

STAND. COM. REP. NO.

1249

Honolulu, Hawaii

MAR 19 2019

RE: H.B. No. 172
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Hawaiian Affairs, to which was referred
H.B. No. 172, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE BUDGET OF THE OFFICE OF
HAWAIIAN AFFAIRS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Appropriate funds for various operating expenses of the
Office of Hawaiian Affairs;
- (2) Allocate an unspecified amount of trust funds
appropriated to the Office of Hawaiian Affairs to
reimburse the Auditor for expenses related to a
financial and management audit of the Office of Hawaiian
Affairs; and
- (3) Allocate unspecified amounts of funds appropriated for
beneficiary advocacy to social services, educational
improvement programs, legal services, and housing
issues.

Your Committee received testimony in support of this measure
from the Office of Hawaiian Affairs, Ke One O Kakuhihewa - O'ahu
Council of the Association of Hawaiian Civic Clubs, Council for



Native Hawaiian Advancement, ALEA Bridge, Ali'i Pauahi Hawaiian Civic Club, The Queen's Health Systems, Kua'āina Ulu 'Auamo, Kamehameha Schools, Prince Kūhiō Hawaiian Civic Club, Association of Hawaiian Civic Clubs, and thirteen individuals. Your Committee received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies and one individual. Your Committee received comments on this measure from the Office of the Auditor.

Your Committee finds that this measure expresses programs or positions, maximum sums appropriated or authorized, or means of financing indicated for the Office of Hawaiian Affairs to be incorporated into the General Appropriations Act of 2019, or other appropriate legislative vehicle, or to be adopted separately.

Your Committee further finds the Auditor's 2018 Audit of the Office of Hawaiian Affairs did not include a review of the limited liability companies created and used by the Office of Hawaiian Affairs in the course of its business. A performance and management audit of the Office of Hawaiian Affairs' limited liability companies may address community concerns, increase government transparency, and ensure public funds are expended effectively.

Your Committee has amended this measure by:

- (1) Limiting the audit of the Office of Hawaiian Affairs to a financial and management audit of limited liability companies created and used by the Office of Hawaiian Affairs and clarifying that auditing functions may be contracted to outside parties;
- (2) Changing the means of financing for the financial and management audit to general funds;
- (3) Expanding the permissible uses of beneficiary funds allocated for legal services to include assisting with Department of Hawaiian Home Lands matters; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



Your Committee requests that if your Committee on Ways and Means passes this measure that it consider incorporating items in this measure into the appropriate legislative vehicle as necessary or amend this measure to include any provisions necessary to effectuate its purpose and intent.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 172, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 172, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Hawaiian Affairs,

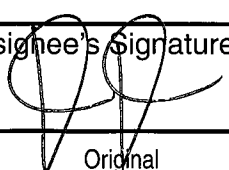


MAILE S.L. SHIMABUKURO, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Hawaiian Affairs
HWN

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 172, HD1	HWN, WAM	03.14.19		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SHIMABUKURO, Maile S.L. (C)	✓			
KAHELE, Kaiali'i (VC)	✓			
IHARA, Jr., Les				✓
KEOHOKALOLE, Jarrett				✓
FEVELLA, Kurt	✓			
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes