



STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P. O. BOX 1879
HONOLULU, HAWAII 96805

LATE

TESTIMONY OF JOBIE M. K. MASAGATANI, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON OCEAN, MARINE RESOURCES &
HAWAIIAN AFFAIRS
IN OPPOSITION TO

**HCR 217 - REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF POLICIES AND
PROCEDURES OF THE DEPARTMENT OF HAWAIIAN HOME LANDS WITH
REGARD TO THE REVOCABLE PERMIT PROGRAM.**

March 19, 2014

Aloha Chair Hanohano, Vice-Chair Cullen, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) opposes this resolution that calls for an audit of our revocable permit program.

We understand the need for transparency for our programs, including our non-homestead dispositions. Since May 2013, DHHL has been in the process of reforming its revocable permits to increase transparency and openness, but this reform is not yet complete.

Last year the department instituted a moratorium on the issuance of new revocable permits to allow us time to examine our existing permittees, identify all compliance issues, and make sound policy decisions to strengthen our land management programs. All compliant permittees, or 148 of 181 total (an 82% compliance rate), were granted rights-of-entry to allow them to continue to use the parcels while we completed the program reform. Non-compliant permittees were afforded the opportunity to come into compliance or surrender the permit. To date, we have just one former non-compliant revocable permit holder

that we continue to work with the goal of issuing them a right-of-entry. DHHL reported its progress on this to the Senate Committee on Hawaiian Affairs in an informational briefing on January 17, 2014.

In addition to our efforts, Governor Abercrombie convened a task force of the Attorney General, the Director of Budget and Finance, and the Chairman of the Board of Land and Natural Resources to provide recommendations to restructure this program and implement best practices. We anticipate receiving the recommendations from the Governor's advisory committee soon and submitting these to the Hawaiian Homes Commission for approval in the next few months.

We agree that a review of our revocable permits was much needed, and we continue to work intently to improve this program. Based on the mid-stream nature of this transformation, it does not make sense to audit this program now. We ask you committee to hold this resolution.

Mahalo for your consideration of our testimony.