

**UNIVERSITY OF HAWAI'I SYSTEM** 

Legislative Testimony

Testimony Presented Before the Senate Committees on Ways and Means and Judiciary February 26, 2020 at 1:10 p.m. by Kalbert K. Young Vice President for Budget and Finance/Chief Financial Officer University of Hawai'i System

## SB 1363 SD1 – RELATING TO INCREASING THE OFFICE OF HAWAIIAN AFFAIRS' PRO RATA SHARE OF PUBLIC LAND TRUST FUNDS

Chairs Dela Cruz and Rhoads, Vice Chairs Keith-Agaran and Keohokalole, and members of the Committees:

Thank you for the opportunity to submit our strong concerns with SB 1363 SD1. Like the Office of Hawaiian Affairs (OHA), the University of Hawai'i (University) has a unique relationship to the public land trust requiring special consideration.

The Admissions Act § 5(f), which created the State of Hawai'i public trust lands commonly referred to as ceded lands, identifies multiple purposes to benefit from these lands. The first of these purposes enumerated in the Act is the "support of public schools and other public educational institutions" and the second of these purposes is the "betterment of Native Hawaiians." As the University is also an identified purpose of the public land trust, it should not be required to sacrifice its benefits from the public land trust to OHA<sup>1</sup>.

The University and OHA were both established by the Hawai'i State Constitution. With this equal footing, the Hawai'i State Constitution expressly authorizes that University lands be used solely for its purposes. Article X, Section 5, states that the University "shall have title to all the real and personal property now or hereafter set aside or conveyed to it, which shall be held in public trust for *its* purposes[.]" *See* Hawai'i State Constitution, Article X, Section 5, emphasis added.

Independent from Act 178, Session Laws of Hawai'i (SLH) 2006, the University currently provides millions of dollars per year in direct tuition benefits from its own resources to Native Hawaiian students. And as just two additional examples, has created and funded the Hawai'inuiākea School of Hawaiian Knowledge at the University of Hawai'i at Mānoa and the Ka Haka 'Ula O Ke'elikōlani College of Hawaiian Language at the

<sup>&</sup>lt;sup>1</sup> In creating OHA, the Hawai'i State Legislature adopted Hawai'i Revised Statutes §§ 10-3 and 10-13.5 which provide that 20%, or one-fifth, of all funds derived from the public land trust shall be expended by OHA for the betterment of the conditions of native Hawaiians. Later in 2006, the Legislature fixed OHA's pro rata share of the public land trust to \$15,100,000. See Act 178, SLH 2006.

University of Hawai'i at Hilo, which are each completely distinctive in higher education in the United States.

The University has embraced its mission to become a model indigenous-serving university and greatly appreciates the financial support from and many partnerships with OHA (along with the Ali'i Trusts and other organizations) to advance Native Hawaiian people, language, culture, and history. While the University does not necessarily object to any considerations as to whether the pro rata share of ceded land revenues to OHA can be increased or revised, we do point out that the University serves one of the same purposes as provided for under Admissions Act. The University must focus its resources to provide all of its students with the educational tools, training, and tenacity to meet the challenges in today's competitive local, national, and global workforce.

The University respectfully requests that SB 1363 SD1 be amended to exclude the University from any obligations to OHA derived from the University's benefits from the public land trust except for receipts flowing from the subleases issued by the University for properties situated at the Mauna Kea summit.

Thank you for your time and consideration.