

**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-SECOND LEGISLATURE, 2023**

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**ON THE FOLLOWING MEASURE:**

H.B. NO. 1508, RELATING TO NATIVE HAWAIIAN AFFAIRS.

**BEFORE THE:**

HOUSE COMMITTEE ON JUDICIARY AND HAWAIIAN AFFAIRS

**DATE:** Wednesday, February 15, 2023      **TIME:** 2:00 p.m.

**LOCATION:** State Capitol, Room 325

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Elise A. Amemiya or Bryan C. Yee, Deputy Attorneys General

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Chair Tarnas and Members of the Committee:

The Department of the Attorney General provides the following comments regarding this bill.

This bill would appropriate money to the Department of Business Economic Development and Tourism to issue grants for: (1) a virtual marketplace that supports local artisans and business adapt to e-commerce, page 2, lines 1-4; and (2) a physical co-working space and an innovation, entrepreneur, and resource center that provides workshops, counseling, loan assistance, and broadband access, page 2, lines 5-9; and appropriate money to the Department of Land and Natural Resources to issue grants for the repatriation and reburials of Native Hawaiians nationally and internationally, page 2, lines 10-13.

These grants are subject to article VII, section 4, of the Constitution of the State of Hawaii, which provides, "[n]o grant of public money or property shall be made except pursuant to standards provided by law." This bill does not appear to contain sufficient standards for grants of public money. Examples of existing statutes that provide standards for agencies to issue grants are part II of chapter 9 and sections 10-17, 210D-11, and 383-128, Hawaii Revised Statutes. We have attached draft standards to this testimony as a sample to work from, and we are happy to work with you on developing more specific standards.

Alternatively, the bill could be amended to appropriate money to the departments to procure services instead of issuing grants. We have attached draft language that could be used to amend the bill to provide that the departments purchase the services instead of issuing grants.

Thank you for the opportunity to present this testimony.

**POSSIBLE STANDARDS FOR THE GRANTS IN THIS BILL**

- (1) Any grant shall be used exclusively for the purposes of this program.
- (2) The applicant shall indicate capability to properly use the grant for the purpose of the grant program.  
[Specific applicant qualifications should be described for the different types of grants.]
- (3) The applicant shall comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, disability, or any other characteristic protected under applicable federal or state law.
- (4) The grant shall not be used for purposes of entertainment or perquisites.
- (5) The applicant shall comply with other requirements as the department may prescribe.
- (6) All activities undertaken with funds received shall comply with all applicable federal, state, and county statutes and ordinances.
- (7) The applicant shall indemnify and save harmless the State of Hawaii and its officers, agents, and employees from and against any and all claims arising out of or resulting from activities carried out or projects undertaken with funds provided hereunder, and procure sufficient insurance to provide this indemnification if requested to do so by the department.
- (8) The applicant shall agree to make available to the department all records the applicant may have relating to the grant, to allow state agencies to monitor the applicant's compliance with this section.

**POSSIBLE WORDING TO APPROPRIATE FUNDS  
TO THE DEPARTMENTS FOR PURCHASE OF SERVICES**

SECTION 1. The purpose of this Act is to appropriate moneys to the department of business, economic development, and tourism and the department of land and natural resources to improve Native Hawaiian communities and culture through various assistance services, including but not limited to services that offer Native Hawaiian historic preservation, business training, entrepreneurship, and mentoring.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 for the purpose of improving Native Hawaiian communities and culture by providing a virtual marketplace that supports local artisans and businesses to adapt to e-commerce.

The sums appropriated shall be expended by the department of business, economic development, and tourism, for the purposes of this Act.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 for the purpose of improving Native Hawaiian communities and culture by providing a physical co-working space and an innovation, entrepreneur, and resource center that provides workshops, counseling, loan assistance, and broadband access.

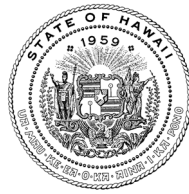
The sums appropriated shall be expended by the department of business, economic development, and tourism, for the purposes of this Act.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 for the repatriation and reburials of Native Hawaiians nationally and internationally.

The sums appropriated shall be expended by the department land and natural resources for the purposes of this Act.

SECTION 5. This Act shall take effect on July 1, 2023.

JOSH GREEN, M.D.  
GOVERNOR



LUIS P. SALAVERIA  
DIRECTOR

SABRINA NASIR  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE  
*Ka 'Oihana Mālama Mo'ohelu a Kālā*  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

**WRITTEN ONLY**

TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS  
ON  
HOUSE BILL NO. 1508

**February 15, 2023**  
**2:00 p.m.**  
**Room 325 and Videoconference**

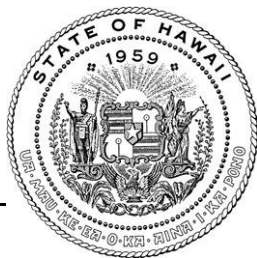
RELATING TO NATIVE HAWAIIAN AFFAIRS

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 1508 appropriates \$3,000,000 of general funds to the Department of Business, Economic Development and Tourism (DBEDT) and \$1,000,000 of general funds to the Department of Land and Natural Resources (DLNR) for FY 24 and FY 25 to provide grants to federal tax-exempt non-profit organizations to support their respective organizational missions. The measure provides that the grants shall be tailored toward improving Native Hawaiian communities and culture through various assistance programs, including, but not limited to, programs that offer Native Hawaiian historic preservation, business training, entrepreneurship, and mentoring.

H.B. No. 1508 is similar to Act 195, SLH 2022, which also appropriated general funds to DBEDT and DLNR to provide grants to non-profits for the benefit of Native Hawaiian communities. It should be noted that DBEDT and DLNR would need to establish and adopt appropriate rules, standards, and processes in order to award the subject grants.

Thank you for your consideration of our comments.



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**  
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKA'I

**JOSH GREEN, M.D.**  
GOVERNOR

**CHRIS J. SADAYASU**  
DIRECTOR

**DANE K. WICKER**  
DEPUTY DIRECTOR

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Statement of  
**CHRIS J. SADAYASU**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS**

Wednesday, February 15, 2023  
2:00 PM  
State Capitol, Conference Room 325

In consideration of  
**HB1508**  
**RELATING TO NATIVE HAWAIIAN AFFAIRS.**

Chair Tarnas, Vice Chair Takayama, and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) supports the intent of this bill and offers comments on HB1508, which requires certain departments and agencies to provide grants to tax-exempt non-profit organizations that have experience and expertise in supporting and advancing Native Hawaiian communities:

- It should be noted that this bill provides for one grant of \$2,000,000 to be given for a virtual marketplace and one grant of \$1,000,000 for a physical co-working space.
- DBEDT's Community Based Economic Development (CBED) program is authorized to provide grants. However, general funds appropriation to this program must specifically be appropriated to the CBED special fund. Furthermore, grants made from the CBED program are limited to no more than \$100,000 per entity.
- A virtual marketplace can support local artisans and businesses to adapt to e-commerce. DBEDT has an active e-commerce support program so this initiative aligns with our current efforts.
- An innovation center that is a physical co-working space and an innovation, entrepreneur and resource center providing workshops, counseling, loan assistance, and broadband access also aligns with DBEDT's mission and current programs.

Thank you for the opportunity to testify.

Council Chair  
Alice L. Lee



Director of Council Services  
Traci N. T. Fujita, Esq.

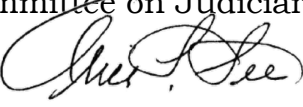
Councilmembers  
Tom Cook  
Gabe Johnson  
Tasha Kama  
Tamara Paltin  
Keani N.W. Rawlins-Fernandez  
Shane M. Sinenci  
Yuki Lei K. Sugimura  
Nohelani U'u-Hodgins

Deputy Director of Council Services  
David M. Raatz, Jr., Esq.

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

February 14, 2023

TO: The Honorable Representative David A. Tarnas, Chair, and  
Members of the House Committee on Judiciary & Hawaiian Affairs

FROM: Alice L. Lee, Council Chair 

SUBJECT: **HEARING OF FEBRUARY 15, 2023; TESTIMONY IN SUPPORT OF  
HB 1508, RELATING TO NATIVE HAWAIIAN AFFAIRS**

Thank you for the opportunity to testify in **support** of this important measure. This measure would appropriate funds for certain departments and agencies to provide grants to tax-exempt nonprofit organizations that have experience and expertise in supporting and advancing Native Hawaiian communities.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. This measure would provide support to improving Native Hawaiian communities and culture through various assistance programs, including those offering Native Hawaiian historic preservation, business training, entrepreneurship, and mentoring.
2. Supporting organizations that have experience and expertise in the supporting Native Hawaiian communities perpetuates the Hawaiian culture while also encouraging innovation and providing economic opportunity for residents.
3. This measure helps fulfill the following Maui County General Plan objective: "Perpetuate the Hawaiian culture as a vital force in the lives of residents."

For these reasons, I **support** this measure.

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**HB1508**  
**RELATING TO NATIVE HAWAIIAN AFFAIRS**  
House Committee on Judiciary and Hawaiian Affairs

February 15, 2023

2:00 PM

Room 325 &  
Videoconference

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The Council for Native Hawaiian Advancement (CNHA), a member-based 501(c)(3) non-profit organization with a mission to enhance the cultural, economic, political, and community development of Native Hawaiians, **STRONGLY SUPPORTS** HB 1508, which proposes much-needed additional state grant funding to support the Native Hawaiian community.

CNHA worked with its members to help develop this collection of grant program proposals. Our goal was to empower Native Hawaiian and local communities through the investment in our state's economy and unique heritage, with an eye towards setting critical foundations that can sustain and build upon hard-fought progress. We greatly appreciate the Legislature's willingness to consider new buckets of state grant funding that would supplement existing state funding opportunities for Native Hawaiian organizations with demonstrated track records of success.

#### Proposed Grant Programs

**1. Virtual Marketplace that supports local artisans and businesses to adapt to e-commerce**

In April 2020, CNHA launched the **Pop-Up Mākeke**, a virtual marketplace supporting local artisans impacted by the global pandemic that shut down vital revenue streams from brick-and-mortar stores and community events. The success of the Pop-Up Mākeke demonstrates the need for a centralized e-commerce hub that leverages small business resources and creates new opportunities for Hawai'i's small businesses to thrive in an ever changing global market. The pandemic has shifted how consumers shop and as a result has caused many businesses needing to reimagine their business model to a more web-centric approach.



The Pop-Up Makeke will leverage data analytics to provide to artisans their sale history and market trends for them to make better business oriented decisions.

This request would allow Pop-Up Mākeke to provide increased support for Hawaii-based artisans to remain sustainable and thrive in a post-pandemic economy.

This request for funds would cover:

- Kūhana Management
- Pop-Up Mākeke Management
- Sector-expert consultants including branding and marketing consultants, and business development specialists
- Consignment support for participating businesses in Pop-Up Mākeke

CNHA will facilitate incubator courses to micro- and small-retail businesses to adapt to e-commerce. The course will include personalized assistance to each businesses needs from e-commerce, marketing, and logistics experts. Businesses that complete the incubation course will be allowed to participate in the Pop-Up Makeke to introduce their products to a global market as they prepare their own online presence.

Course syllabus will include:

- What does it mean for your products to represent Hawaii?
- How to effectively market your business online?
- How to leverage resources to scale your business? (i.e. wholesale model, capacity building, resources to capital)

**2. Physical co-working space and an innovation, entrepreneur, and resource center that provides workshops, counseling, loan assistance, and broadband access**

The **West O'ahu Innovation Center** will serve as a physical co-working space, entrepreneur, and resource center. It will be an innovative entrepreneur center for the underserved-community of West O'ahu, providing collaborative, meeting and event space; offering business workshops and counseling; engaging 'Big Business' mentors for small and micro-business entrepreneurs; and delivering loan assistance and broadband access.

The facility will also feature CNHA's Hawaiian Trades Academy Technology Center and Classroom. By establishing these resources on the west side, small businesses will have the tools and support needed to start, grow and thrive.

This request for funding would cover the cost to retrofit an existing 10,000 sq ft facility to house the West O'ahu Innovation Center.

### **3. Repatriation and reburials of Native Hawaiians nationally and internationally**

This request would support the establishment of a program that addresses Native Hawaiian-specific historic preservation needs. This request would fund a program would:

- Conduct repatriations and reburials nationally and internationally under federal and international legal frameworks, as well as curate sacred objects that have been repatriated; Repatriations have been coordinated from multiple museums in Germany, Poland, France, England, New Zealand and North America. Small teams of culturally trained repatriation experts will be sent to each country to bring home human remains and artifacts. The entirety of the travel budget will be used for this activity and includes Air, Ground, Lodging, Freight, and per diem.
- Create and purchase reburial material for 3000+ Mōkapu Iwi Kūpuna; Kapa and boxes will need to be made or purchased for each kupuna. Items will be sourced from throughout the State of Hawai'i from traditional kapa makers, weavers, and wood workers.
- Assess the establishment of a Native Hawaiian Historic Preservation Office that will include national and international repatriation and reburial efforts and possible management of the burial sites program.
- FTEs would be responsible for overall coordination of first three bullets, which involves multiple stakeholders, cultural practitioners, museum outreach, travel logistics and reporting. Contract services will go to secure repatriation expertise and established relationships with institutions.

Further budget details can be provided for all programs.

In closing, CNHA urges the Committee to pass HB 1508. Mahalo nui loa for the opportunity to provide testimony on this measure.

Respectfully,

J. Kūhiō Lewis, CEO  
Council for Native Hawaiian Advancement

**HB-1508**

Submitted on: 2/13/2023 3:10:26 PM

Testimony for JHA on 2/15/2023 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kenneth R. Conklin, Ph.D.	Center for Hawaiian Sovereignty Studies	Oppose	Written Testimony Only

Comments:

According to OHA's latest annual report, on June 30, 2022 OHA had assets of \$823 Million. Another bill already approved by a committee last year called for \$638 Million in arrears plus \$79 Million per year in future for OHA from ceded land revenues, exclusively for "betterment of Native Hawaiians" who comprise 20% of Hawaii's people; with no set-aside of 4 times those amounts exclusively for the other 80% of Hawaii's people who lack a drop of Hawaiian blood.

What the heck do you folks think OHA should be doing with all that money? Throughout the year OHA blows its conch shell and waves its kahilis to draw attention to its occasional announcements when they give a grant of a few million dollars to help one or another non-profit group that has "experience and expertise in supporting and advancing Native Hawaiian communities." But the total amount OHA spends to give grants to any groups, including the Hawaiian-focus charter schools and immersion schools, is a pitifully small portion of the tens of millions of dollars OHA collects each year from ceded land revenues and legislative appropriations. That's how OHA has accumulated its enormous and ever-increasing cash stash.

Gimme, gimme, gimme! Let OHA, not the taxpayers, "provide grants to tax-exempt nonprofit organizations that have experience and expertise in supporting and advancing Native Hawaiian communities."



House Bill No. 1508  
Wednesday, February 15, 2023 - 2:00 PM  
State Capitol, Conference Room 325

Aloha Chair Tarnas, Vice Chair Takayama, and Members of the House Committee on  
Judiciary & Hawaiian Affairs:

‘Apoākea (literally meaning “Infinite Reach”) Native Hawaiian Innovation Institute [ANHII] is a Native Hawaiian-led 501(c)(3) non-profit organization founded with the purpose of providing strategic and tactical solutions to issues causing and contributing to the negative consequences of disproportionality and disparity as they are suffered by socially disadvantaged and underserved communities that include, but are not limited to, Native Hawaiians. Our work focuses on gap areas of need for Native Hawaiians in the areas of food systems, economic development, and neurodevelopmental conditions. We are very interested in an increase in funding opportunities for Native Hawaiian-serving non profits.

‘Apoākea is just one of many Native Hawaiian-serving non profits addressing gap areas. Competitive grant processes seem to favor the larger non profits that are not addressing these gap areas. There needs to be more funding appropriated for non profits specifically focusing on gap areas, especially for those serving Native Hawaiians. Our concern with this bill is that the appropriations seem to be earmarked for processes in previously-established areas of service which gap area-serving organizations may not be able to access.

‘Apoākea appreciates the opportunity to comment on HB1508 on behalf of the Native Hawaiians who we represent and serve.

me ka mahalo,

Brandi-Lynn Makalani Hyden  
Executive Director

**HB-1508**

Submitted on: 2/13/2023 2:53:02 PM

Testimony for JHA on 2/15/2023 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Dara Yatsushiro	Individual	Support	Written Testimony Only

Comments:

Support

**HB-1508**

Submitted on: 2/14/2023 9:15:31 AM

Testimony for JHA on 2/15/2023 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Juanita Kawamoto Brown	Individual	Support	Written Testimony Only

Comments:

Aloha Honorable Members of the House Committee on Judiciary and Hawaiian Affairs,

Please support this much needed appropriation of funds for Native Hawaiian Orgs and their missions to improve the many challenges and historical trauma we continue to suffer from due to the multi-generational ambivalence towards an entire Native Hawaiian Nation!

**ALL NATIVE HAWAIIAN LIVES MATTER!**

Respectfully

Mrs. Juanita Mahienaena Brown Kawamoto - 6th Generation Native Hawaiian

**HB-1508**

Submitted on: 2/14/2023 3:21:43 PM

Testimony for JHA on 2/15/2023 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Dana Keawe	Individual	Support	Written Testimony Only

Comments:

Support.