

NEIL ABERCROMBIE
GOVERNOR
STATE OF HAWAII



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Testimony of Alapaki Nahale-a, Chairman
Hawaiian Homes Commission

Before the Joint House Committee on Finance
and Senate Committee on Ways and Means
on the
Fiscal Year 2013 Supplemental Budget Request
of the Department of Hawaiian Home Lands

January 6, 2012

Chairs Oshiro and Ige and Members of the House Committee on Finance and Senate Committee on Ways and Means:

Thank you for this opportunity to provide information on the Department of Hawaiian Home Lands (DHHL) Supplemental Budget request for Fiscal Year 2013.

The mission of the department is to manage the Hawaiian Home Lands Trust effectively and to develop and deliver land to native Hawaiians. We will partner with others toward developing self-sufficient and healthy communities. The trust, created by Congress through the Hawaiian Homes Commission Act of 1920 (Act), sets aside public lands to be used for the benefit of native Hawaiians (persons of at least 50% Hawaiian blood).

As required by the Admissions Act and as a compact with the United States, the State of Hawaii and the people of Hawaii adopted the Act as a provision of the State Constitution and agreed to faithfully carry out the spirit of the Act for the rehabilitation of the Hawaiian race. These trust responsibilities still remain today.

The department administers one (1) program, HHL 602, Planning and Development for Hawaiian Homesteads. The objectives of the program is to develop and manage the designated Hawaiian home lands to create more homesteads for native Hawaiians (as defined by the Hawaiian Homes Commission Act, 1920, as amended) and generate the revenues needed to administer the program. No general fund support is provided by the

State for the department's operations. DHHL is supported by its special and trust funds pursuant to the Act. Although attrition has reduced DHHL's human resource capacity, it does not diminish our commitment to serving our beneficiaries. DHHL reorganized staffing for various activities to minimize potential productivity loss.

DHHL views the current economic and fiscal conditions as a window of opportunity. DHHL is committed in its pursuit of energy sustainability for all of its new homestead developments and adopted a formal energy policy that will assist the State of Hawaii in achieving its energy initiatives. In addition, DHHL actively pursued and will be receiving increased federal funding support for its NAHASDA (Native American Housing Assistance and Self Determination Act) program which will address beneficiaries 80% of median income and below.

Partnerships with Hawaiian agencies, other governmental entities and the business community and the promotion of community and economic development on Hawaiian home lands provides educational, social, economic, and employment opportunities that assist in bettering the condition of DHHL's beneficiaries. The department has successfully partnered with self-help housing and modified self-help housing organizations to meet the housing needs of low to moderate income housing for native Hawaiian families.

Expanding DHHL's capacity to generate revenues through general leasing and other land dispositions provides a stable and reliable source of funding to sustain the activities necessary to place qualified native Hawaiians on Hawaiian home lands.

The department is responsible for the management of 203,500 acres of land held in trust for the purposes set forth in the Hawaiian Homes Commission Act of 1920. Maintenance, which includes clearing flood channels, fire protection of non-homestead areas, roads and facilities maintenance, has increased in costs. This has led the department to support and foster community partnerships as well as leveraging department resources by pursuing joint ventures with other organizations serving native Hawaiians.

While there are tremendous challenges in front of us, the department is positioned to play an integral part in bridging our State's economic downturn through significant CIP projects. We look forward to coordinating our efforts with the Legislature.

Supplemental Budget Request

Operating Budget Request for Fiscal Year 2013

DHHL is requesting a personnel costs reduction in the amount of \$471,936 from its special and trust funds as a labor savings adjustment. The funds affected by this measure are the Hawaiian Home Administration Account, a DHHL special fund, and the Hawaiian Home Operating Fund, a DHHL trust fund.

Capital Improvement Request for Fiscal Year 2013

DHHL is submitting a supplemental Capital Improvement Program (CIP) budget request to support the construction of two water projects on Hawaiian home lands. A description of these projects is included in our testimony and will be discussed in more detail later in the testimony

Summary

We are most appreciative of the support given by the Legislature to the Hawaiian homes program throughout the years. We again thank the Committees for the opportunity to brief you on our biennium budget request. We have prepared and submitted our tables in accordance with the format and briefing instructions provided by the Senate Ways and Means Committee. We would be pleased to respond to any questions the Committees may have.