

State of Hawaii  
Department of Hawaiian Home Lands

January 23, 2012

To: Chairman and Members, Hawaiian Homes Commission  
From: Darrell Yagodich, Planning Program Manager  
Subject: Native Hawaiian Development Program Plan FY 2012-14

Recommended Motion/Action

That the Commission:

- a. Approve the Native Hawaiian Development Program Plan (NHDPP) for the period from January 1, 2012 to June 30, 2014, included as Exhibit "A" herein; and
- b. Amend the department's Operating Budget for the period from January 1, 2012 to June 30, 2012, to reflect the new approved NHDPP budget

Discussion

**LEGAL AUTHORITY**

Pursuant to Title 10 Administrative Rules, Chapter 6.1, the Department of Hawaiian Home Lands (DHHL) prepares a Native Hawaiian Development Program Plan (NHDPP) every two years for Commission review and approval. The proposed FY 2012-14 is the seventh biennium NHDPP.

The goal of the NHDPP is to "increase the self-sufficiency and self-determination of native Hawaiian individuals and native Hawaiian communities." This is accomplished through the NHDPP by "improve(ing) the general welfare and conditions of native Hawaiians through educational, economic, political, social, cultural, and other programs."

Significantly, the NHDPP is broad and flexible, not limited to status as a homestead lessee or age, and is reflected in the Hawaii State Constitution (Article XII, Section 1 "rehabilitation projects" and Native Hawaiian Rehabilitation

Fund (NHRF). HHCA purpose clause (Section 10), and HHCA NHRF (Section 213(b)(i)).

**ACHIEVE BALANCED BUDGET FOR NHDPP**

One of the considerations for the NHDPP FY 2012-14 is to adjust its scope to achieve a balanced budget. The NHRF revenues are derived from 30% of State receipts from "the leasing of cultivated sugarcane lands", from "water receipts", and from lands formerly cultivated as sugarcane "whenever such lands are sold, developed, leased, utilized, transferred, set-aside, or otherwise disposed of for purposes other than the cultivation of sugarcane."

Revenues to NHRF have steadily declined with the withdrawal of public lands from sugarcane use and these former sugarcane lands do not yet produce significant revenues from new uses. Current NHRF revenues are estimated at \$150,000 annually.

On June 21, 2011, the Commission adopted Resolution No.257 adopting a "budget policy to set aside a sum up to 15% of the annual revenue from general leases for the purpose of supplementing the Native Hawaiian Development Program." Fifteen percent of annual general lease revenues of \$8.1 million in FY 2010 produces \$1,215,000 for the NHDPP.

Achieving a balanced budget for the NHDPP would not exceed:

\$ 150,000	30% of public sugarcane revenues
<u>1,215,000</u>	15% of DHHL general lease revenues
\$1,365,000	Maximum balanced NHDPP budget

**NHDPP FY 2012-14  
PROPOSED ANNUAL BUDGET**

<b>IMPLEMENTATION ACTION</b>	<b>NHRF &amp; RESO 257</b>	<b>OTHER</b>
1.1 Education		\$202,500
1.2 Homestead Opportunities Assistance Program	\$ 500,000	
2.1 Hawaiian Home Lands Trust Grants	\$ 500,000	
2.2 Training and Technical Assistance		*\$175,000
	\$1,000,000	\$377,500

\* Subject to negotiations with outside funding sources

**INCLUDE NHRF-FUNDED PROGRAMS ONLY IN NHDPP**

Another consideration in the NHDPP FY 2012-14 is to limit the programs included in the NHDPP to NHRF-funded programs only in order to better monitor and account for NHRF programs and expenditures. Other Programs not funded by NHRF are transferred to the DHHL Strategic Plan or eliminated.

**COMPARISON OF NHDPP PROGRAMS  
FY 2009-11 VS. FY 2012-14**

<b>NHDPP FY 2009-11</b>	<b>NHDPP 2012-14</b>
GOAL 1 Individual Development 1.1 Education	GOAL 1 Individual Development (Funded for Year 1 only) 1.1 Education
GOAL 1 Individual Development 1.2 Agriculture 1.3 Homeownership	GOAL 1 Individual Development (Funded for Years 1 & 2) 1.2 Rebranded as Homestead Opportunities Assistance Program (HOAP)
GOAL 2 Kulia I Ka Nuu 2.1 Homestead Capacity Building 2.2 Grants (Outreach, Implementation Projects, Regional Plan Priority Projects, Economic Development) 2.3 Training and Technical Assistance 2.4 Land Parcels for Community Use and Revenue Generation 2.5 Certification Program 2.6 Staff Training	GOAL 2 Community Development 2.1 Hawaiian Home Lands Trust Grant (Consolidates All Grants) 2.2 Training and Technical Assistance
GOAL 3 Beneficiary Consultation 3.1 Statewide Consultation 3.2 Homestead Leadership Mtg 3.3 Beneficiary Groups	Transferred to DHHL Strategic Plan, not in NHDPP
GOAL 4 Planning System 4.1 Regional Plans 4.2 Island Plans	Transferred to DHHL Strategic Plan, not in NHDPP
GOAL 5 - Governance 5.1 Legal Defense 5.2 Transfer of Selected Functions 5.3 Examine Act 302 Provisions 5.4 Support Federal Recognition 5.5 Understanding Federal Native Policy	Transferred to DHHL Strategic Plan, not in NHDPP

## **COMMUNITY CONSULTATION**

### **CONSULTATION REQUIRED**

Per Commission policy adopted on January 27, 2009, statewide consultation is required for a statewide program plan proposal such as the NHDPP.

### **NOTIFICATION**

Notices of the NHDPP and upcoming consultation meetings were mailed to 21,000 homestead lessees and applicants statewide and posted on the DHHL website. See Exhibit "B".

### **CONSULTATION MEETING ATTENDANCE**

A total of eight consultation meetings were held statewide between July 20, 2011 and August 3, 2011. The meetings were attended by 508 people.

### **OPEN HOUSE FORMAT**

An open house format was used in the consultation process. It featured opportunities for people to go to topics of interest to them (See Exhibit C), meet with staff to discuss the topics and provide comments. This was followed by a more formal meeting to discuss major concerns.

**SUMMARY OF KEY COMMENTS**

EDUCATION – SCHOLARSHIPS		
CATEGORY	COMMENT	RESPONSE / RECOMMENDATION
EXPAND ELIGIBILITY	<ul style="list-style-type: none"> <li>• To successors at least 25% Hawn</li> <li>• To adults who need re-training</li> <li>• To alternative education trade schools</li> <li>• To children of lessees (families)</li> <li>• To preschool children</li> <li>• How would a person over 30 years, not a good student, qualify for scholarships?</li> <li>• How about non-classroom learners with a passion for on-the-job training.</li> </ul>	<p>With an annual budget of \$200,000 and average of 100 recipients, the average award is \$1,000 or \$500 per semester. This is a substantial amount, but increasing the pool will lower the amount to be less significant.</p> <p><b>RECOMMEND:</b> <i>No change to eligible applicant criteria.</i></p> <p>The NHRF is “solely” for HHCA-eligible native Hawaiians.</p> <p><b>RECOMMEND:</b> <i>No change to eligible applicant criteria.</i></p> <p>UH Community College trade programs are eligible for HHCS.</p> <p><b>RECOMMEND:</b> <i>Market the vocational education component separately.</i></p>
LEVERAGE	<p>STAFF notes that programs exist in medicine, law, social work, and engineering to support native Hawaiian admissions and retention. There is a shortage of native Hawaiians in other professions of interest to the Hawaiian Home Lands Trust.</p>	<p><b>RECOMMEND:</b> <i>Institute internship and practicum opportunities</i> for native Hawaiian students in professions of interest to the DHHL Trust (with no existing program) such as in urban planning, accounting and finance, Hawaiian studies, resource and cultural management.</p>

**SUMMARY OF KEY COMMENTS**

AGRICULTURE – TECHNICAL ASSISTANCE		
CATEGORY	COMMENT	RESPONSE / RECOMMENDATION
<p>TECHNICAL ASSISTANCE</p> <p>UH-CTAHR CONTRACT</p>	<ul style="list-style-type: none"> <li>• Agricultural technical assistance is not effective. How can beneficiaries better hold service providers accountable?</li> <li>• Dump the contract w/CTAHR until: a) Contract reflects measurable objectives b) more people using their land - farm activities.</li> <li>• Being able to get tech assistance from CTAHR is valuable.</li> <li>• Need more technical help at present lack of help for farming.</li> <li>• UH AG agent not as helpful. He puts down farmers, poor direction.</li> <li>• Technical Assistance: All Ag/Pastoral Lessees need support to succeed unless previous experience or education.</li> <li>• Provide lessees with business classes for creating budgets, planning, etc. Be required before finalization of the lease agreements.</li> <li>• Agriculture education should be mandatory with a 2-3 year plan developed a certain period</li> </ul>	<p>The intent of the DHHL contract with UH-CTAHR was to bring the university extension model to the homestead agricultural communities and farmers/ranchers. This model pulls together the UH Extension Service, UH School of Agriculture and Human Resources, and other federal and state agencies. The expertise of the institution, not the extension agent alone, is being retained by DHHL.</p> <p><b>RECOMMEND:</b> <i>Structure the contract and discuss with UH-CTAHR management</i> the purpose of this university extension model and ways to document program results.</p> <p><b>RECOMMEND:</b> <i>Create Homestead Farm/Ranch Advisory Groups on each island</i> to advise UH-CTAHR and DHHL on the contract scope of work, periodic status reports, and adjustments to better achieve the results intended.</p>

**SUMMARY OF KEY COMMENTS**

COMMUNITY DEVELOPMENT																										
CATEGORY	COMMENT	RESPONSE / RECOMMENDATION																								
MANAGEMENT & STAFFING	<p>There is general support for the Kulia Program. Beneficiaries comment on the value of training, technical assistance, and grant awards received.</p> <p>Negative comments focus on the lack of adequate staff to operate program components efficiently and lack of response to client organizations. The program must be in alignment with the resources provided (staff, vendors, and grant funds). There needs to be adequate staff follow-up with client organizations.</p>	<p>The Kulia Program was assigned 3.0 FTE staff - one Planner V, one Community Development Specialist, and one Grants Specialist. Since 2009, staff was re-assigned to work on other projects. As a result, the staff was increasingly unable to respond and carry out the Kulia Program. Vendors were used to deliver services and assist in administering the program. Vendors are costly and should be used for specialized training and technical assistance, not to administer the program.</p> <p><b>Recommendation:</b> <i>In accordance with the NHDPP budget, adjust professional and administrative support to serve as liaison between associations and the Department, implement the grants program, and ensure program compliance.</i></p>																								
PROGRAM FOCUS	<ul style="list-style-type: none"> <li>• There is a need to focus program staff and services provided for community grants and land awards.</li> <li>• Priority Projects vetted through the Regional Plan process are often not well-developed, creating frustration in implementing projects or division within the region with disagreements among client organizations.</li> <li>• There is a need to strengthen the relationship between the Kulia Program and Regional Plan Priority Project processes.</li> </ul>	<p>Staff was not able to manage the grant workload. 40 new grants were added in 2011 to an existing grant workload. There is a need to focus the program and adjust resources provided under the NHDPP balanced budget.</p> <table border="1"> <thead> <tr> <th colspan="3">COMMUNITY GRANTS AWARDED 2009-2011</th> </tr> <tr> <th>TYPE</th> <th>NO.</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>CAPACITY BUILDING</td> <td>12</td> <td>\$ 50,000</td> </tr> <tr> <td>PROJECT IMPLEMENTATION</td> <td>9</td> <td>235,078</td> </tr> <tr> <td>REGIONAL PLAN PRIORITY PROJECT</td> <td>12</td> <td>672,172</td> </tr> <tr> <td>COMMUNITY ECONOMIC DEVELOPMENT</td> <td>5</td> <td>1,250,000</td> </tr> <tr> <td>NON-COMPETITIVE ADMINISTRATIVE</td> <td>2</td> <td>160,000</td> </tr> <tr> <td>TOTAL</td> <td>40</td> <td>2.322.250</td> </tr> </tbody> </table> <p><b>Recommendation:</b> <i>In accordance with the NHDPP budget, combine the various grant programs into one.</i></p>	COMMUNITY GRANTS AWARDED 2009-2011			TYPE	NO.	AMOUNT	CAPACITY BUILDING	12	\$ 50,000	PROJECT IMPLEMENTATION	9	235,078	REGIONAL PLAN PRIORITY PROJECT	12	672,172	COMMUNITY ECONOMIC DEVELOPMENT	5	1,250,000	NON-COMPETITIVE ADMINISTRATIVE	2	160,000	TOTAL	40	2.322.250
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**SUMMARY OF KEY COMMENTS**

TRAINING & TECHNICAL ASSISTANCE		
CATEGORY	COMMENT	RESPONSE / RECOMMENDATION
TRAINING & TECH ASSIST.	<ul style="list-style-type: none"> <li>• Provide ongoing training and coaching because board members change</li> <li>• Need for yearly training to maintain level by all Board members and others who may be interested in serving at later date.</li> <li>• All associations are made up of volunteers. Provide continual training to new members and refreshers for those who have served.</li> <li>• Keep in touch with us routinely so we are all on the same page</li> <li>• DHHL build strong association boards and encourage community participation</li> <li>• This (Kulia) is a good program. Trainers were highly recommended.</li> <li>• There was great networking opportunity with other homesteaders through the Kulia trainings</li> <li>• Would like more one-on-one time with trainers; trainers have a lot of expertise and are clear communicators</li> <li>• As a leader I felt the training was excellent and the process went smoothly.</li> <li>• Technical experts helped us initially plan out our project. Can we have more one-on-one time with them?</li> </ul>	<p><b>Recommendation: Negotiate terms with outside funding sources</b>, such as the USDA - RCDI, to continue training and leadership conference(s) in Year 1.</p>



## **RECORD OF COMMENTS**

A final draft NHDPP, summary and detailed comments received by DHHL were posted on its website on November 30, 2011. Beneficiaries were provided a 30 day comment period which ended on December 30, 2011. This Record of Comments is not included in this submittal, but was provided to Commissioners and was posted on our website.

Comments related to NHDPP programs were reviewed and recommendations by staff incorporated in this submittal. Other comments not related to NHDPP programs, but to other programs under the Strategic Plan, will be reviewed and incorporated into those programs.

## **CONCLUSION**

Staff respectfully requests Commission approval of the recommended motion:

- (1) Proper notifications and consultation exhibits and meetings were conducted as required by Commission policy;
- (2) Two 30-day beneficiary comment periods were provided, one after the consultation meetings were conducted (started July 15, 2011) and one after the draft NHDPP was posted (started November 30, 2011); and
- (3) The NHDPP recommended for approval (Exhibit A) incorporates relevant comments and staff responses into a framework which reflects a balanced budget from NHRF and Resolution No. 257 sources.

# EXHIBITS

<b>A</b>	<b>NATIVE HAWAIIAN DEVELOPMENT PROGRAM PLAN, JANUARY 1, 2012 TO JUNE 30, 2014</b>
<b>B</b>	<b>CONSULTATION MEETING NOTICES TO BENEFICIARIES</b>
<b>C</b>	<b>OPEN HOUSE EXHIBITS</b>
<b>D</b>	<b>SUMMARY OF COMMENTS RECEIVED &amp; STAFF RESPONSES AND RECOMMENDATIONS - POSTED ON WEBSITE</b>
<b>E</b>	<b>DETAILED COMMENTS RECEIVED FROM CONSULTATION MEETING DISCUSSIONS - POSTED ON WEBSITE</b>
<b>F</b>	<b>DETAILED COMMENTS RECEIVED FROM CONSULTATION MEETING FORMS - POSTED ON WEBSITE</b>
<b>G</b>	<b>DETAILED COMMENTS RECEIVED BY E-MAIL AND POSTAL SERVICE - POSTED ON WEBSITE</b>