto

Momi Suzuki Linn Melitti Crystal Branco Phil Acosta Toni Eaton Rachel Abshire John Villiarimo Pulama Lima

Jayna Weatherwax Amelia Borofsky

Vmolidor Napua

Hali Buchignami Bianca Isaki Katherine Burke

I strongly SUPPORT SB190, which appropriates funds for Fiscal Biennium 2020-2021 for operations of the Office of Hawaiian Affairs. OHA is a semi-autonomous state agency established by the constitution and laws of the State of Hawai'i, and mandated to better the conditions of Native Hawaiians, Hawai'i's indigenous, native people. OHA fulfills its mandate through advocacy, research, community engagement, land management and the funding of community programs. OHA's budget bill requests approximately \$3.9 million in matching state general funds for each of the next two fiscal years. It would support OHA's three historical provisos (social services, legal services and education improvement), as well as an additional proviso, which would allow OHA to increase its housing grants. In the last six fiscal years (2011-2018), OHA awarded over \$110 million in programmatic funding, grants, and sponsorships, that address our state's most critical issues, including environmental stewardship, food security, housing and homelessness, education, and health care. I support the contiuned partnership betweend the State and OHA to fund these critical programs and humbly request that this measure be passed out of this committee.

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Rosemary Fujimoto

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Jayna Weatherwax Amelia Borofsky

Vmolidor Napua

Hali Buchignami Bianca Isaki Katherine Burke

I strongly SUPPORT SB190, which appropriates funds for Fiscal Biennium 2020-2021 for operations of the Office of Hawaiian Affairs. OHA is a semi-autonomous state agency established by the constitution and laws of the State of Hawai'i, and mandated to better the conditions of Native Hawaiians, Hawai'i's indigenous, native people. OHA fulfills its mandate through advocacy, research, community engagement, land management and the funding of community programs. OHA's budget bill requests approximately \$3.9 million in matching state general funds for each of the next two fiscal years. It would support OHA's three historical provisos (social services, legal services and education improvement), as well as an additional proviso, which would allow OHA to increase its housing grants. In the last six fiscal years (2011-2018), OHA awarded over \$110 million in programmatic funding, grants, and sponsorships, that address our state's most critical issues, including environmental stewardship, food security, housing and homelessness, education, and health care. I support the contiuned partnership betweend the State and OHA to fund these critical programs and humbly request that this measure be passed out of this committee.

# **OFFICE OF INFORMATION PRACTICES**

STATE OF HAWAII NO. 1 CAPITOL DISTRICT BUILDING 250 SOUTH HOTEL STREET, SUITE 107 HONOLULU, HAWAII 96813

TELEPHONE: 808-586-1400 FAX: 808-586-1412

EMAIL: oip@hawaii.gov

To: Senate Committee on Ways and Means

From: Cheryl Kakazu Park, Director

Date: February 21, 2019, 10:00 a.m.

State Capitol, Conference Room 211

Re: Testimony on S.B. No. 537, S.D. 1

Relating to Consumer Protection

Thank you for the opportunity to submit testimony on this bill, which would set out a regulatory scheme for payday lenders. The Office of Information Practices ("OIP") takes no position on the substance of this bill. One of the amendments made by the Senate Committee on Commerce, Consumer Protection, and Health in the S.D. 1 addressed a concern OIP raised with the bill as introduced, and OIP has no further concern with this bill.

Thank you for the opportunity to testify.