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Committee on Asset and Resource Management
Trustee Rowena Akana, *Chair*
Trustee John D. Waihe'e, IV, *Vice-Chair*
Members
Trustee Lei Ahu-Isa
Trustee Dan Ahuna
Trustee Peter Apo
Trustee S. Haunani Apoliona
Trustee Carmen Hulu Lindsey
Trustee Robert K. Lindsey, Jr.
Trustee Colette Y. Machado

STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
560 N. NIMITZ HIGHWAY, SUITE 200
HONOLULU, HAWAII 96817

MEETING OF THE COMMITTEE ON ASSET AND RESOURCE MANAGEMENT (ARM)

DATE: Tuesday, February 10, 2015
TIME: 10:00 a.m.
PLACE: OHA Board Room, Suite 200
560 N. Nimitz Hwy.
Honolulu, HI 96817

AGENDA

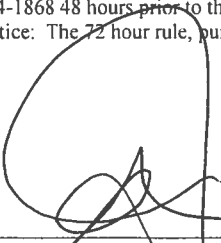
- I. Call to Order
- II. Community Concerns / Beneficiary Comments*
- III. Approval of Minutes
A. January 20, 2015
- IV. Unfinished Business**
A. Discussion on OHA Grants
- V. Announcements
- VI. Adjournment

LIEUTENANT GOVERNOR'S
OFFICE

'15 FEB -4 P1:45

*Notice: Persons wishing to testify are requested to submit 10 copies of their testimony to the CEO at 560 N. Nimitz Hwy., Honolulu, HI 96817 or fax to 594-1868 48 hours prior to the scheduled meeting. Oral testimony shall be limited to five minutes.

**Notice: The 72 hour rule, pursuant to OHA Operations Guide, may be waived for distribution of new committee materials.



Trustee Rowena Akana, Chair
Committee on Asset and Resource Management



Date

**Office of Hawaiian Affairs
560 No. Nimitz Highway, Suite 200
Honolulu, HI 96817**

Committee on Asset & Resource Management

MINUTES OF MEETING OF FEBRUARY 10, 2015

TRUSTEES PRESENT:

TRUSTEE ROWENA AKANA, CHAIR ARM COMMITTEE
TRUSTEE JOHN WAIHE'E, IV, VICE CHAIR ARM COMMITTEE
TRUSTEE DAN AHUNA
TRUSTEE PETER APO (Left at 10:34 a.m.)
TRUSTEE HAUNANI APOLIONA
TRUSTEE CARMEN HULU LINDSEY (Arrived at 10:06 a.m.)
TRUSTEE ROBERT LINDSEY

TRUSTEES EXCUSED:

TRUSTEE LEI AHU ISA
TRUSTEE COLETTE MACHADO

BOT STAFF:

ANI PANG
CLAUDINE CALPITO
DAYNA PA
HAROLD NEDD
LADY GARRETT
LOUISE YEE-HOY
REYNOLD FREITAS

BETHANN AHSING
CRAYN AKINA
DAVIS PRICE
KAUI WAILEHUA
LEHUA ITOKAZU
NATHAN TAKEUCHI

ADMINISTRATIVE STAFF:

KAMANA'OPONO CRABBE, CEO
MOMILANI LAZO, CEO

KAWIKA BURGESS, COO

NANCY KING, TAPS
CLARITA BARRETTO HIRONAKA, TAPS

JACEE-LYNN SMITH, TAPS
MISTI PALI-ORIOLO, TAPS

GUESTS:

MICHAEL KUMUKUUOHA LEE

I. CALL TO ORDER

Chair Akana called the meeting to order at 10:00 a.m. Trustees present are Ahuna, Akana, Apo, Apoliona, Robert Lindsey, and Waihe'e constituting a quorum of six (6) Trustees.

II. COMMUNITY CONCERNS / BENEFICIARY COMMENTS

Michael Kumukuuoha Lee said good morning Board, thank you Chair, nice to see you again. Two reasons why I'm here, very quick for bullet points. First is the Kakaako Development procurement and second is for update on oniula, what's has been going on out there. We haven't seen each other for some time now. Just to reintroduce myself, Michael Kumuhao Lee, for the record. I'm a known cultural descendent for the Howard Hughes Corp., block "K" for Kakaako, eight iwi kupunas recognized. Also a Native Hawaiian practitioner in limu medicine and I'm here for my first part of the Hawaii code to give you options because I want to succeed in your goals to build up our OHA Trust Fund for the development of the Kakaako property. What you may or may not know in the code that we have before you, gives you options and this option sets up a very strong road map so that you won't get into trouble with lawsuits or these stones and bricks that are being thrown your way. One of it is a review committee that is set-up by three people chosen by whomever the Chief Procurement Officer that you decide whether it's the CEO, COO or the CFO. It's up to you and your rules that are adopted. It sets up a review committee of three persons that are qualified for what you want for the Kakaako property these are experts to review the contracts that are coming out and what that sets-up is no cronyism because these three people report to the Board, they are experts in their field known that you are trying to procure from outside and it sets up the whole mechanism that you put out in the fiscal year of what you're requiring of those purveyors for engineering or architectural firms to give you the benefits of what they bring to the table, in writing, so that it can be clear that what they say is true and with this review committee does, it sets up a wall of separation so there is no doubt that there is any quid pro quo in the process, which, what that does is it eliminates what Linda Lingle did with the "Superferry." Seventy-seven percent of Hawaii wanted the Superferry, she bypassed the EIS, collapsed the Superferry, cost fifty million to the state of improvements with federal matching funds to beef up the harbors that we cannot even use because of procurement law. Now the infrastructure is deteriorating. Or the private concerns with Kawaiaha'o Church not following the EIS process taking a two million dollar renovation up to a twenty-seven million bankrupting fee that they're still in the process of going through the EIS, which I'm a recognized cultural descendant for the original fifty-nine, which now we have to go through. I don't want OHA to go through these clubs, sticks, stones and thorns. I want you guys to have all the options. Now what this purports is within this process, you are fully in control of what are the means and methods and what you want to see developed for the Kakaako property. And by public notice it gets out there for the purveyors to match what you want. Now, as you go through this structure, if those people for their bids cannot meet that, then you take it down to the next step. Okay, so what that does, it gives you a lot of options. Now, one of the one source procurement exemptions, does not apply here, one source procurement exemption goes to when you're looking for a purveyor and you have a source code that's proprietary and nobody in the world can provide it except one person, then that option is available to you, or if it's a court reporter that nobody else can provide or it's specialized training, then the exemption under this law applies, but what this opens up for you is, as you go through this process of vetting, if those people who say the can provide "x, y, z" services that you want to see done are not able to do it, you can create your own package, provided that you took the time under public notice to bring these parties together, lay out your dream and goals for the providers, and you go through this process. That inoculates you from any lawsuits, because, I have to put this on the table. Two years ago, the doctrine of the attorney general principle was passed by the legislature, what this did was allowed public-private citizens who are beneficiaries at OHA to so sue on behalf, acting as the Attorney General if they feel there was any impropriety in how you set-up the foundational package to move forward. What they can do is collect a finder's fee of how much money was wasted in the process and they get thirty-three and a third percent payoff by extracting it from the OHA beneficiary fund, which we saw with the lawsuit case against the State of Hawaii leasing school property to Faith Hope Chapel. The Atheists walked away with a lot of money because of the separation of church and state. So what I want to see is that you have maximum options for all of your goals for the success of the Kakaako property without the hindrance of lawsuits so you're not encumbered. So you can actually create your own package if you follow these principles.

Chair Akana said Michael, I have a question. Do you know the law that you quoted that passed?

Michael Kumukuuoha Lee said the Attorney General's Principle? I'm not sure of that particular, but it was passed two years ago. It's called the Attorney General's Principle which allows private citizens, like an OHA beneficiary of me can step to the plate. It's called "cause of standing" and the standing here would be as a beneficiary they're concerns are the funds being depleted because it wasn't based on sound procurement policy. If you go outside of the policy of procurement for the state. State allows you to make up your own criterion, so you're flexible, but it gives a skeleton structure of an outline that you cannot go left and right so if you choose to go the Linda Lingle routine, the lawsuits destroyed the Superferry, protracted out, destroyed that company. Now, for this particular project, you guys can actually, as Board members, create your own package under the procurement law that I've given you, based on if you follow the principle of getting this assigned committee together and you state the policies, you state what you want from these purveyors, whether they're engineers, contractors, or whatever. And as you check them off, if they don't give you what you want, you can create your own package, but if you went through the process, it's all about process. So if you do the process correct, you can have your dream come true in the end, but you got to go through the process. No lawsuits, no fuss, no muss, because you have a wall of separation that inoculates you from all these sticks and stones that are going to trip you up, okay. That's the first part; the second thing would be oniula if there's no more questions.

Chair Akana said well, there was a process alright, but the Trustees were not involved in that process to hire a consortium to develop these plans that you speak about. So I think therein lies a little problem that we're going to have to look at because these steps were not followed as far as I'm concerned and Trustees were not involved at all. Not at all. So, I wish you'd come forward a little earlier.

Michael Kumukuuoha Lee said just to let you know, well I came forth because of what was happening with the chain of emails and, you know, what came out in Ka Wai Ola. Just to let you know there are criminal penalties on the felony level that is jail time for not following this procurement law. They can be triggered by a beneficiary under cause of standing under imminent harm to deplete our Trust Fund which can be put on the table and recuperation of whatever activities would be gotten as a finder's fee which to me is an incentive that puts you at risk and that has to be put on the table going forward because, you know, what Linda Lingle did, she destroyed the Superferry that seventy-seven percent of us wanted for our business and food security. How many people's farms would be incredible today in our economy had the first primary steps were not built on shifting sands so what I'm saying is, this is not an option, this is mandated by state law and these are the questions you have to put to your Corp. Counsel and I just encapsulized out of the many, many statutes, the most primary that deal with the Kakaako property. That's for your options and leeway so you can pick and choose what you want to do, but if it's done this way you're going to inoculate yourself everything and no one can touch you because you followed procurement law. The second part of the, just to let you know what happened in the oniula, we dovetail OHA's terrific track record in oniula of twenty-five years of putting treasure of the OHA Trust Fund, securing our rights with Haseko, what we did was did a contested case, it was a eight year process and I was my own pro se attorney, got standing in the contested case, went to first circuit court in an appeal, was recognized with standing. They tried to whack me with their lawyer's fees. I proved that this was not a nuisance. They did not get any fees. Went up to the ICA as my own pro se attorney, with standing, and went right up to the Supreme Court, which they denied my certificate certainty rai rai, so what we're doing is looking at our other options in defending our iwi kupuna at the entrance of the Haseko Marina channel, but I wanted to pull you in because we hadn't seen each other for a long time to let you know what's going on but without OHA I could never do it, without your support and your steady hand in protecting us as the cultural practitioner we couldn't be here so I'm here to say thank you, mahalo again for all your good works.

Chair Akana said thank you Michael. Any questions? None? Thank you so much.

III. APPROVAL OF MINUTES

Moved by Trustee Waihe'e, second by Trustee Hulu Lindsey to approve the committee minutes of January 20, 2015. All members present said "aye." Motion passed.

IV. UNFINISHED BUSINESS

A. Discussion on OHA Grants.

Chair Akana said we're going to talk about the OHA grants today and we're not going to review grants, we're going to talk about the process in which grants are given. This is very important because so many times people come to us and they're very dissatisfied on why their grant was not granted and the process seems to be a big thing. So I've asked the grants division to come this morning to explain to us how the process is set-up and hopefully, Trustees, if you have recommendations, this is the time to hear them. Nancy, are you doing the presenting?

Nancy King said we'll be going through a summary of bits and pieces of what we presented back in April and again in September and then some of the information that we presented out in the community when we did our orientations from September to November and then a little bit of what was also included with our training of the reviewers.

Nancy King went over page one of the Community Grants Program Presentation.

Chair Akana said Nancy, can I stop you right here? You said this time that the solicitation was only done online.

Nancy King said correct.

Chair Akana said how do people know to go online and when?

Nancy King said so that was part of the announcement that went out on September seventeenth.

Chair Akana said where did it go out to?

Nancy King said so we put it out in the Ka Wai Ola. It was on our website and we also did an email to people who were on our list from prior years. So we tried to get the information out to as many parties as possible.

Nancy King continued going over page one of the Community Grants Program Presentation.

Kamana'opono Crabbe, Ka Pouhana/CEO said Nancy, can you just share with the Trustees how many beneficiaries that attended the Neighbor Islands meetings? How many applications you folks received?

Nancy King said okay. That's going to be the next slide. Thank you for setting me up. And then we'll quickly go over the timeline.

Nancy King went over pages two and three of the Community Grants Program Presentation.

Nancy King said orientations, as I said, were conducted statewide. Last year we did them just out of Honolulu. This year, because it was an online process, we really wanted to make sure we reached out to the community so we hit every island except Lanai, sorry.

Trustee Apoliona said I have a question. Why?

Nancy King said it, logistically, was a little bit more for us to get there and they have a smaller population of Hawaiians and what Anthony did, because he's very alo, we had a web-in opportunity and he invited beneficiaries to come to the OHA office on Lanai and participate from the web.

Trustee Apoliona said so there was a definite reach out.

Nancy King said yeah.

Trustee Apoliona said okay.

Nancy King went over page three of the Community Grants Program Presentation.

Trustee Robert Lindsey said you know, Nancy, I want to say thank you to you because people on the Big Island are very grateful for the workshops that you do every year and you know, they keep telling me that OHA has the best process and it's because of folks like you who conduct the workshops.

Nancy King said we're a team. Clarita, Jacee and Misti so. Because the solicitations are all focused on the different strategic priorities, we traveled as a team so that we presented a general orientation about the application itself. What they needed to do, what kind of information we're looking at. Then each of us presented on our specific solicitation focus and then Jacee followed up with a walkthrough of the online process.

Trustee Robert Lindsey said just one more comment. You know, and people are comparing our process to even folks like HCF. So in my mind, Jacee, thanks so much for doing amazing work.

Kamana'opono Crabbe, Ka Pouhana/CEO said and I would just comment, Trustees that when you look at OHA compared to other granting foundations, most of them are year to year and they're limited funding. And I think the move we made several years ago to do multi-year, like two year funding with higher amounts actually provides greater stability for the community-based organizations.

Trustee Robert Lindsey said and if I may, in terms of achieving that systemic change that we're looking for, I think our process clearly makes that possible.

Kamana'opono Crabbe, Ka Pouhana/CEO said correct. The national trend is, usually they go three to five years, but of course they have larger amounts, you know, five hundred thousand to a million, so OHA is much smaller in scale so we have to live within our means, but just the fact that, in comparison to HCF or other organizations providing multi-year funding in larger amounts, we're one of the few in the state.

Chair Akana said I may be of a different opinion. I know the federal grants don't go past three years and there's a reason for that. One is that you tie up money long term and for us that's a problem because when you tie up the money for even two years it means that small grants don't have a chance because you have to keep this in your budget and carry it for a couple of years. So I would suggest that we look at some kind of determination or explanation that would allow us to give a two year grant. In other words, look at the sustainability, how viable is this organization, can they sustain themselves after two years, etc. Under those conditions we give those two year grants, but for smaller grants, there are many people who come in for small grants and they can't get them because big grants go out first and they have grant writers who are really good at what they do and these people pay their grant writers to write those grants and so it leaves our people out. And so I really want to revise some of the criteria so it allows for more people to access our grants. Do more advertising, that our grants are available, and I really want to see community people have access to our people for grants. I'm of the opinion that we should put some money in to have people help our people write grants because a lot of them don't know how. And if you're going to go online, I mean I couldn't write a grant online. Just taking instructions from online. So I'd like the Trustees to write their opinions and their suggestions that we could hand over to grants division, but I'm

really not in favor of long-term grants because like I said, it's going to tie up our money for long term and we don't even know what our fiscal budgets going to be from year to year. So, any suggestions people?

Kamana'opono Crabbe, Ka Pouhana/CEO said I have a feedback. You're partially correct, Chair, that federal funding, depending on what the department you're getting the fund from, but most large funding, for say like the Department of Health and Human Services, Department of Education, if it's related to programmatic funding and structure or experimental studies, like ours is related to programmatic services, they do give three to five year grants. And the reason why they do that is because you want to provide greater impact into the community. There are others that are like year to year grants at the federal level, but they are very limited and they are smaller awards. What the strategy here has been, from 2010, is that the two-pronged strategy to achieve the strategic plan has always been advocacy, because it's public policy, and there is power and strength in introducing a law or amending legal statutes to provide change to community or societal impacts. The second strategy is the grants. The grants is to provide a systemic change or greater impact into the community. The trend I'm speaking to are philanthropic foundations. Now they move from multi-million dollar grants from three years to five years and the research shows is that, that organization has greater stability in a community and they have measured indicators and in our strategic plan we have specific results that we are looking for. So what I'm just trying to articulate is, OHA is a smaller organization compared to the government and other philanthropic foundations.

Chair Akana said yes, that's why I'm saying what I am.

Kamana'opono Crabbe, Ka Pouhana/CEO said so are goal is really to provide the kind of change that we want to achieve in the strategic results.

Chair Akana said yes, but, you see I think this board is going to take another look at that and priorities and we're going to start prioritizing. The Strategic Plan is so vague and has so much in it, we haven't been able to do meaningful, really, except to do research. So I think there is a real effort on the part of this Board to do priorities now and that would give the grants division a sense of the kinds of grants we want to see given based on the priorities that the Trustees now decide that they want to focus on. If I'm correct in looking at some of the grants that have been given already, awarded, that we're going to look at or has passed your review, none of them, in my thinking really goes to the heart of what our priorities need to be. They're all over the place and that's not where we should be focusing anymore. We should on getting the result that we want and I think that you're going to see that most of us would like to see a big change in housing, health, and education, and that's where our grants should be. Now I've reviewed federal grants for Health and Human Services, ANA grants and, quite frankly, in the Health and Human Services, I've never seen a five year grant. Never.

Kamana'opono Crabbe, Ka Pouhana/CEO said depending what area, Trustee.

Chair Akana said so, anyway, what I'm saying is we need to narrow our scope a bit because. We only have a limited amount of funds, so we really need to be looking at the kind of systemic changes that you speak about is really in Health and Human Services, but maybe we need to be looking in other places besides Health and Human Services.

Kamana'opono Crabbe, Ka Pouhana/CEO said I hear what you're saying because I think we have to have that discussion. It's very important because I actually think the Strategic Plan is very specific in terms of the results and what we did in terms of the work we did in 2010 and 11 of actually, I can say with confidence, within the State of Hawaii departments, OHA is the only one that is looking at measurable outcomes and that's because we're one of four state agencies that have put our Strategic Plan up and we're measuring progress. So for education, health and economic self-sufficiency, education we are achieving the result and I'll demonstrate that, I think it's two weeks when I share an update on our organization.

Chair Akana said no question OHA has been in the forefront of education.

Kamana'opono Crabbe, Ka Pouhana/CEO said well not only OHA, it's a combination of others. What I'm saying is the result that the Board voted on through our grants program, we are achieving those results in health, education. Economic self-sufficiency and medium family income we're on track. Home ownership we are on track but probably could do better. What I'm saying, regarding the grants, is that that's the strategy, has been, and we need to look at the data to see how we are progressing or are on track. Because for me, I want to demonstrate that what we have worked for, it's working, but we're still open to Trustee recommendations.

Chair Akana said what have we done in housing?

Kamana'opono Crabbe, Ka Pouhana/CEO said we provide the \$3 million to DHHL.

Chair Akana said no, that's not housing.

Kamana'opono Crabbe, Ka Pouhana/CEO said and we provide to Habitat for Humanity on Hawaii Island, Oahu, Kauai. I don't know if Maui?

Trustee Hulu Lindsey said not yet.

Chair Akana said so how many houses have we built on each island?

Kamana'opono Crabbe, Ka Pouhana/CEO said we would have to collect the data.

Chair Akana said I want to know how many houses have we built last year and the year before and the year before that.

Kamana'opono Crabbe, Ka Pouhana/CEO said we can get that data.

Chair Akana said it's important because, as we have discussed before, housing is important more than ever now. We have more Hawaiians who are on the streets. I mean on the way to work today, I saw so many Hawaiian people walking the streets, all pukalaki, dirty clothes, no place to live. We need to start focusing on some of these things that are very important to our people. And yes, statistics is wonderful. Research is wonderful but how does it reach our people? That's what we're not doing and that's what I want to see.

Trustee Ahuna said I have a question not to do with any of that, but another question because I just want to try and get more money to our beneficiaries. There's a lot of state agencies that, you know, like teachers, they don't have 501(c)3 so it's hard for like a Trustee to give money to a teacher. But they're helping students on trips and all that. Is there any way that we could establish, like you know how like sometimes the state they write out one page and then you can hand in money like a thousand dollars or under a thousand dollars and stuff like that. Do you think that would be a possibility? I just making that comment. You know, something easier for people without 501(c)3 status or anything like that. Beneficiaries. You know anything like that? Like I know the DOE that have this thing, because I used to be a teacher, we used to write this half-page just to get monies for school supplies.

Nancy King said currently that wouldn't be possible given the way we do grants right now. It's something that if it is a concern, we could look at options and opportunities for the next budgeting cycle.

Trustee Ahuna said I'm not trying to say change everything. I look out of the box because we have educational places where we don't have grants going to those types of schools, like to be a pilot. There's a lot of flight schools, but where do they go to get scholarships and stuff like that?

Nancy King said we can provide you with some more information.

Trustee Ahuna said a lot of the grants people might say, "Oh, Honolulu got more than Kauai. How come they already getting the grants and stuff like that?" I totally understand. Maybe we cannot write as good grants or hire the best people, but just looking for other ways for our people to get monies through grants process is what I'm going for. So if we can, I just like bring an awareness to that. That's all. Thanks you guys.

Trustee Robert Lindsey said I wanted to go back to what Chair Akana mentioned earlier about people needing help with grant writing. You know, I know Hi'ilei provides that service. I'm not sure how extensive or intensive it is but for us on the Neighbor Islands, that's a critical need. Some of our communities are fortunate because we do have resource people within a community who can provide that service, but for many other communities, that sort of service is not available. So I guess my question is, in terms of a priority for Administration on a scale of five to ten, where do you see that as a need or as a priority.

Kamana'opono Crabbe, Ka Pouhana/CEO said as grant writing services, Trustee?

Trustee Robert Lindsey said yes.

Kamana'opono Crabbe, Ka Pouhana/CEO said we have referred people from our grants program for people who don't make it through to Hi'ilei. I would say that they are overwhelmed because they have a long case load. So say for example Bo Kahui. What we're trying to do with Hi'ilei is get them to start funding organizations that have larger projects, like Bo is looking for CIP money. So where they have the capacity actually to procure a grant writer to help the organization. The key to that is whether or not the organization is set-up. They have the capacity, they have staffing, and they have a very set goal. And if they do, we are encouraging them now to look at more private funding as well as federal funding. So that is a priority, but what I think it is getting to, what Chair Akana has been talking about, is how do we help the smaller, nonprofit organizations in actually grant writing. That's something that would be a priority, but we would have to come to you, I would probably want to reconvene with the grants staff and they come back with you with a recommendation. Because if we are helping a beneficiary to how to write a grant, and they apply for our grant, we kind of, so we probably would want other people in the community that do grant service workshops, but we would have to discuss how we would do that as well as incorporate that into our budget. So I'd probably say on a scale of one to ten, it's about a seven.

Nancy King said we actually discourage organizations from going to professional grant writers. Professional grant writers come off sounding extremely slick and lose the passion that community groups have for the work they do. So what we did by going to the online system was try to make all the different components of the overall project proposal, broken down into individual questions. So that it was almost like doing a high school essay where we ask a questions and you and your answer that part, we ask a questions, you answer. So that, if groups were very clear about what their project is, it was easy enough for them to answer those sections and we have had some groups that are extremely grass roots, just operate out of their community with volunteers who have written some extremely good proposals because they followed the instructions we laid out and they really had a clear plan so they were able to answer the questions well enough.

Chair Akana said okay, since this is the budget committee, and you guys are going to come before us with your budget, here's what I'm requesting of you. I'd like to see in your budget for the next two years or whenever you come for monies a portion of your budget be committed to hiring outside grant writers to help the people who cannot write their own grants. Then they can apply for OHA grants. But some of your monies in your division should be set aside for grant writing, whether it's in-house or outside. Like you said, if it's in-house there might be a conflict, but what's to stop us from allocating a certain amount of money so that we can hire these people, not out at Hi'ilei, because they're overloaded like you said. We should set aside some money to help these people write grants. And there are contractors that can do that. So that's the kind of thing I want to see come out of

your budget. Also, the other thing is, you know, you have all these different islands and they say that the monies perhaps is not equally given to Neighbor Islands. So what about being creative? Let's say we give \$10 million for scholarships, why can't we allocate so much for each island on grants? Why couldn't we do that? It's so simple. Instead of the first come, first serve kind of thing.

Nancy King said we could look at that as when we go back to revise the grants process in the next biennium cycle.

Chair Akana said well that's what I'm talking about. We need to revise some of these things because obviously the way it is now, not everybody is able to access it on equal footing so I'm looking for ways and suggestions from you, since you work in grants on how to make that process easier, how do we spread our money out farther, and if we need to appropriate more money for contractors, then let's hear some suggestions.

Nancy King said currently, as far as spreading the money across the islands, when we do get to the point of making recommendations, we look at all of the top scoring proposals and we try to make sure that we get a fair award across the islands so that we don't just go Oahu centric. If the top six projects are Oahu, and seven, eight, and nine cover three different islands, we will pass up Oahu projects to make recommendations so that we try and get money in each of the solicitations going to as many islands as possible.

Trustee Ahuna said this is just a comment. I'm not telling you to do anything like this or anything. So, I like to notion of trying to help more people and you know in the application when we redid the application. There's some components that the reason why we hire out is because a lot of the people don't how to write all those places in the application. Is there a way where we can become like a, like the application in itself, people, they go to these grass root places and then we ask them questions and we listen and we can judge them just to try and help them be competitive in the grants process and the reason why I say this, and I'm going to keep saying this again is because we're asking our people to become writers, and again I'm going back to the educational system, we have learning disabilities and ADHD, dyslexia and all that and the Polynesian Hall of Fame was very important to me because what I want to make people realize is that these disabilities is not really learning disabilities. These are genetically brought down from who we are and they're commonly found within the Polynesia. So we asking people to write something when we grew up, we never have writing. We had scribes go, "carve me one petroglyph, ki'i or something." But now we stay in one process, we telling our people you got to do this. Of course they're going to hire out and everything, but just try to be more creative in how we can help these people and for me, I'm going to speak about Waimea, and the reason why, I like what the principal did in Waimea, you know because it's 21st Century Learning is about STEM and what the principal in Waimea did, he is incorporating STREAM, the resources and the arts that is helping our people meet those discrepancies that need to push them on, you know what I mean? So I just looking for more ways for people who no more 501(c)3's can apply for grants in our communities that might be working for a state agency or something. I'm looking for more ways of our people getting more money and they becoming the people, not hiring out, but they become the people that is been accountable, but if we can actually get people to come out and meet them and talk to them and become like a face-to-face grant thing. I don't know. I was just thinking of kind of more things out of the box where we become the application process and we just talk to them about it. However you want. Just thinking of ideas.

Kamana'opono Crabbe, Ka Pouhana/CEO said we'll review that.

Trustee Ahuna said yeah, you know what I'm saying. Just ideas. Our people, they struggle unless we can provide them that kind of opportunities to become themselves. And you're right. It sounds very good. Words are very good, that these grant writers are using.

Trustee Hulu Lindsey said Nancy, I was just wondering if there was some way that, and I'm speaking as an island Trustee, that we can have some kind of input as to how, or maybe a review by you folks with us before the grants are given out? And I say this because we've had some bummers on Maui and I feel like we wasted money. I would have liked to see it being put in where it was more useful. Not something I want to discuss online but I'd like to discuss it with you. You know, you give it to a really big organization and then they put it into the community, they don't put it in the right place in the community and, you know, everything goes down. Then they're hustling to find another group to give the money to and I'm thinking, you know, is this grant money or was it really needed over there or did they just want to take it from us and use part of it for maybe operations? You know I can't put my finger on it because this was in the area of health and obesity and they were actually paying our people to walk and run on the road to justify the payment of the grant. They were paying people to walk and run on the road and that's so unacceptable. That's not the purpose of our grant. So it's just things like that. Also, you know maybe because we live on the island, we know the agencies or the organizations a little better personally. In Maui I have an advisory committee from every part of the service community, health, education, welfare and you know, I could probably tell you, oh, you know that organization did this, this, this, oh this organization that, that, that. We have personal knowledge of those agencies and I just think it might help you to make the right selections, you know?

Kamana'opono Crabbe, Ka Pouhana/CEO said I would, as the Pouhana, would caution that, you know. Trustee influence on the granting process is very sensitive, because we want to provide a very fair, objective process. I think that what we could learn from each other, like the grants staff being more aware of the different nonprofits on each island. But that area of actually having input, I think, raises some concern about awarding, so that would be a very sensitive area where we would have concerns.

Trustee Hulu Lindsey said but that's not what I suggested. I suggested that we educate our staff about the different agencies.

Kamana'opono Crabbe, Ka Pouhana/CEO said right.

Trustee Hulu Lindsey said I didn't say we would have an input about awarding.

Chair Akana said how many staff do we have in grants?

Nancy King said just the four of us as grants specialists.

Chair Akana said four? And one supervisor?

Nancy King said Dr. Yabusaki is our manager and we have an administrative assistant.

Chair Akana said so just the four of you review the grants? How does it work? Explain the process.

Nancy King said some of this information is in the PowerPoints. So should I continue with it?

Chair Akana said okay.

Nancy King went over page four of the Community Grants Program Presentation.

Chair Akana said what about in-kind?

Nancy King said in-kind is separate and above that.

Nancy King continued going over page four of the Community Grants Program Presentation.

Chair Akana said excuse me. Why are we giving grants to government agencies?

Nancy King said this is one of the allowances within statutes.

Chair Akana said what part?

Nancy King said HRS §10-17. That gives OHA its granting authority and so this has always been part of our grants program.

Chair Akana said so you're saying in the statute, it says that we can give government agencies our grants? Is that what you're saying?

Nancy King said I'd have to double check, but I believe that's where we got this. This is part of the policy that the Board approved.

Chair Akana said yeah, I know. I'm just questioning why we would give government agencies our money.

Nancy King said we don't have to but that would have to be determined by the Board as policy.

Trustee Waihe'e said you're just saying it's legal.

Nancy King said as a state agency we're allowed to fund state agencies.

Trustee Robert Lindsey said as we did with Department of Hawaiian Homelands.

Kamana'opono Crabbe, Ka Pouhana/CEO said right.

Nancy King said Department of Education Schools, Department of Health.

Trustee Hulu Lindsey said Nä Pua No'eau?

Nancy King said yes.

Kamana'opono Crabbe, Ka Pouhana/CEO said Hawaii Youth Services.

Nancy King said the University system.

Nancy King and then the other thing that deemed applicants ineligible was if they had an incomplete proposal. So if they uploaded an incorrect form, therefore the form was considered missing. Actually, if they uploaded blank forms we did allow that this year because it was a first time online.

Chair Akana said what about if they forgot to check a box?

Nancy King said it's not possible not to check a box because every question was a required question except if you did not received prior OHA funding, you didn't have to answer the next question that said "when." But otherwise, you could not submit the application without addressing every question and uploading something at every required form.

Trustee Ahuna said so this supports all of our beneficiaries? This criteria?

Nancy King said this allows us to give grants and still be compliant with statute which governs our granting ability.

Trustee Ahuna said okay, so it's compliance.

Nancy King went over page five of the Community Grants Program Presentation.

Chair Akana said do we have a actual application?

Nancy King said yes, you were provided with a copy of the land application as a hand out.

Nancy King went over page six, seven, and eight of the Community Grants Program Presentation.

Chair Akana said that's on their match?

Nancy King said for their match funding, if they identified that it is confirmed in their proposal, they're to upload a copy of an award letter or an agreement to prove that. If they've listed it as pending, before we make recommendations to the Board we will follow-up with all potential applicants and then confirm that they do have the funding at that time.

Chair Akana said do you ask for their total budget? Like some people will write to many organizations for grant money, use the same criteria, but you may not know that they're getting funds from someplace else, maybe even as much as they're applying for from you. How do you verify?

Nancy King said for the application, they are to cost out their entire project budget. Identify which costs they are needing from the Office of Hawaiian Affairs. Identify which are being funded by cash-match or in-kind and then for that total amount for their match, on their cash-match funding form, they would identify what their other sources of funding are.

Chair Akana said okay.

Nancy King went over page nine of the Community Grants Program Presentation.

Chair Akana said on the review evaluation committee, who makes up that committee?

Nancy King said they're OHA staff and we make sure that people have experience or expertise in that specific strategic focus area and we try to get a sampling of staff representing research and advocacy, community outreach, some of the different divisions.

Chair Akana said all from our staff?

Nancy King said yes.

Nancy King continued going over page nine of the Community Grants Program Presentation.

Trustee Robert Lindsey said so Nancy, in getting back to Trustee Lindsey's concern earlier. That would be the phase where if it's Trustees, we have issues or concerns, it's at that point in Phase III when grants are brought in to be approved where we would have an opportunity to offer up input.

Nancy King said currently, that would be the time. Yes. It's when we bring it forward to the Board table.

Trustee Hulu Lindsey said usually when that happens, the people that we're going to award is sitting behind us and it's a very uncomfortable situation for us to say I don't think they should get the award because of this, this, this. And this is why I said it would be nice to discuss with the staff prior to this coming before the official Board.

Kamana'opono Crabbe, Ka Pouhana/CEO said right, so actually we did have a discussion amongst the Executive Leadership that that discussion with the Board should be separate, before the final approval.

Trustee Hulu Lindsey said and individually, probably, according to islands, because I wouldn't know anything about Trustee Lindsey's island or Trustee Ahuna's island, but I do know my island, you know? I mean people calling my office all the time and, you know, little things are dropped and it's stuff that you folks should know so that you can base your decision on what we know about different agencies.

Kamana'opono Crabbe, Ka Pouhana/CEO said right, so we'll work that into the process.

Trustee Hulu Lindsey said that part of the process needs to be added, I think.

Trustee Robert Lindsey said you know, I liked what you just shared, Ka Pouhana. I think it helps us as Trustees to not cross that line from policy into operations.

Kamana'opono Crabbe, Ka Pouhana/CEO said right. So I think those two steps is individual presentations to be meeting with each Trustee on where the grants are and then a full Board presentation.

Trustee Hulu Lindsey said I think so too.

Chair Akana said Nancy, I would like to know from your division, what are some of the things that you could share that could make the grant process maybe more "easy" for people to access or things that you think could be improved upon throughout this process? Because this is very cumbersome. I mean it's really cumbersome.

Nancy King said let me go into the online.

Chair Akana said okay.

Nancy King said when it was decided to go with an online process, we knew that that would be new and possibly scary for our community groups. I'm a "technotard." I was so like, I don't want to do it. I actually could maneuver this system with minimal assistance from Jacee so I've stepped up my game and I'm proud of myself, but this new online system will allow us to collect the applications. All reviews were done online, so for the reviewers, it made it easier for them to be able to review a proposal and score it right there all on screen. Eventually this system also has the capability of allowing the grantees to submit their reports online so they don't have to me mailing volumes of pages to us and it will give us more ability to do internal reporting for any ad hoc requests that come in from Trustees, Research, whomever. When we decided to go with the online system, we tested it with our Aha Hui event grants, which is a much simpler application. We tested it on both round one and round two. After round one, we actually got really good feedback from applicants saying that they liked being able to do it online. It was easier and more convenient for them. Some of the concerns they had were they wanted more space for responses so we increased that for this Community Grants solicitation. And then they were having trouble with the functionality of the required forms, so we made forms available, linked to the application as a PDF and then also on the website, both PDF and Excel versions, so that grantees had many different options depending on the software system they were able to use.

Nancy King went over page twelve of the Community Grants Program Presentation.

Nancy King said and then the last thing as far as the online grants management system, to all those people who said it wasn't fair that we deemed them ineligible and they only forgot one form or made one small mistake, the last thing before the "Save and Submit" button is "Please review this application in its entirety. This will allow you to view a PDF version. It's required that you review for accuracy and completeness before submitting." So we made sure and we reiterated this throughout the orientation and the application process that minimum qualifications were completeness, the compliance, and their match funding and if they didn't hit one of those they were out the door. So we tried to tell people as much as possible. The onus is on you. Please be responsible. Please double check. Don't make errors after you have taken all that time and hard work to do your proposal.

Chair Akana said questions Trustees?

Trustee Robert Lindsey said I just wanted to follow-up to what Nancy just shared. And that's a standard practice for other funders as well, you know, so.

Nancy King said and it's heart-breaking for us. You know these people came to workshops. You see their applications. You know they worked hard and for one technicality, they're out, but it's maintaining the integrity of our publicized grants process and making it a fair and equitable process for all applicants.

Trustee Hulu Lindsey said but this is why they should come in three days earlier. So if something is wrong they have the time to correct it.

Nancy King said they could submit early, but we won't read any applications until the deadline. So we really encourage them, if you're the one that's done the application, have someone else print it out so that whatever prints out as the application packet is the way we're going to view it.

Trustee Ahuna said so, there's steps in your application maybe they could submit the steps and we can give feedback so they can continue to all the way to the end when we award, you know, just to help out our people who can't really write a, the problems I heard that they were having is that they had a deadline so they were all trying to get in their things, you know, you forget things and stuff like that so it was kind of tough for some people who were doing the grants. I know it could have been easy, I don't really know, but they might have been kind of just trying to submit them and get them in and then they forget things and stuff like that, which I feel bad. I just want to help more people, I want to reach more people, I want to reach all the people, not just some.

Chair Akana said what's the timeline? From the time that the grants notice goes out, what is the turnaround to the end date?

Nancy King said the announcement was made September 17th. We conducted workshops from September through November 7th, so they had a little over a month to avail themselves of our assistance and then the application deadline was December 17th so they could shoot us questions up until then. Either questions about the focus of the solicitation and for the most part we directed them back to the solicitation because we didn't want to give someone an unfair advantage by providing more information that was publically available. They could also follow-up with Jacee up until four o'clock on deadline day if they were having trouble uploading a form and then we'll now conduct the review process for the funding that becomes available July 1st.

Trustee Robert Lindsey said so from when the announcement is made to when the application is...

Nancy King said three months.

Chair Akana said and then the award happens when?

Nancy King said if we're able to get a meeting agendized in April, that will be the award time and then we'll negotiate and contract and then check out the door hopefully by July one or July sixth.

Chair Akana said and what is the evaluation process? You folks evaluate these grants afterwards. Do you check on the grantees?

Nancy King said yes. They are required to submit quarterly reporting to us. Both a narrative report and the report on the required performance measures from the application and also their expenditure report. So we're getting quarterly reports based on their performance that generates the next incremental payment and then we conduct and onsite visit once each year of the two year grant.

Trustee Robert Lindsey said I just want to say that it's a cumbersome process but we're dealing with our people's money so it has to be so.

Trustee Hulu Lindsey said I think I brought this up in the last meeting, since this is the ARM Committee. If we're going to take out less money from our fiscal reserves, how are we going to deal with the monies that we've been giving out of the fiscal reserves for what seems to be grants like the charter schools and Na Pua No'eau. How are we going to deal with them this upcoming year?

Kamana'opono Crabbe, Ka Pouhana/CEO said I think that's a discussion between the ARM Committee and the Administration. What I've alluded to in the last meeting, I believe, is that, and I'll address it in two weeks when I discuss about the organizational priorities. If it's the Board's wish that we either cap the fiscal reserve or there's a specific criteria for emergency funding only or we don't use the fiscal reserve, we're going to have to absorb it, like so the one point five chartered schools will have to be part of our operating budget. If we add more, then that means there will be less for grants.

Chair Akana said Trustee Lindsey, I've been asking to see the budget now for three weeks. I haven't seen it yet and the longer it takes, the longer it's going to take to get it pass because we need to see the budget so that we can see what's in the budget and how much is in the budget so we know how much we need to increase if we have to, but I'm not inclined to realign the budgets once it's done. We're going to have to live with it, unless it's some unforeseen emergency for using Trust Funds or the reserves. So the sooner we can see the budget, I think we can answer those questions. So far we haven't seen the budget. And I will have the budget analyst helping us go through the budget so that Trustees have questions, we can ask it at that time, so Mr. Administrator when do you suppose this committee can see that budget?

Kamana'opono Crabbe, Ka Pouhana/CEO said I think the budget analyst, the financial analyst wanted go through that process of organizational priorities so that there's some kind of understanding and alignment between Board and Administration, that we're heading in the right direction. So that's the presentation I'll be giving I think in two weeks.

Chair Akana said okay. Do we have a date?

Trustee Ahuna said two weeks.

Chair Akana said that's the end of the month. So what day is that?

Kamana'opono Crabbe, Ka Pouhana/CEO said I believe not next week Tuesday, but the Tuesday after.

Chair Akana said is it the 24th, then?

Kamana'opono Crabbe, Ka Pouhana/CEO said I believe so.

Trustee Ahuna said okay. Thank you, 24th sounds good.

Chair Akana said okay, so that's when we're going to go with a uku comb.

Kamana'opono Crabbe, Ka Pouhana/CEO said that's not the biennium budget. That's more about where...

Chair Akana said everything is?

Trustee Ahuna said yeah it's the structure.

Chair Akana said we really need to look at that. I don't want things in lump sums. We want to know what's in those lump sums.

Kamana'opono Crabbe, Ka Pouhana/CEO said but that's what I'm saying Trustee, I won't be presenting on the biennium budget. What I'll be presenting on is the organizational priorities and the different strategies that we are moving forward to accomplish the goals. The goals, our strategic plan, Kaka'ako Makai, Nation Building, Financial Accountability and stability. How are we going to do that and then, you know, if there's policy changes that need to be made, do we have recommendations into that, say like the five percent spending policy regarding investments and so forth. Then after that, if we have some kind of understanding and consensus on agreement, I think if we can reach that point it'll be helpful for us to submit the Biennium Budget. So we're clear on what the Board's expectations are because your questions are very relevant, Trustee Hulu Lindsey. In other words, according to the financial analyst, Rodney, there needs to be some decisions made about our fiscal sustainability.

Chair Akana said right.

Kamana'opono Crabbe, Ka Pouhana/CEO said and are we achieving are intergenerational equity? And what's the plan moving forward and what are the specific decisions we are making agreeable, at the Board level, and then how that's implemented at the Administration, operations, level.

Trustee Hulu Lindsey said I think while you're working on such a budget, my question as the Land Chair actually is, what if we have initiatives like having to purchase or be part of a purchase of preservation land and time is of the essence because the owner might die within six months. I mean how do we as a Board handle something like that where the, let's say the monies are not in the budget? How would we handle that, you know, I'm curious, so that, while making the decision we can consider it.

Kamana'opono Crabbe, Ka Pouhana/CEO said right. So I think that's helpful is because how Administration has been planning since 2010 is we have work plans, and so if there are certain areas that the Board is looking at priorities we should have a discussion and then how we do that in the budget because if Chair Akana is saying she doesn't want to realign the budget, then we're pretty fixed. Then pretty much we would not have flexibility to go look for funds. So, an example is, we will be providing quarterly budget variances of Admin operations. So the variances are very important because we know which programs are on track in spending their money and those who are not. Usually if there is excess money, in the past it goes to fiscal reserve, but if it's a fixed budget we can't move money. And if we realign, and actually under my administration, we've only realigned once per year. And the reason for that realignment is because excess money has not been spent and has been going to accommodate, you know, these golden parachutes, yeah, initiatives. And we've used it to help supplement the Na Pua No'eau, the Charter Schools and others, but what we're saying now is, if we're not going to use fiscal reserve, then we have to plan for that and if we take on big expenses like this, it's going to be at a cost of, right now we would anticipate either, the biggest one would be looking at how that would impact our grants. Two would be looking at less programmatic funding for our research, public policy, community engagement, so we would really have to look at how we tighten up on our budgets for all of those programs and that would also include contracts as well. We would have to look at how we reduce, so that we live more within our budget so we can achieve our long term goal of financial sustainability. And the five percent spending policy.

Chair Akana said hopefully four and a half.

Kamana'opono Crabbe, Ka Pouhana/CEO said well I think we need to look at what that impact would look like. We are very open to looking at reduction of that policy. The five percent.

Trustee Robert Lindsey said so you know the conversation on the 24th of this month is a critical conversation.

Kamana'opono Crabbe, Ka Pouhana/CEO said right.

Trustee Robert Lindsey said because hopefully out of that we'll get a baseline that we can look at and everything will be built around in terms of the budget going forward.

Kamana'opono Crabbe, Ka Pouhana/CEO said right.

Chair Akana said okay. Anymore questions, Trustees? Are you done Nancy?

Kamana'opono Crabbe, Ka Pouhana/CEO said can all of the women stand, because it's a big team. They're really great.

Nancy King said it truly is a team.

Kamana'opono Crabbe, Ka Pouhana/CEO said we've had a number of compliments from beneficiaries who've been going out to the neighbor islands and doing the workshops.

Chair Akana said oh good. Thank you. Anymore questions, Trustees? If not, I think we're done.

V. ANNOUNCEMENTS

There were no announcements.

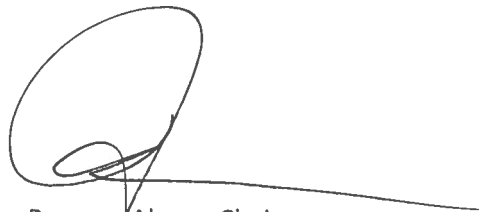
VII. ADJOURNMENT

Moved by Trustee Hulu Lindsey, second by Trustee Waihe'e to adjourn the meeting. Hearing no objections, the meeting adjourned at 11:24 a.m.

Respectfully submitted,



Nathan Takeuchi, Aide
Committee on Asset and
Resource Management



Rowena Akana, Chair
Committee on Asset and
Resource Management

Approved: ARM meeting on April 29, 2015.