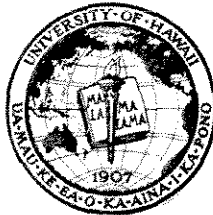


# **THE HAWAIIAN HOMES COMMISSION**

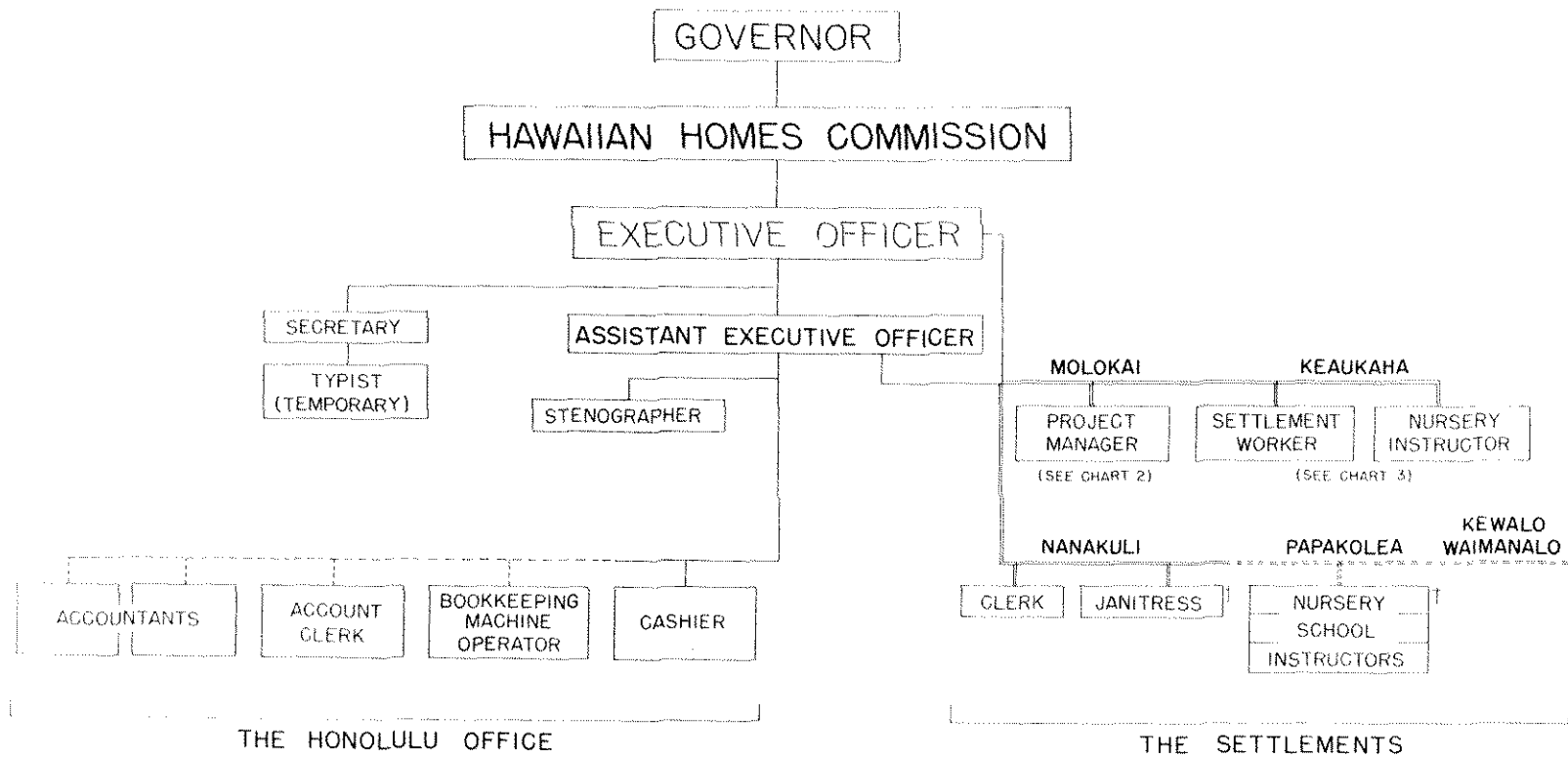
**AN ADMINISTRATIVE SURVEY**



**LEGISLATIVE REFERENCE BUREAU  
UNIVERSITY OF HAWAII**

CHART I

# PRESENT ORGANIZATION OF THE HAWAIIAN HOMES COMMISSION



† PART-TIME POSITION  
 — ACTUAL DIRECTION OR SUPERVISION  
 - - - NOMINAL SUPERVISION

THE HAWAIIAN HOMES COMMISSION  
AN ADMINISTRATIVE SURVEY

Request No. 2223  
(January 1953)

Survey Team:

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## PREFACE

This administrative survey was prepared by the Legislative Reference Bureau at the joint request of the Hawaiian Homes Commission and the Bureau of the Budget. The findings of the report reflect an intensive, on-the-spot study by the survey team of the operations of the Hawaiian Homes Commission during the months of October and November, 1952, augmented by discussions with the Commission and members of the Commission's staff during December of that year and during January 1953.

Throughout the survey, the Legislative Reference Bureau obtained complete cooperation from the officers and staff of the Hawaiian Homes Commission, both in the central Honolulu office and in the settlements. The assistance of the Auditor's office and Budget Bureau, vital to the successful completion of a study of this nature, is also gratefully acknowledged.

Three manuals are being prepared to help carry out the recommendations of this report. One, a manual on policy, was written for the use of members of the Hawaiian Homes Commission and for the guidance of its staff. An accounting manual and an administrative manual are being designed for the department's personnel. It is hoped that these manuals will prove useful, both in their original form and as they are modified by the Hawaiian Homes Commission to meet its changing needs.

January 26, 1953

Norman Meller, Director  
Legislative Reference Bureau



## SUMMARY OF MAJOR FINDINGS AND RECOMMENDATIONS

### Finding

### Recommendation

#### A. Over-all Direction

- |   |  |
|---|--|
| 1. Policies and objectives of the Hawaiian Homes Commission are not completely or clearly stated. The administration reflects this uncertainty.                                     | 1. A manual stating the policies of the Hawaiian Homes Commission be prepared and adopted by the Commission. (pp. 8-9.)  |
| 2. The Commission attempts itself to undertake some aspects of routine administration; it hires staff members, on one occasion against the recommendation of the executive officer. | 2. Complete authority for routine direction of the Hawaiian Homes Commission, be delegated to executive officer, including responsibility for hiring and firing of personnel. (pp. 6, 16.)               |
| 3. The Commission spends a relatively small portion of its meetings in setting basic plans of operation and in formulating the agency's budget.                                     | 3. The Commission give careful consideration to the budget request presented by its staff; it use the occasion of budget review and revision to lay its operational plans for the biennium. (pp. 19-21.) |

#### B. The Honolulu Office

- |   |   |
|---|---|
| 4. Accounting procedures of the agency are not adequate.  | 4. a) The assistant executive officer be directed to exercise over-all supervision of all accounting as well as budgeting and other financial procedures; if he is not qualified for this duty, a principal accountant be employed; b) the head accountant be qualified to undertake routine direction of accounting activities. (pp. 15-16.) |
| 5. Accounting operations are complicated and slowed by practice of itemized crediting of homesteaders' payments (so much for water, so much for plowing charges, etc.). | 5. Payments by each homesteader be credited against his outstanding balance of charges due--the standard commercial practice. (p. 18.)  |
| 6. Accounting is further complicated by computing interest--typically a small amount--for each outstanding water, pasture, or other service charge.                     | 6. Penalties or interest on delinquent service charges be charged according to established schedules. (p. 18.)  |
| 7. Backlogs of large proportions, particularly in accounting work, continue in the Honolulu office.   | 7. Backlogs be reduced by eliminating unnecessary paper work, simplifying billing methods, clearing accounts of uncollectibles and unpayable items, writing off lost property from inventory, etc. (p. 16.)   |

Finding	Recommendation
8. The budget is prepared by the assistant executive officer, without participation by project administrators.	8. The Hawaiian Homes Commission's budget requests be based on needs estimated by project administrators, modified by executive and assistant executive officer to accord with policy set by Commission and financial resources of agency. (p. 20.)
9. Information as to the functioning of Hawaiian Homes Commission's programs is not routinely available to the executive director.	9. A system of "management indicators" be instituted, whereby the project managers would inform the executive director of operations at each settlement each month. (p. 22.)
10. Construction programs of Hawaiian Homes Commission are expanding. The executive officer serves, in effect, as engineer in addition to other duties.	10. An engineer be added to the Hawaiian Homes Commission staff, to exercise general supervision over construction of homes, as well as Hawaiian Homes Commission improvements. (pp. 10, 24, 41.)
11. Counselling homesteaders on routine procedures requires a large portion of the executive officer's time.	11. An interviewer be added to the Honolulu staff; an information booklet be prepared, informing homesteaders of their privileges and obligations. (pp. 10, 23.)
12. The Honolulu office is already crowded and will be severely overcrowded if recommended staff members are added.	12. Reassignment to the Hawaiian Homes Commission of the room transferred to the Department of Health be requested. (p. 25.)
13. Members of the staff rely upon their memories to "follow through" on occupancy of leaseholds, use of loans, obtaining insurance, etc.	13. "Tickler" files be set up to provide automatic reminders of work to be done. (p. 19.)
14. The typing load is made heavier by individual preparation of routine letters and by preparing copies of incoming correspondence.	14. a) Suggested form letters be used; b) cross-indexes be used to replace filing of copies. (pp. 22, 24.)
15. Files are overcrowded; papers are removed from files without notation being made, leading to lengthy searches.	15. The files be worked over, folders replaced where necessary; a cross reference system be established to eliminate retyping and double filing; a charge-out control be instituted to indicate who has folder or paper taken from file. (pp. 24-25.)
16. Files of applications for homesteads are bulky and difficult to use.	16. A "key-sort" file be established which will be adapted to the priority system for allotting leaseholds determined by the Commission. (p. 25.)



<u>Finding</u>	<u>Recommendation</u>
17. There is little opportunity for staff members to discuss their common job and individual problems.	17. Weekly or semi-monthly staff meetings of the personnel of the Honolulu office be held. (p. 14.)
18. Employees in Honolulu office do not take "coffee periods" common in territorial and county agencies.	18. Honolulu office experiment with mid-morning and mid-afternoon "breaks" to determine if it improves employee morale. (p. 14.)

### C. The Settlements

19. No plan of operation is given to the homestead administrators.	19. Upon approval of Hawaiian Homes Commission's budget, a project budget be given to administrator in charge locally. (pp. 20-21.)
20. Supervision of the Oahu settlements is not the clear responsibility of any single staff member.	20. The assistant executive officer be made responsible for Hawaiian Homes Commission's personnel at Oahu settlements. (p. 14.)
21. The clerk at Nanakulu does not appear to have a full-time job; no such position exists at the other Oahu settlements.	21. The clerk, now stationed at Nanakuli be responsible for collections and "trouble-shooting" at all Oahu settlements. (pp. 13-14.)
22. The Molokai office appears to be efficiently managed, but falls behind on paper work.	22. The clerical vacancy in the Molokai staff be filled with a typist able to assist in general office work. (p. 29.)
23. Cost-accounting for self-supporting activities on Molokai (water, pastures, etc.) is not comprehensive.	23. Cost-accounting for these activities (by the Honolulu office) reflect depreciation costs for equipment used. (pp. 32-33.)
24. The Keaukaha office falls far behind in paper work; its records and files are in poor condition.	24. A typist-clerk be added to the Keaukaha staff to work under the direction of the settlement worker. (pp. 35-36.)
25. The new Waimea project will require establishing a project office in Hawaii.	25. a) A project office be established at Waimea, encompassing all Hawaiian Homes Commission's settlements on Hawaii, a project manager, account clerk, and, if necessary, a cattle man to form the initial staff. b) The settlement worker and head nursery school instructor at Keaukaha be directly responsible to the project manager. (pp. 36-38.)

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## I OPERATIONS AND ORGANIZATIONAL STRUCTURE OF THE HAWAIIAN HOMES COMMISSION

The Hawaiian Homes Commission is a territorial agency unusual in its legal establishment, its relative independence from legislative, budgetary and civil service controls, and in its scope of operations. The Commission is created by act of Congress,<sup>1</sup> rather than by territorial statute. It is endowed by that act with independent sources of income<sup>2</sup> which limit, or even eliminate, its need for legislative appropriations. Biennial operating budgets must be submitted by the Commission for inclusion in the Governor's budget report; however, only a portion of the budget, the "Hawaiian Home Administration Account", is subject to review by the budget bureau or requires approval by the legislature.

Personnel of the Hawaiian Homes Commission<sup>3</sup> are not covered under the territorial laws governing selection of civil service employees and may be hired without competitive examinations. The classification and pay of the various positions within the Hawaiian Homes Commission, however, are set by the Personnel Classification Board.

---

<sup>1</sup>The Hawaiian Homes Commission Act, 1920 (42 Stat. 108). The Commission will retain its foundation in organic law under the proposed constitution for the state of Hawaii, which incorporates the provisions of the Hawaiian Homes Commission Act in Article XI.

<sup>2</sup>Thirty per cent of all territorial revenues derived from the leasing of cultivated sugar cane lands or from water licenses plus all rents from "available lands" of the Commission. The 1951 territorial general appropriation act included \$42,645 for the Commission, to be reduced, however, by the amount by which its receipts from land rentals exceeded the estimated sum of \$250,000 for the biennium 1951-1953. With receipts into the Hawaiian Homes Administration Account from such rentals now estimated at some \$530,000, none of the territorial appropriation will actually be paid to the Commission. The Commission has requested no general fund appropriations for the ensuing biennium.

<sup>3</sup>The agency. The governing body is hereafter referred to as the Commission.

Goals, or purposes, of the Hawaiian Homes Commission are not to be found in the federal act which established it nor in territorial laws. Prince Kuhio Kalanianaʻole referred to the homestead areas provided by the Homes Commission Act as "rehabilitation lands". The idea of rehabilitation of the Hawaiian race through a return to the soil is found in reports of Congressional and territorial legislative committees, as well as those of the Homes Commission itself. Seldom, however, are the scope or methods of this rehabilitation stated.

PROVISIONS  
OF ACT

The Hawaiian Homes Commission Act itself provides for granting land to persons of not less than half Hawaiian blood for homesteads, farms, or pastures under 99-year leases at the nominal rent of one dollar per year. The Act also authorizes the Commission to make loans to homesteaders for their agricultural operations or for constructing or repairing their homes. Community pastures are to be maintained adjacent to each agricultural district of the Homes Commission "when practicable". Water development may be undertaken by the Commission.

No other functions are definitely prescribed by the Act. It does, however, authorize the Commission to "undertake other activities having to do with the economic and social welfare of the homesteaders". In the absence of statutory directives as to its proper sphere of action, and seldom limited by budgetary or legislative controls, the Commission has broad authority to undertake activities on behalf of homesteaders and little guidance in determining which functions should be undertaken.

FUNCTIONS OF  
HAWAIIAN HOMES  
COMMISSION

During October to December, 1952, the period covered by this  
survey, the Hawaiian Homes Commission was engaged in the following

activities on behalf of homesteaders:

1. Alloting agricultural lands, grazing lands, and houselots to eligible persons.
2. Lending money for improvement of leaseholds.
3. Assisting homesteaders in building or improving homes.
  - a. Setting general standards for construction.
  - b. Advising on plans.
  - c. (Sometimes) recommending contractors and participating in drawing up contracts.
  - d. Keeping in trust moneys of homesteaders required for construction over amount of loan from Commission.
  - e. (Sometimes) buying materials for homesteaders or contractors.
  - f. Checking construction before approving payments to contractors.
  - g. Obtaining home insurance and advancing premiums on portion of policy covering Hawaiian Homes Commission equity.
  - h. Hauling cinders for fill-ins on homesteads (Hilo).
4. Providing welfare services or facilities.
  - a. Recreation and settlement work (Molokai and Hilo).
  - b. Nursery schools (Hilo and Papakolea).
  - c. Personal counselling (Honolulu office, Molokai, and Hilo).
  - d. Clinic facilities for visits of public doctors (Hilo and Nanakuli); facilities for health conferences with Department of Health personnel (Molokai, Kewalo and Papakolea).
  - e. Work with homesteaders' community associations.
  - f. Beautification of homestead areas.
5. Providing agricultural services (all but first on fee basis).
  - a. Advice of agronomist and pasture workers (Molokai, planned for Waimea).
  - b. Plowing and cultivation (Molokai, planned for Waimea).
  - c. Harvesting (of corn on Molokai).
  - d. Community pasture: complete care and management of homesteaders' cattle (Molokai). Standby community pasture planned for Waimea.
6. Maintaining water system, on fee basis (Molokai).
7. Road maintenance (Molokai and Hilo).
8. Contract negotiation on behalf of homesteaders.
  - a. Of contracts with pineapple companies for use of homesteaders' lands on Molokai.
  - b. Of contracts with ranches whose cattle will be raised by homesteaders at Waimea.

HAWAIIAN HOMES  
COMMISSION  
SETTLEMENTS

As of the last quarter of 1952 the Hawaiian Homes Commission  
operated settlements at Nanakuli (Panaikapo) and Waimanalo in

rural Oahu, at Papakolea and Kewalo in urban Honolulu; at Hoolehua, Kalamaula,

Kapaakea-Kamiloloa, and O'ne Alii on Molokai; at Keaukaha in Hilo. Subdivision of a new area was being completed at Waimea, Hawaii. Six homesteads were occupied at Kawaihae and one at Waimanu, in rural Hawaii. (See accompanying maps for location of the settlements.) Population and growth of the settlements are shown in the following table.

Distribution of Leases, Homes, and Population  
on Hawaiian Homes Commission Homesteads  
1948-1952

	<u>Number of Leases</u>			<u>Number of Homes</u>			<u>Population</u>		
	1948	1950	1952	1948	1950	1952	1948	1950	1952
<u>Molokai</u>									
Hoolehua	151	160	164	123	176	179	725	1408*	929
Kalamaula	50	54	52	50	52	52	250	364	268
Kapaakea	1	40	37	1	10	24	2	80	146
Kamilola	1	1	1	1	1	1	2	2	2
O'ne Alii	<u>20</u>	<u>21</u>	<u>21</u>	<u>18</u>	<u>18</u>	<u>18</u>	<u>75</u>	<u>90</u>	<u>102</u>
Total - Molokai	223	276	275	193	257	274	1054	1944	1447
<u>Hawaii</u>									
Keaukaha	294	368	378	223	328	362	1465	1998	2100
Kawaihae	10	10	10	6	6	6	33	30	30
Waimanu	1	1	1	1	1	1	2	2	2
Waimea	<u>-</u>	<u>-</u>	<u>56</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total - Hawaii	305	379	445	230	335	369	1500	2030	2132
<u>Oahu</u>									
Nanakuli	319	329	337	300	325	331	1489	2275	2310
Papakolea	77	77	77	76	77	77	540	577	564
Kewalo	104	225	240	30	209	236	344	1461	1586
Waimanalo	<u>85</u>	<u>168</u>	<u>192</u>	<u>86</u>	<u>121</u>	<u>183</u>	<u>446</u>	<u>847</u>	<u>1200</u>
Total - Oahu	585	799	846	492	732	827	2819	5160	5660
GRAND TOTAL	1113	1454	1566	915	1324	1470	5373	9134	9239
<u>Source:</u> Hawaiian Homes Commission				*Probably overstated.					

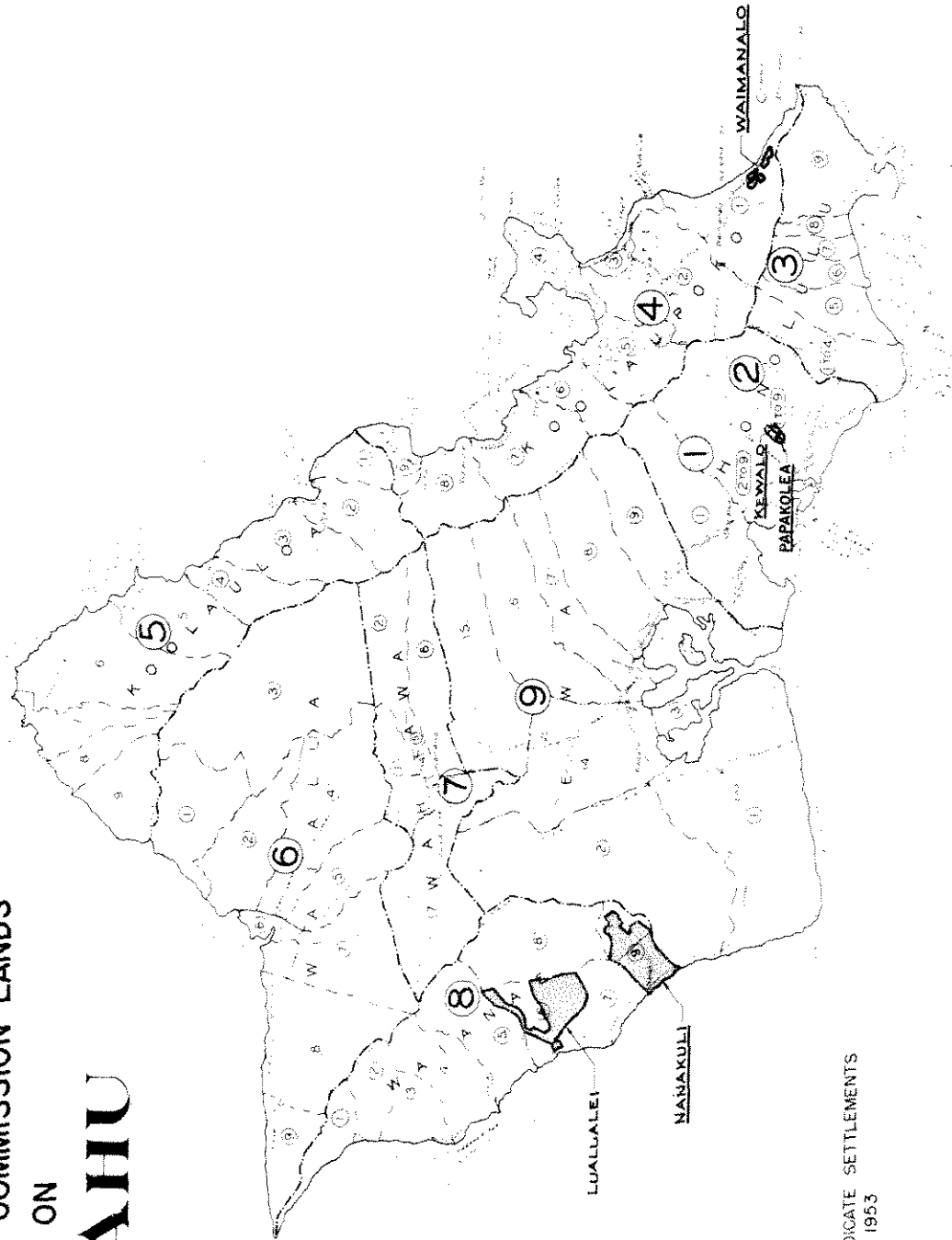
Well over half of the persons residing on Hawaiian Homes Commission settlements are city-oriented, rather than the men of the soil apparently contemplated by the framers of the Hawaiian Homes Commission Act. Most of the 5,660 homesteaders on Oahu live in the city of Honolulu or, as in the case of Nanakuli and Waimanalo, work or seek work in the city. The same is true of the Keaukaha settlement at Hilo.

Only the project on Molokai and the one in progress at Waimea, Hawaii provide the means for a life in agriculture; in fact many of the Molokai homesteaders are salaried plantation employees during their working days, rather than farmproprietors.

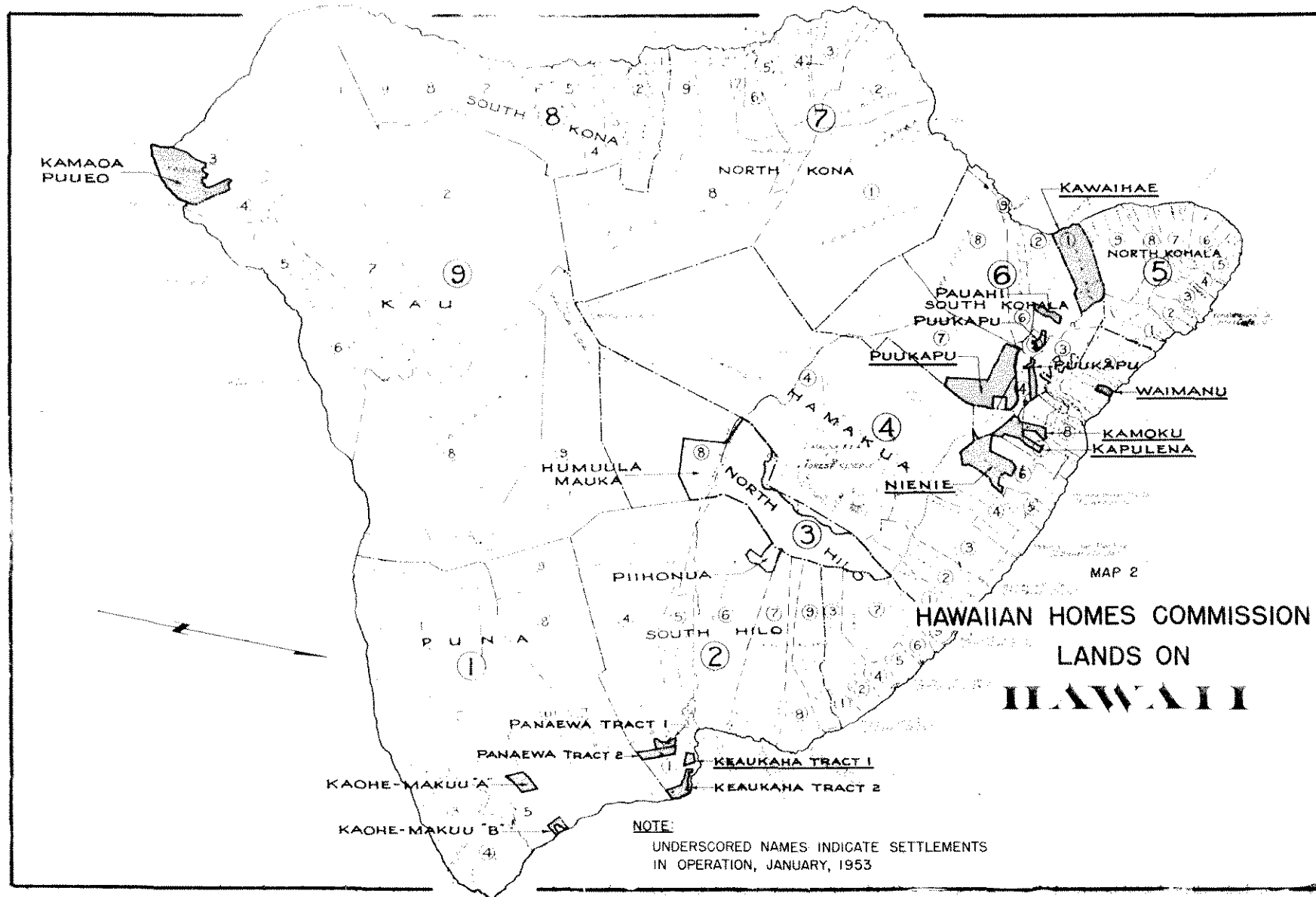
HAWAIIAN HOMES COMMISSION ORGANIZATION      Administration of the Hawaiian Homes Commission is organized in the following structure: (a) an appointive seven-member commission, which meets at intervals, usually in Honolulu; (b) a central office in Honolulu, headed by an executive officer, which has overall responsibility for all Hawaiian Homes Commission facilities with respect to budgeting, accounting, record-keeping, and reporting and directly serves Oahu settlements in providing or overseeing the services outlined above; (c) an office at Hoolehua which directs all Hawaiian Homes Commission activities on Molokai; and (d) an office at Keaukaha, Hawaii. An engineer and his assistant were stationed at Waimea during the surveying of that new settlement area and construction of its waterlines, still in progress at the close of 1952. Instructors at the Papakolea nursery school and two employees at Nanakuli, Oahu, receive whatever supervision they may get from the Honolulu office. The department's present organization is outlined in Chart 1, appearing inside the front cover.

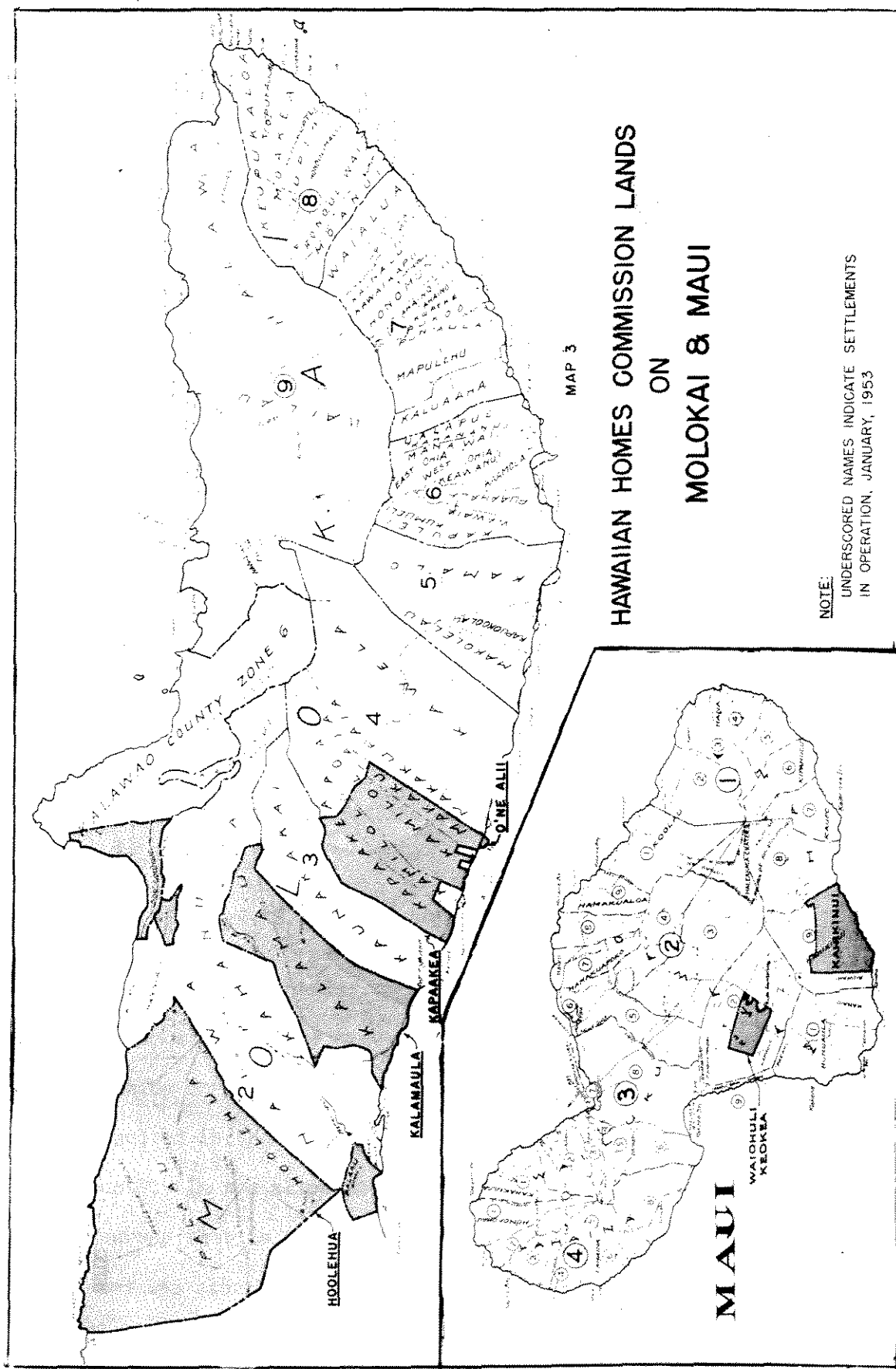


MAP 1  
HAWAIIAN HOMES COMMISSION LANDS  
ON  
**OAHU**



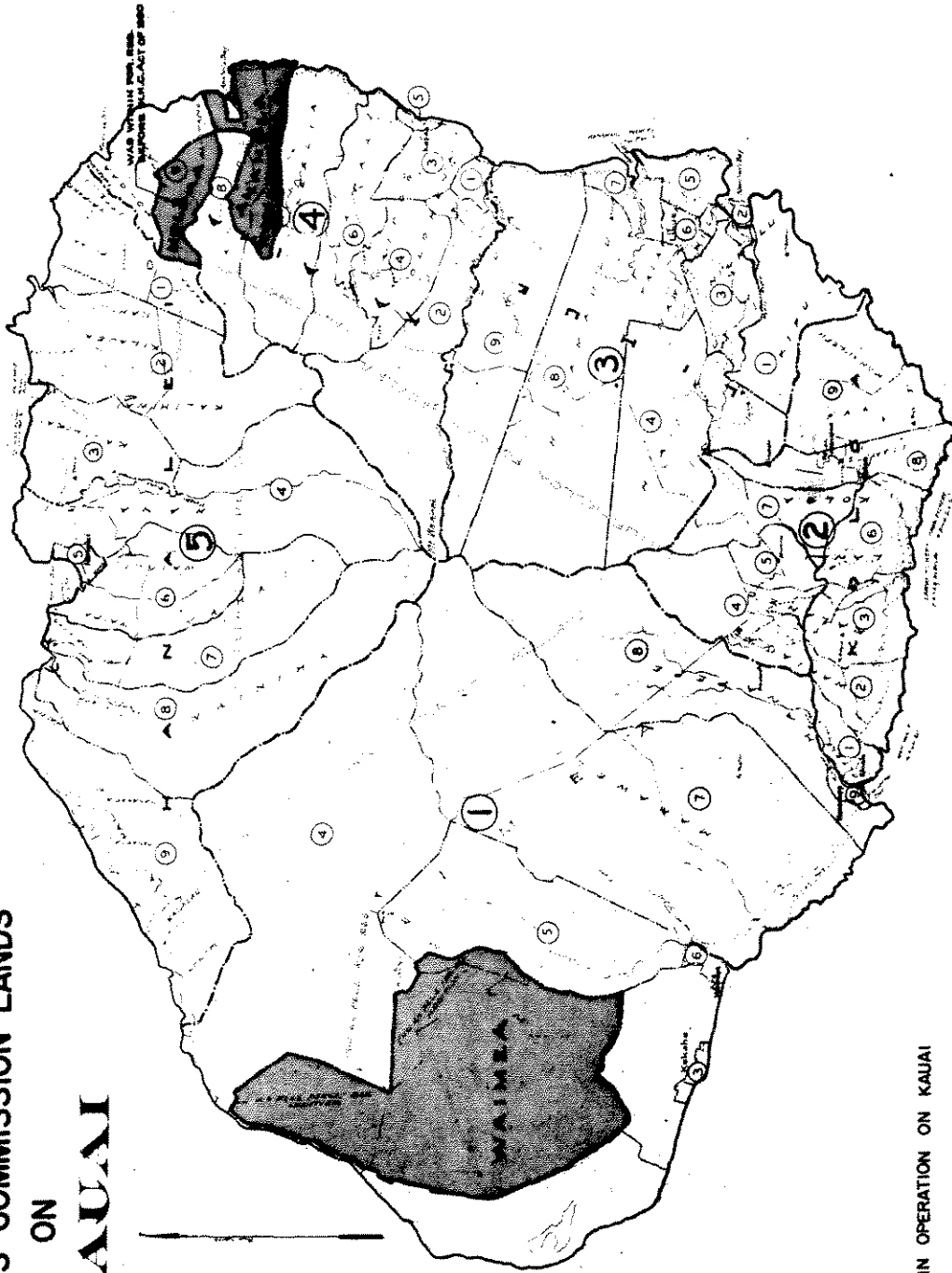
NOTE:  
UNDERScoreD NAMES INDICATE SETTLEMENTS  
IN OPERATION, JANUARY, 1953





MAP 4

# HAWAIIAN HOMES COMMISSION LANDS ON KAUAI



NOTE:  
NO SETTLEMENTS WERE IN OPERATION ON KAUAI

SUBJECT TO CHANGE

## II THE COMMISSION

Authority for direction and control of the Hawaiian Homes Commission is vested in a commission, increased in size from five to seven members by the Congress in 1952. Commissioners, at least four of whom must be at least one-quarter Hawaiian, are appointed by the governor for staggered five-year terms, subject to the approval of the territorial Senate. Members serve without pay, the law providing only for reimbursement for expenses incurred in discharging their duties as commissioners.

ADMINISTRATION      The present Commission may be described as an executive board,  
BY COMMISSION      for it acts not only to make plans and set policy for the Hawaiian Homes Commission but also, in several areas, to make decisions concerning the routine functioning of the agency. The commissioners, for example, since 1950 have acted to hire all personnel for the Hawaiian Homes Commission, both for the Honolulu office and for each of the neighboring island offices. Commissioners frequently give directions to staff members of the Hawaiian Homes Commission, sometimes by-passing the executive officer and his assistant. It also appears to be commonplace for staff members to go to Commission members, rather than to the chief administrative officers, with complaints and suggestions.

Organization of the Commission encourages its participation in day-to-day administration. At least one member is appointed from each county. With the Commission taking on administrative duties this island basis of representation has sometimes resulted in the commissioner from a county being the chief decision maker for that county. In the allocation of homesteads, for example, it was observed during the survey that as a matter of routine, selection of homesteaders to be awarded leases was made by a commissioner from the county in which the homestead

was located.<sup>4</sup> Officially, each award is made by vote of the entire Commission, but, except where a large development is being opened,<sup>5</sup> it is rare for this consideration to be more than pro forma. On occasion a commission member may himself accept applications for homesteads from residents of the county he represents.

Again, while loans for improvements of homesteads are usually granted upon recommendation by the executive officer, commissioners occasionally undertake to determine if a requested loan is needed. In other instances, commissioners themselves inspect homes under construction. No means are provided for coordinating the inspection and advice-giving activities of individual commissioners and of Hawaiian Homes Commission staff members.

A finance committee, consisting of one Oahu commissioner, has the responsibility of checking all expenditures of the Hawaiian Homes Commission. Summary vouchers are now signed by this one-man committee and by the chairman of the commission, in addition to the executive officer and the accountant preparing the voucher.

POLICY  
MAKING

Participation in routine administration, it was observed, takes a large portion of the time and energies of the Commission. The agenda for each meeting is long,<sup>6</sup> replete with the applications and petitions of individuals or would-be employees, of firms doing business with the Hawaiian Homes

---

<sup>4</sup>The Commission has a selection "committee", presently consisting of the (single) members from Molokai and Hawaii plus one of the three members from Oahu. This is a committee in name only, however, since it does not meet. In practice its individual members select homesteaders for the island they represent.

<sup>5</sup>Allocation of the pasture lots at the new Waimea, Hawaii project was undertaken by the Commission as a whole, which determined the eligible applicants and selected the leasehold recipients from among the eligible list by a drawing.

<sup>6</sup>A dozen legal sized pages for the meeting of October 6, 1952, plus an addendum of 12 pages; 13 pages for the meeting of October 20, 1952 and another 13 pages for November 13, 1952, plus an eight page report.

Commission, etc. Furthermore, since the Commission is known to make decisions on individual cases, and since it encourages attendants at its meetings to state their case at length, items on the prepared agenda may comprise only a portion of the subjects under discussion at a meeting. The result is to prolong commission meetings, to cause frequent postponement of items from month to month, and to leave the Commission little opportunity for discussion of policy and consideration of broader questions of Hawaiian Homes Commission planning and development.

UNSETTLED  
POLICY

The importance of the manner in which the Commission allots its time is apparent when it is recalled that the Hawaiian Homes Commission Act furnishes little guidance as to the objectives or policies of the department. Silence of the Act in this regard plus the concern of the Commission with administrative functions has left policy unsettled, or at least unstated, in several basic areas, exemplified by these questions:

1. What are the basic objectives of the Hawaiian Homes Commission---
  - a. To help get Hawaiians on the land?
  - b. To provide them with a living?
  - c. To provide services (water, sewers, nursery schools, etc.) only when the local government does not? or
  - d. To provide such services, even if the local government does or can, if county services are not deemed adequate?
2. Who shall receive first priority, second priority, etc. in allocation of leaseholds---
  - a. Needy persons?
  - b. Those who give promise of being successful homesteaders?
  - c. Residents of county where homestead is located?
  - d. Children of homesteaders?
  - e. Persons having heirs who can succeed to leasehold?
3. Which Hawaiian Homes Commission projects shall be expanded first, given the limitation of the law that no more than 20,000 acres can be opened for settlement in any five-year period---
  - a. Areas to be used primarily as houselots for city workers (Waimanalo, Oahu or Panaewa, Hawaii)?
  - b. Areas to be used as agricultural lands (Kauai, or Waimea, Hawaii)?
  - c. Areas which will even-up the geographical distribution of Hawaiian Homes Commission developments (Kauai)?
  - d. Areas which will serve the larger population (Oahu)?

Lacking at least tentative decisions on such fundamental questions as these, the Commission is hard put to either lay down prior policy for the Hawaiian Homes Commission staff to follow or itself to make consistent administrative decisions. Without a framework of basic policy the participation of the Commission in preparing or approving the agency's budget is necessarily limited to inspecting some trees, leaving the forest unsurveyed.

RECOMMENDATIONS: A manual stating the policies and procedures of the Hawaiian Homes Commission be prepared and adopted by the Commission.



### III THE CENTRAL ADMINISTRATION: ORGANIZATION AND FUNCTIONS

An office of six rooms houses the central administration of the Hawaiian Homes Commission in the Territorial Office Building in Honolulu. Here a staff of nine persons (augmented by a temporary typist in the period studied) provides general supervision of and accounting and record-keeping for all Hawaiian Homes Commission projects throughout the Territory. The central office directly administers Hawaiian Homes Commission settlements on Oahu.

#### EXECUTIVE OFFICER

Heading the administrative staff is an executive officer: he theoretically provides the chief liaison between the Commission and the personnel of the agency. The executive officer represents the Hawaiian Homes Commission before legislative committees, in the governor's cabinet, and in meetings with community associations at the several homesteads. Individual homesteaders frequently seek aid and counsel from the executive officer on a wide variety of economic and social problems. These conferences with homesteaders consumed approximately one-fourth of the director's time on the job, plus additional hours outside the office, during the month of October, 1952.

All Hawaiian Homes Commission leases, loans to homesteaders, as well as summary vouchers of the department's expenditures, must be signed by the executive officer. He approves the biennial budget formulated by the assistant executive before presenting it to the Commission.

The present executive officer has had extensive experience in engineering. As a consequence he is able to serve, in effect, as a staff engineer for the Hawaiian Homes Commission in the planning and general supervision of new projects. On occasion he also prepares maps of projected developments for use of the commis-

sioners. Engineering and administrative problems, combined with visits of inspection, take the executive officer to homestead settlements with some frequency. During the months of October and November, 1952, he made three field trips to Molokai, one to Hawaii, and two to Oahu settlements.

Preparation of agenda for meetings of the Commission is under the general direction of the executive officer. Actual preparation is undertaken by his secretary, who appears to have a large degree of discretion in determining the order and manner of presentation of items. She also takes stenographic notes of Commission meetings, and occasionally participates in the discussion.

**ASSISTANT  
EXECUTIVE  
OFFICER**            An assistant executive officer serves as budget officer for the entire Hawaiian Homes Commission and as manager for the Honolulu office. Responsibility for the Hawaiian Homes Commission's system of accounts, records, reports, inventories, and purchasing is vested in the assistant executive, who frequently participates in the routine of office procedure. (Approximately one-fifth of the assistant executive's office time, during October, was spent in checking bills, invoices, purchase orders, and other routine accounting work.) He also prescribes forms and methods of reporting for each project--for example the reports to be made by the nursery schools, settlement welfare workers, and Molokai community pasture.

The assistant executive officer participates in the arrangement for construction contracts for homesteaders in two capacities. As administrator for the entire Hawaiian Homes Commission, he helps prescribe the form of construction contracts, specifying the details of construction (type of fixtures, grade of wood, etc.) to be included in the agreement between homesteader and contractor. As a "line" ad-

ministrator for Oahu, he may determine the housing requirements of individual applicants on this island, may help them negotiate a construction contract, and finally inspects the construction before approving payment of the contractor's bill. (Alternatively, some or all of these functions may be carried on by the executive director.) While visiting Oahu and neighboring island settlements--on the average of once every three or four months--the assistant executive officer may hear complaints from and advise homesteaders on housing or financial problems. He also serves as counsellor when in the Honolulu office, though far less frequently than does the executive officer.

CLERICAL AND           The secretary to the executive officer prepares leases, loan con-  
ACCOUNTING  
STAFF                 tracts, and other documents, assists in the preparation of the  
agenda for Commission meetings, types minutes of the meetings, maintains a card  
index to the minutes, handles correspondence and appointments for the executive  
officer, and opens and routes incoming letters (not bills). As noted above, she  
takes minutes of Commission meetings assisted by the stenographer (see Chart 1 on  
inside of cover). The latter works under the immediate direction of the assistant  
executive officer; she does general typing, filing, opens incoming bills and routes  
them to an account clerk.

The accounting staff, nominally under the supervision of the assistant executive officer, consists of two accountants, business machine operator, cashier, and account clerk. This staff keeps the general ledger and subsidiary accounts of the entire Hawaiian Homes Commission, (described in the proposed Hawaiian Homes Commission accounting manual), bills homesteaders for monthly interest on their loans, for annual leasehold rentals of one dollar, and, in the case of Molokai homesteaders, for water and other miscellaneous charges, on the basis of records furnished by the

Molokai office.

Maintaining inventory records, writing vouchers for payment of vendors to the Hawaiian Homes Commission, and preparing reports to (and in the name of) the finance committee of the Commission are also responsibilities of the accounting force. The cashier receives and records monies brought into the Honolulu office by homesteaders and mailed in from the outer islands. These funds are deposited by the cashier with the territorial Treasurer, also in the Territorial Office Building.

A duty shared informally by many members of the Honolulu office is the interviewing of homesteaders and applicants who come to the third floor of the Territorial Office Building. Some visitors stop at the cashier's cage at the entrance to the Hawaiian Homes Commission Office; others seek the executive officer or his assistant; still others may receive forms, advice, or directions from members of the clerical or accounting staffs.

OAHU	Two employees at Nanakuli and three at Papakolea complete the
FIELD	
STAFF	personnel complement of the Hawaiian Homes Commission on Oahu.

The Papakolea staff members are all part-time instructors at the settlement nursery school. The senior instructor submits monthly attendance reports to the assistant executive officer in Honolulu. Aside from occasional field trips of the executive or assistant executive officer, the school receives no supervision from the central office.

One of the Nanakuli employees, a janitress for the office maintained at that settlement for use as a health clinic--visited by county physicians--is also a part-time worker. The other position at Nanakuli, designated as a clerk, is full-time. Duties of this clerk are vague: he collects loan repayments from the Nanakuli

homesteaders, hears their complaints, and occasionally counsels homesteaders at the settlement. During a month, this employee collects accounts from approximately 40 homesteaders. He is instructed by either the executive officer and the assistant executive officer, or both, such supervision occurring during field trips of these Hawaiian Homes Commission officers or when the clerk visits the Honolulu office. The functions he performs at Nanakuli are not provided at the other Oahu settlements.

RECOMMENDATIONS: (1) Overall supervision of all Hawaiian Homes Commission employees stationed at Oahu settlements be delegated to the assistant executive officer; (2) duties of the clerk be expanded to include collection of accounts and "trouble-shooting" at all Oahu settlements.

MORALE OF  
HONOLULU  
OFFICE

It was observed that the morale of the Honolulu office personnel, while by no means critically poor, was in need of improvement. Basically, difficulties in this area appear to stem from mutual dissatisfaction as to working procedures--particularly from uncertainty as to an employee's duties and from inadequate supervision--rather than from dissatisfaction as to working conditions. The chief purpose of this report and of the manuals prepared to effectuate its recommendations is to seek means of improving the procedures. Further improvement in employee morale is sought in the following suggestions.

RECOMMENDATIONS: (1) Weekly or semi-monthly staff meetings of the Honolulu office staff members be held to discuss their common job and individual problems; (2) The Honolulu office experiment with mid-morning and mid-afternoon "coffee periods", to determine if it improves employee morale.

#### IV BASIC NEEDS OF THE CENTRAL ADMINISTRATION

Four related problems trouble the central office of the Hawaiian Homes Commission. The first is a poorly functioning accounting staff; the second incomplete supervision; the third a backlog of work caused in part by inefficient accounting procedures; the fourth inadequate planning.

The most emergent needs of the Honolulu office, and therefore of the entire Hawaiian Homes Commission administration, relate to the first problem. Present methods of keeping and posting financial data, billing and collecting accounts receivable, preparing vouchers for payment, and maintaining accurate inventory records are obviously unsatisfactory. The degree of their unsatisfactoriness--as reflected in incorrect entries and unbalanced accounts, as well as in slowness--is indicated in the report of the auditor to the Commission, dated December 1, 1952. Findings of this survey team substantiate those of the auditor's office.

##### ACCOUNTING SUPERVISION

Starting point for better accounting work is to provide adequate supervision of the accounting staff. This supervision is

largely lacking now. Nominally, it is exercised by the assistant executive officer; actually he directs only a portion of the accounting force (see Chart 1). There is little communication between him and the senior accountant.

RECOMMENDATION: The assistant executive officer be authorized and directed to exercise overall supervision of accounting activities of the Hawaiian Homes Commission, or, if he is not qualified for this duty, a principal accountant be added to the Honolulu office, to be in full charge of accounting operations.

The second essential for adequate accounting in the central office is competent on-the-job direction of the persons performing this work. Such routine direc-

tion would normally be given by the senior accountant of the Honolulu office. It is, however, not given; rather the accountant, account-clerk, bookkeeping machine operator and cashier work out their own problems. Only the latter regularly receives guidance or instructions from the assistant executive officer.

RECOMMENDATION: The head accountant be qualified to undertake routine direction of accounting activities, to work under the general supervision of the assistant executive officer.

POWER TO  
HIRE AND  
FIRE

A requisite for effective personnel management is the power to hire and fire subordinates. This power has not been granted to the executive officer by the Commission, the members of which, as noted in the preceding section, sometimes by-pass the executive officer in giving instructions to staff members. These circumstances may add to the reluctance of the executive officer to demote or seek the dismissal of employees he deems incompetent.

RECOMMENDATION: Authority to hire and fire personnel be delegated to and used by the executive officer.

BACKLOGS

During its recent history the operations of the Hawaiian Homes Commission have been slowed and complicated by a backlog of work. Over the period studied, for example, posting of charges to homesteaders' ledger cards has been from two to three months behind the current date--delaying by that period the sending of statements to homesteaders. In some instances homesteaders have been required to pay penalties for failure to pay their obligations to the Hawaiian Homes Commission during the months in which the charges have been waiting posting in the Honolulu Office! A relatively small but persisting number of unpaid bills<sup>7</sup> continue

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<sup>7</sup>Twenty-four firms reported unpaid bills due them, some dating to 1949 and prior years, in response to circular letters addressed to vendors by the Auditor's office in October and November, 1952. (Noted in audit report of December 1, 1952.)

to plague the accounting personnel of the Honolulu office. Inventories and other financial statements are chronically behind time, to judge from the period observed. The annual inventory statement, due June 30, 1952, had not yet been filed at the end of November. Reports of the finance committee, prepared by the staff, are two to three months behind date.

RECOMMENDATIONS: 1. An analysis be made of accounts payable, or analysis of auditor confirmed. Items should be checked and verified to determine which are correct and payable; they should then be paid. Where there is no satisfactory evidence of the correctness of a claim against the Hawaiian Homes Commission, the bill should be corrected by the claimant or, after consultation with the Auditor's Office and the Attorney General, charged off by the Hawaiian Homes Commission.

2. An analysis be made of accounts receivable, to determine the amounts due and collectable, and to begin action to collect them; to write off items which are uncollectible, as in the case of former homesteaders who have no economic assets.

3. An inventory check be made to determine items which are not at hand or which are no longer serviceable. Request Auditor and Budget Director to permit Hawaiian Homes Commission to write off these items en masse, since a description of many of these items, long disappeared, will not be ascertainable. (If permission is not obtained, approval of Governor may be sought to charge-off missing and untraced property, under Section 1638, Revised Laws of Hawaii 1945.)

EXTRA  
PAPER  
WORK

It was observed that accounting entries are not made directly into the ledgers, but are frequently tabulated on worksheets, before posting is made. The worksheet transfers, used to obtain totals by which the accounting personnel can check their work and gain confidence in the correctness of their entries, require a large portion of the time of two staff members. By unnecessarily multiplying the number of accounting entries to be made they increase the opportunities for making errors.

Another example of unprofitable accounting work is traceable to the administrative policy, acceded to by the Commission, of distributing lump-sum payments



made by homesteaders against particular charges. Thus, when a Molokai homesteader owes a water bill, charges for plowing, and pasture fees, a remittance made by him will be divided by an account clerk into three portions, credited respectively against each type of charge owing. This allocation, which is entirely arbitrary except in those cases where the homesteader himself indicates how he wishes the total payment to be credited, requires several accounting entries where one would suffice. Unless the Commission desires to have each service function of the Hawaiian Homes Commission treated as a separate department--i.e. a water department, a pasture department, etc.--and to keep track of the amounts owing to each "department" by each homesteader, no useful purpose seems to be accomplished by this multiple entry of payments.

RECOMMENDATION: Service charges continue to be itemized in the bills sent to homesteaders, but payments be credited against the entire amount of outstanding charges. Penalties, if desired by the Commission to encourage prompt payment of bills, can be applied against overdue balances according to a predetermined schedule.

A final example of time-consuming paper work is provided by the practice of typing copies of correspondence received by the Honolulu office, so that cross-files may be maintained.

RECOMMENDATION: Correspondence be filed in the homesteader's file (i.e. by lot number), with a cross-reference notation on a sheet in the subsidiary file (e.g. for vendor, another governmental agency, beneficiary of a homesteader's will, etc.). (See Section 17 of proposed Administrative Manual.) If future expansion of the Hawaiian Homes Commission and its files justifies the need for preparing several copies of correspondence, the purchase of a photographic copier should be considered.

EMERGENCY  
ROUTINE

During the two month period of survey the operations of the Honolulu office were frequently on an emergency basis, requiring members of the staff to drop their regular work to help on some urgent task. In

part, this emergency routine in the final quarter of 1952 may have been caused by unusual events of the period, including the opening up of a major settlement at Waimea, Hawaii, an annual audit which was more thoroughgoing than is customary, and the administrative survey here reported.

Beyond the peculiar demands of the past quarter, however, it appears that working under stress of recurring administrative crises is familiar to the Hawaiian Homes Commission staff at Honolulu. Accumulation of backlogs, the length of mimeographed agenda and minutes of Commission meetings, as well as incomplete direction of the members of the Honolulu office contribute to spasmodic administration.

REMINDERS  
FOR  
ACTION

It was noted that the staff of the Hawaiian Homes Commission administers by memory. Except for a card file which shows the dates on which home insurance policies will expire, no provision is made for "ticklers" to remind staff members of action to be taken. Lacking such devices, only by individual inspection of each case can one ascertain if home construction is begun within a year of granting a leasehold (or, in one case noted, in sixteen years!), or if loans are drawn upon or remain unused, though earmarked.

RECOMMENDATION: A simple system of "tickler" cards be provided to remind the Hawaiian Homes Commission staff of action to be taken or follow-through to be checked in the granting of leases or loans. (See Section 17 of proposed Administration Manual.)

INCOMPLETE  
PLANNING  
AND  
BUDGETING

Planning of future activities is accomplished only incompletely by the Hawaiian Homes Commission. Shortcomings in planning are immediately traceable to the failure of the Commission to set forth clearcut goals or objectives for the guidance of its staff. Central administration necessarily is carried on in an atmosphere of uncertainty, in the day-to-day tasks of providing services for homesteaders and taking action against home-

steads delinquent in their accounts, as well as in preparing long-range plans for the consideration of the Commission.

This uncertainty is transmitted to the settlements, for the administrators in charge of projects on Molokai and Hawaii receive little guidance from the central office in making their plans. During the period of observation the Hawaiian Homes Commission's budget for the biennium 1953-55 was being prepared: neither the Molokai project manager nor the settlement worker at Keaukaha, Hawaii, was consulted, except informally and incompletely, as to the estimated needs or projected operations of their areas.

The budget formulated by the Hawaiian Homes Commission (largely, if not completely, by the assistant executive officer) is an improvement over preceding budget requests. Under new requirements of the Budget Bureau, the request shows the amount of expenditures and number of personnel for each function--for awarding leases and loans, for farm and pasture operations, for nursery schools, etc. Budget information is thus presented in a form convenient for analysis by the Commission--were time for analysis provided at its meetings prior to the deadline for submitting the budget, October 15. However, the budget, as a plan for operations, is not prepared with the aid of personnel in the field and does not fully utilize the on-the-spot knowledge and suggestions of the person immediately responsible for the administration of each Hawaiian Homes Commission project. Nor, under present arrangements, is the approved budget directed back to the settlement manager to provide, as a budget allotment would, a directive as to the services to be performed and the personnel and money available to furnish these services.

RECOMMENDATION: Budgeting of the Hawaiian Homes Commission be revised in these basic respects: (1) information should be gathered from project administrators of needed personnel,

equipment, etc., and costs of furnishing services during the ensuing biennium; (2) these estimates should be gathered by the staff finance officer, and modified on instructions of the executive officer (after advising project administrators), to reflect policy of Commission as to types and level of services to be furnished, and incorporated into budget recommended to Commission; (3) Commission should consider proposed budget at length and further modify it to reflect current policies and plans for ensuing biennium, before adoption; (4) after adoption by Commission and approval of legislature, the actual budget should be expressed in terms of quarterly allotments for each major function of each project, to serve as a plan and guide to the project administrator during the biennium. (See Section 12 of proposed Administrative Manual.)

COMMUNICATION WITH SETTLEMENTS      Communication between the central office and the several settlements is not well enough developed to provide project administrators with continuing guidance or the Honolulu office with the steady stream of information it requires to render guidance. Perhaps the most satisfactory communication is achieved during field trips of the executive officer. He visits neighboring island projects every several weeks, as previously noted, but without schedule and often without notice. Occasional unannounced inspections may serve a useful purpose in maintaining taut administration, but for routine field trips it would appear more efficient to advise the local administrator in advance, so that he may have problems and information ready for the consideration of the executive officer.

Data are sent periodically from the Molokai office to Honolulu--little from Hawaii except statements of receipts--but with one exception they are not regularly used by the central administration to keep track of project operations. The exception is a monthly statement of the water system, showing gallonage in the tanks at the beginning of the period, amount consumed, and the amount available at the close of the month. The executive officer receives and inspects this report and is thereby able to keep informed of the water system's functioning, to note changes in con-

sumption or supply which may merit investigation.

MANAGEMENT  
INDICATORS

The water report furnishes one example of a means of gathering and using information which can be used more extensively so that the executive officer may be currently informed of operation in all of the settlements. Where changes or trends revealed by such management indicators appear significant--as a rapid decline in water reserves or cattle on community pastures, an increase in attendance at nursery schools, lags in homestead construction--the executive officer can obtain further information, take administrative action, or refer the matter to the Commission, as may be appropriate.

RECOMMENDATION: A series of management indicators be established, whereby simple factual reports are made each month by settlement administrators and by the assistant executive officer, ~~on the basis of which the executive officer can be informed of the operations of Hawaiian Homes Commission programs throughout the Territory.~~ (See Section 16 of Administrative Manual.)

Use of management indicators, all statistics capable of simple reporting, may enable the Honolulu office to discontinue or shorten some of the periodic reports now required of the Molokai office--some nominally required of the Hilo office, as well--such as detailed cattle reports, welfare and recreation reports, time reports for employees, etc. Some of these reports go unread by the executive officer because they are too long and are not designed to point up administrative problems. Management indicators, terse and significant, can be more useful to the chief administrator of the Hawaiian Homes Commission.

SIMPLIFYING  
ROUTINE  
COMMUNICATIONS

Communication between the central office and the settlements can be further simplified and clarified by use of form letters.

Most letters are of routine nature: cover letters for monthly reports, letters transmitting homesteaders' applications, leases, contracts, etc. The only purpose

of many letters is to create a record of the sending of enclosed materials so that the originating office cannot be charged with misplacing the documents or neglecting to prepare them. At present each letter is typed individually, frequently personally by the Molokai project manager or Hilo settlement worker. Incoming letters, it will be recalled, are retyped in Honolulu to create extra file copies.

RECOMMENDATION: Form letters be mimeographed to provide for routine correspondence between Hawaiian Homes Commission offices. Such forms would require only checking appropriate blanks, the insertion of identifying names and numbers, and the signature of the sender. (See Section 15 of proposed Administrative Manual.)

A final general point to be made regarding communication between Honolulu and the field offices is that settlement administrators are not always kept informed of Hawaiian Homes Commission plans which concern their projects. This failure to communicate may be traceable to the lack of settled policy--as, for example, how the settlement worker at Keaukaha, now the ranking employee on Hawaii, will fit into the island of Hawaii administration expanded to include Waimea. In other instances it may be the lack of good channels of communication which is responsible. The suggestions made above, for management indicators, streamlined correspondence, scheduled or announced visits of the executive officer, and especially, the suggestion for beginning the cycle of budget making with estimates of the settlement administrator, are all intended to provide these channels and make for better cooperation between the central office and the field offices of the Hawaiian Homes Commission.

PERSONNEL  
NEEDS

Two additions to staff appear necessary to free the executive officer of time-consuming duties and to provide for further expansion of the Hawaiian Homes Commission. The first need is for a member of the Honolulu office to interview applicants and homesteaders and to record the data

obtained. When not so occupied the interviewer could assist in other office routine, and so should be able to type and file. Work of the interviewer, as well of the entire staff, might be simplified by preparation of an information booklet, advising homesteaders of the services they may receive and the rules for obtaining them, as well as of their other privileges and obligations to the Hawaiian Homes Commission.

The second staff need is for an engineer to advise on needs for and determine costs of Hawaiian Homes Commission improvements throughout the territory, to plan and supervise such construction programs, to head up the administration of home construction, including preparation of standard contract forms, setting standards for inspection of homes in construction, and, on Oahu, to make the inspections.

RECOMMENDATIONS: (1) A qualified construction engineer be added to the Hawaiian Homes Commission staff; (2) An interviewer be added to the Honolulu office; (3) An information booklet be prepared for homesteaders, to be used by the interviewer.

OFFICE  
ARRANGEMENTS  
AND FILING

The addition of personnel will aggravate the existing need for space in the Honolulu office. The present space can be put to

better use, and daily work made easier, by a general cleanup of the office--by putting shelves and tables in order, placing scattered maps and charts in one place, removing papers, bills and reports from desk drawers and filing them, removing files from cardboard boxes and properly housing them, etc.

The filing system itself requires overhauling. General practice is to place the original of documents, bills, and other correspondence, in the "homesteader's file" (actually a lot file, since materials relating to successive homesteaders are placed in the same folder, which is identified by lot number) and to prepare copies for filing in non-homesteader files. This practice, however, is not always followed.

Letters to settlement administrators referring to more than one homesteader, for example, are filed under the name of the administrator, rather than under the individual homesteaders concerned.

An inspection of the files of the Honolulu office by an office equipment firm, made at the request of the Legislative Reference Bureau, revealed that current files are over-crowded, that many folders need replacement, that folders are not uniform in size, and that necessary cross-reference is achieved by typing extra copies, a costly method. Current files cover a three year period.

RECOMMENDATIONS: (1) The office files be worked over, replacing worn or non-standard files and adding additional folders where necessary; (2) cross-reference sheets be used in subsidiary folders to locate materials, which would be filed in homesteaders' files, rather than preparing extra copies for the subsidiary files; (3) a system of charge-out cards be used to show where materials are when out of files; (4) After backlogs in accounting and correspondence are substantially reduced, the three year filing period be replaced with a one year period, keeping the current year and the immediate past year near the file clerk's desk and placing older files in less central filing cabinets. (Homesteaders' files, however, should continue to include all materials relating to lessees, regardless of date); (5) a "key-sort" file be established for leasehold applications.

ADDITIONAL  
OFFICE  
SPACE

The suggestions just made should enable the Hawaiian Homes

Commission to use its present office area more efficiently,

but will not make more floor space available. The office is already crowded; desks for the proposed new staff members cannot be squeezed in without impeding movement within the Honolulu office.

RECOMMENDATION: The Hawaiian Homes Commission should request the Department of Public Works to restore to its use the office (at the mauka end of the floor) transferred to the Health Department. It is suggested that this office be again used by the executive officer, since it offers greater privacy than the one he presently occupies.



THE NEW  
ORGANIZATION

Suggestions for reorganization of the Hawaiian Homes Commission  
which are made in this report are incorporated in Chart 5,

printed inside the back cover. The most important elements in the proposed reorganization are, first, clarification of the respective duties of the executive officer and the assistant executive officer, and, second, strengthening the accounting staff of the Honolulu office.

The latter objective is sought by requiring the assistant executive to exercise overall supervision of accounting activities (or, alternatively to add a principal accountant to the staff) and by requiring the head accountant to assume responsibility for direction of routine accounting procedures.

Under the proposed organizational structure outlined in Chart 5, the assistant executive officer would serve as manager of the Honolulu office, would provide general supervision for the few employees at Oahu settlements, would transmit directions of the executive officer to the project managers, and coordinate their reports for the executive officer. He would continue to be the budget officer of the department.

During the first several months of reorganization the most pressing problem facing the assistant executive officer will be the overhaul of accounting procedures; much of his time will be spent in this area of operations. Until improved accounting and financial reporting are achieved, it may well be that the assistant executive will be hard put to exercise the complete scope of direction indicated above. During this transition period the executive officer may have to undertake the direct supervision of the Molokai and Hawaii projects and institution of the management indicators previously referred to.

Once good accounting is achieved, however, it would be desirable to have direction of all settlements exercised by the executive officer through his assistant, so that instructions to and reports from the project managers come through the assistant executive officer. In this manner there would be sufficient time available to the executive officer to accomplish his primary duties: overseeing and, as necessary from time to time to meet changing needs, modifying the organizational structure of the department's administration; planning of Hawaiian Homes Commission operations; and carrying out the policies and directions of the Commission.

## V ADMINISTRATION OF PROJECTS OUTSIDE OAHU

Nearly half of the persons residing on settlements are on the islands of Hawaii and Molokai, where the Hawaiian Homes Commission has undertaken more diverse programs than it performs on Oahu. To date there has been a different pattern of administration in the two neighbor islands, but expansion now underway on Hawaii may reduce these differences.

### A. Molokai

Hawaiian Homes Commission settlements on Molokai, site of the first Hawaiian Homes Commission project, house and provide a livelihood for more than a third of the island's population. On this island the Hawaiian Homes Commission operates a water system for homesteaders and a community pasture with services complete from breeding to hauling to the slaughter house; it provides the services of an agricultural advisor; plows land for homesteaders, and may plant and harvest corn--all for a service charge; maintains roads not yet transferred to Maui county and hauls gravel for those roads and, at request, fill-ins on homesteads; and it employs a recreation worker for the Hawaiian community on Molokai. To service the cars, trucks, jeeps, tractors, and road graders of the project, an equipment repair shop is maintained with minimum facilities for upkeep and routine repairs.

#### MOLOKAI STAFF

The 23 positions now comprising the Molokai staff of the

Hawaiian Homes Commission are under the direction of the project manager. He is assisted in his supervisory duties by the account clerk, who serves as office manager, and by the agronomist. The latter supervises fencing, plowing, and other field work, excluding the water system, community pastures, and the automobile shop. (See Chart 2).

ADMINISTRATION      Inspection indicated that the administration of the Molokai  
ON  
MOLOKAI      project is efficient; responsibilities of various staff members  
are well defined, supervision is apparently adequate, files and records are in re-  
latively good condition. Short-term planning is achieved, largely through weekly  
staff meetings, when the work load of the ensuing week is discussed and assignment  
of personnel made. (The Molokai office has developed a necessary flexibility,  
whereby laborers may be shifted from repairing fences to pasture operations during  
the spring roundup, tractor drivers assigned to the water force when new water lines  
are being installed, etc.) Long-term planning, however, is limited, as throughout  
the Hawaiian Homes Commission administration, for the reasons developed in the  
preceding portions of this report--lack of firm policy, absence of budget allotments  
or other means of advising the projects of objectives and financial limitations, and  
difficulties of communication between Honolulu and the settlement offices.

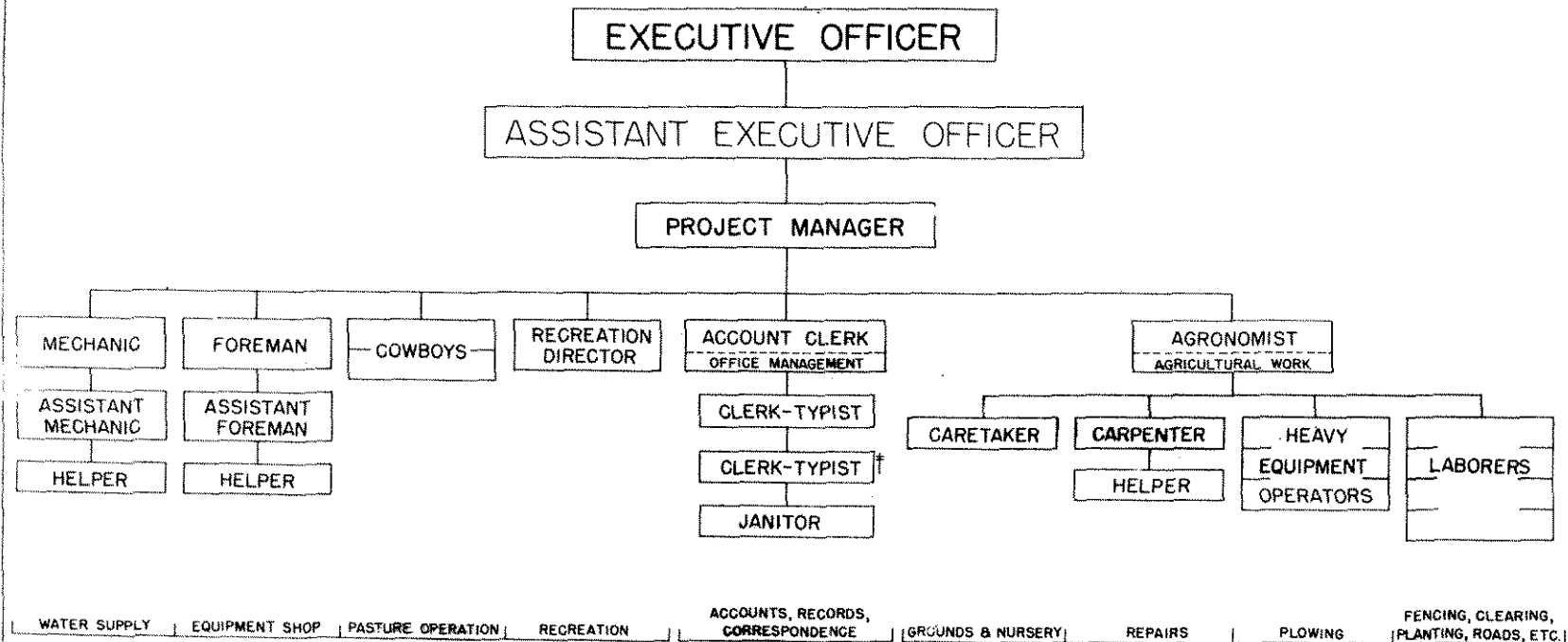
TYPING      The resignation in October of the clerk aggravated a typing  
LOAD  
bottle-neck in the Molokai project office. It was found that  
the project manager was typing his own letters, many of them routine reports or  
cover letters which can be more expeditiously prepared on the form suggested for  
such correspondence. (See page 23.)

RECOMMENDATION: A typist-clerk be added to the Molokai staff to  
replace the clerk who resigned. The new staff member should be  
able to assist in filing, interviewing, and other routine office  
work, in addition to typing.

SERVICES      One anomaly in the organization of the Molokai staff may be  
OF  
AGRONOMIST      pointed out: the agronomist, presumably employed for his know-  
ledge of soils and farming methods, also serves as a foreman for ten equipment  
operators, laborers, etc., previously noted and shown in Chart 2. It may be desi-

CHART 2

# ORGANIZATION OF THE HAWAIIAN HOMES COMMISSION FOR MOLOKAI PROJECT



\* VACANCY PREVIOUSLY FILLED BY CLERK

rable to free the agronomist from his supervisory duties by transferring these duties to another staff member designated by the project manager. A portion of the agronomist's time might then be made available for offering consultation to the homesteaders at Waimea, Hawaii, and to other new agricultural settlements as they are opened for development. In effect this would remove the agronomist from the Molokai staff and make him a member of the central administration, to be assigned wherever farming problems occur throughout the Hawaiian Homes Commission administration. This is offered as a suggestion for future planning by the Commission and its staff, rather than a recommendation for immediate action.

The variety of services rendered by the Hawaiian Homes Commission on Molokai raises policy questions and creates administrative problems. Should the Commission determine that the number of functions carried on by the Hawaiian Homes Commission are to be reduced, the programs on Molokai would require re-examination. However, the determination of which services are to be retained under a reduction policy, apparently advocated by some members of the Commission, can properly be arrived at only by the entire Commission.

SALES                      One marginal activity of the Hawaiian Homes Commission on  
OF  
SUPPLIES                  Molokai, however, can be eliminated without affecting more than  
a few homesteaders. This activity is the sale of supplies--wire, hardware, occasionally fertilizers--from Hawaiian Homes Commission stores. Only a small inventory is maintained for this purpose and only a small number of persons make purchases, (aggregating less than \$300 annually in three of the past four years), but accounting and inventory work is created thereby. The materials purchased can be obtained by homesteaders from retailers on Molokai, or by order from Honolulu stores, with no difficulty.

RECOMMENDATION: The Hawaiian Homes Commission discontinue sales of supplies and reduce its inventory to that needed for the department's own use.

REPAIR  
SHOP

The equipment repair shop may also be considered a marginal activity which may be dropped--if it is not an economical operation. In 1934 the shop was closed down and repairs of Hawaiian Homes Commission automotive equipment on Molokai were made by commercial garages. The result of this move, according to the present project manager, was to increase costs and the Hawaiian Homes Commission shop was subsequently reestablished.

Data are not available by which to judge the relative economy of the Hawaiian Homes Commission buying repair and maintenance services, on one hand, or continuing to undertake this operation itself. If the Commission wishes to obtain the data, the project manager should be directed to make a careful accounting of total costs incurred in operating the shop over a representative period of at least two or three months. These costs, including cost of equipment and supplies, as well as the salaries of shop employees, might then be compared with the estimated costs of obtaining comparable services from commercial garages on Molokai.

It should be pointed out that the Hawaiian Homes Commission must maintain a gasoline pump for fueling its vehicles, if it is to continue purchasing gasoline at a discount and without paying territorial taxes. This pump, now located at the shop, would require some attention to prevent theft should the shop be closed.

RECREATION

Recreation and welfare activities of the Molokai project have been reduced during the past several months by condemnation of the gymnasium at Hoolehua and lack of transportation for the settlement worker. A Hawaiian Homes Commission pick-up truck, which had been used for recreation and welfare purposes,

became inoperative; as a result the employee in charge of this program was left without regular means of going between the four settlement areas on Molokai. The situation was referred to the Commission in the form of a question as to whether or not the sponsorship by the Molokai project of a Boy Scout troop, which required the furnishing of transportation by the project, should be continued.

Handling of this problem, which was on the agenda of three Commission meetings, illustrates the need for overall planning of Hawaiian Homes Commission activities. A budget prepared in terms of functions at each settlement would have given the Commission an opportunity of deciding: (i) if a comprehensive recreation program, requiring the use of a car or truck, should be undertaken; (ii) if a program limited to the Hoolehua community, for which transportation may not be necessary, should be provided; or (iii) if the entire program should be eliminated. Adoption of the first alternative would then be implemented by including in the budget amounts for the purchase of the motor vehicle required, or for repairing the gymnasium. Under the procedure suggested in the preceding portion of this report, policy and budget problems concerning recreation on Molokai would be considered simultaneously and decided for an entire biennium. Piecemeal questions, such as the sponsorship of a Boy Scout troop, need not then occupy the attention of the Commission.

SELF- SUPPORTING ACTIVITIES	Other functions of the Hawaiian Homes Commission on Molokai-- the provision of water, community pasture facilities, plowing, and occasional planting, cultivation or harvesting of homesteaders' crops--are in- tended to be self-supporting. To this end record is kept of the amount of time spent by personnel and equipment on each operation, so that charges to homesteaders directly benefited may cover the costs incurred by the Hawaiian Homes Commission in providing the services.
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This goal is not completely achieved, however, since, as far as the survey team could determine, depreciation charges for equipment used are not included in costs allocated to these service functions. (Nor are overhead administrative costs, such as a portion of the agronomist's salary, included.) When trucks and tractors need replacement, or the fences need repair, these costs are borne out of the Hawaiian Home operating fund and not out of the charges for services. Current charges, therefore, do not return to the operating fund amounts sufficient to repay such costs. The effect is to relieve homesteaders buying water and receiving special services of a portion of the actual cost of the services.

RECOMMENDATIONS: If it is desired that the various services be truly self-supporting, (1) Ascertain current value of all equipment used in "self-supporting" activities in Molokai; (2) Compute annual depreciation costs for this equipment; (3) Establish fees and service charges sufficient to cover depreciation costs as well as direct costs of labor and supplies.

#### B. Hawaii

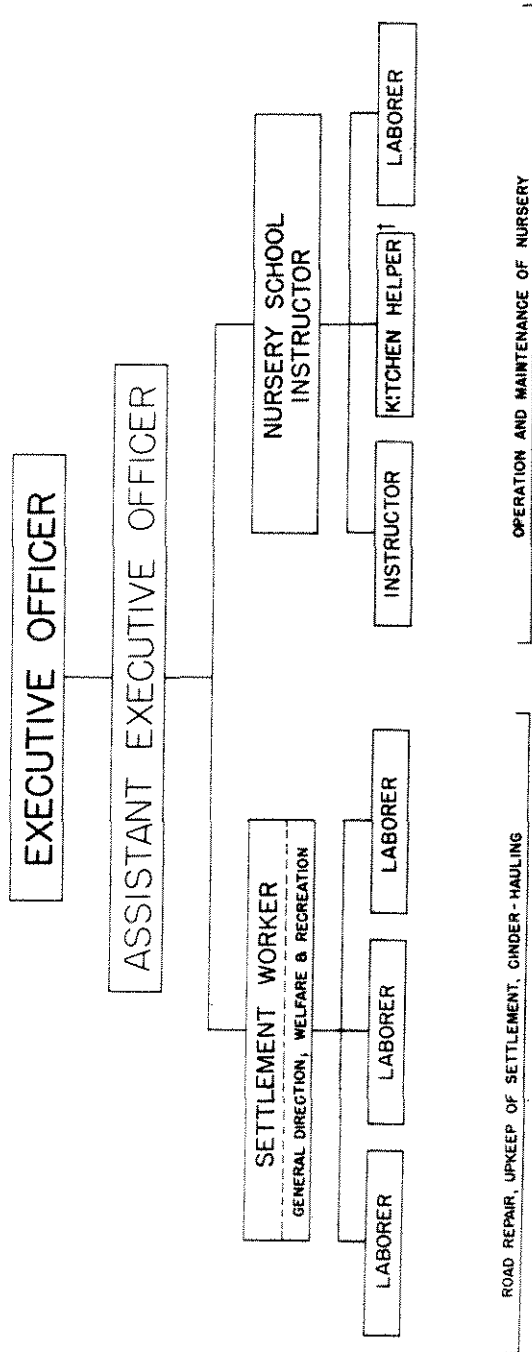
Hawaiian Homes Commission organization on Hawaii is undergoing expansion and change. Until 1952 the only settlement on the island was a house lot area at Hilo (Keaukaha). Ten isolated leaseholds at Kawaihae (South Kohala) and a single pastoral homestead at Waimanu (Hamakua) completed the list of Hawaiian Homes Commission developments. Functions of the department were limited to maintaining roads, a community hall, and other departmental properties; providing recreational and welfare activities for homestead families; and operating a nursery school for children of homesteaders, all at Keaukaha.

ADMINISTRATION  
AT KEAUKAHA

Responsibility for administration of the Keaukaha project is

CHART 3

# ORGANIZATION OF THE HAWAIIAN HOMES COMMISSION FOR KEAUKAHA SETTLEMENT ISLAND OF HAWAII



† PART-TIME POSITION

divided between a settlement worker<sup>8</sup> and a nursery school instructor who use separate portions of a community building at Keaukaha. The former is in charge of a three-man work force which undertakes janitorial, maintenance and road repair work. As an adjunct to the last-named function, members of this work force, at the request of homesteaders, haul cinders from a county-owned pit for levelling houselots. Homesteaders are charged two or two and one-half dollars per load for this service, depending on the size of the truck.

RECOMMENDATIONS: (1) Daily time reports, similar to those used on Molokai, showing the amount of time on each job, be instituted for work force. (2) Fees charged for cinder-hauling be examined to determine if they cover costs to Hawaiian Homes Commission.

DUTIES OF  
SETTLEMENT  
WORKER

Collection of these hauling fees, as well as of loan install-  
ments and annual rents of homesteaders who do not choose to

make direct remittances to the Honolulu office, is the responsibility of the settlement worker. He also secures signatures of homesteaders on leases and loan contracts, assists them in drawing up plans for housing construction and certifies as to the satisfactoriness of the construction in notifying the Honolulu office of its completion. When homesteaders or their contractors are permitted to make purchases of construction materials on Hawaiian Homes Commission account--in order to obtain

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<sup>8</sup>Referred to as "he" in the following pages, but the correct reference is "they". The settlement worker suffers from an arthritic condition which occasionally requires hospital treatment. When the settlement worker is incapacitated his wife, who is not on the Hawaiian Homes Commission payroll, manages the Keaukaha office. This arrangement, known to the Honolulu office, apparently is sufficiently satisfactory to prevent any breakdown in administration at the settlement. The survey team visited Hilo during the settlement worker's recent hospitalization and noted that, through his wife, he was undertaking direction of routine administration of the settlement as well as some recreation programs.

a governmental discount--the settlement worker signs the purchase orders.

Custody and forwarding of Hawaiian Homes Commission funds he collects is another duty of the settlement worker. It was noted that adequate facilities for holding money were not provided and that deposits in the Hawaiian Homes Commission account in a Hilo bank were not made each day; apparently several days may elapse before funds were deposited.

RECOMMENDATIONS: (1) A small strong box or a stout desk with a drawer which can be securely locked be provided for the Keaukaha office. (2) Receipts be deposited at the Hilo bank daily.

His duties as local construction advisor, money-collector, caretaker of the community hall, and general administrator of the Keaukaha area leave only a few hours each day or night for the settlement worker to carry out recreational, welfare, and related community programs, such as beautification of the project. If the Commission desires these latter functions to be carried out with any degree of thoroughness, the settlement worker must be relieved of some of his other responsibilities. By experience and inclination he seems to be better suited for group work and welfare activities than for routine administrative duties.

RECOMMENDATIONS: (1) A typist-clerk be added to the staff at Keaukaha to perform routine office work under direction of settlement worker, to be in charge of office during his absence. (2) The settlement worker devote time released from administrative routine to welfare and recreation work in the Hawaiian Homes Commission settlements. (3) The settlement worker continue to assist homesteaders with construction plans and to inspect construction, until the staff on Hawaii is expanded to include a project manager.

Addition of a clerk on a full-time basis will make possible a cleanup of files and records in the Keaukaha office and permit reports required by the Honolulu office to be submitted regularly and promptly. After an initial period of (say) six months,

the new position should be re-examined to determine if it requires a full 40-hour week, or if, once the cleanup is accomplished, a part-time arrangement would be sufficient to the needs of the office.

NURSERY  
SCHOOL

The nursery school at Keaukaha, while housed in Kawananakoa community hall, in which the office of the settlement worker is located, is not under his supervision. An instructor directs the school and the one hundred children enrolled; she supervises two assistants and a kitchen helper who prepares lunches and a mid-morning snack for the children. (The Hawaiian Homes Commission grants \$75 per month to cover a portion of the food costs, the balance being paid by parents of the children, or contributed in kind by the teaching staff or persons in the community.)

The present administrative arrangement appears to be acceptable to the personnel directly concerned and has not resulted in any serious administrative problems. Except for the occasional visits of the executive officer, however, the nursery school receives no supervision: communication of its functions is limited to monthly reports of income and expenditures and to a brief statement of its enrollment and activities prepared every two years for inclusion in the Hawaiian Homes Commission report to the legislature. No opportunity is afforded for planning or periodic consideration of its needs by an administrative officer.

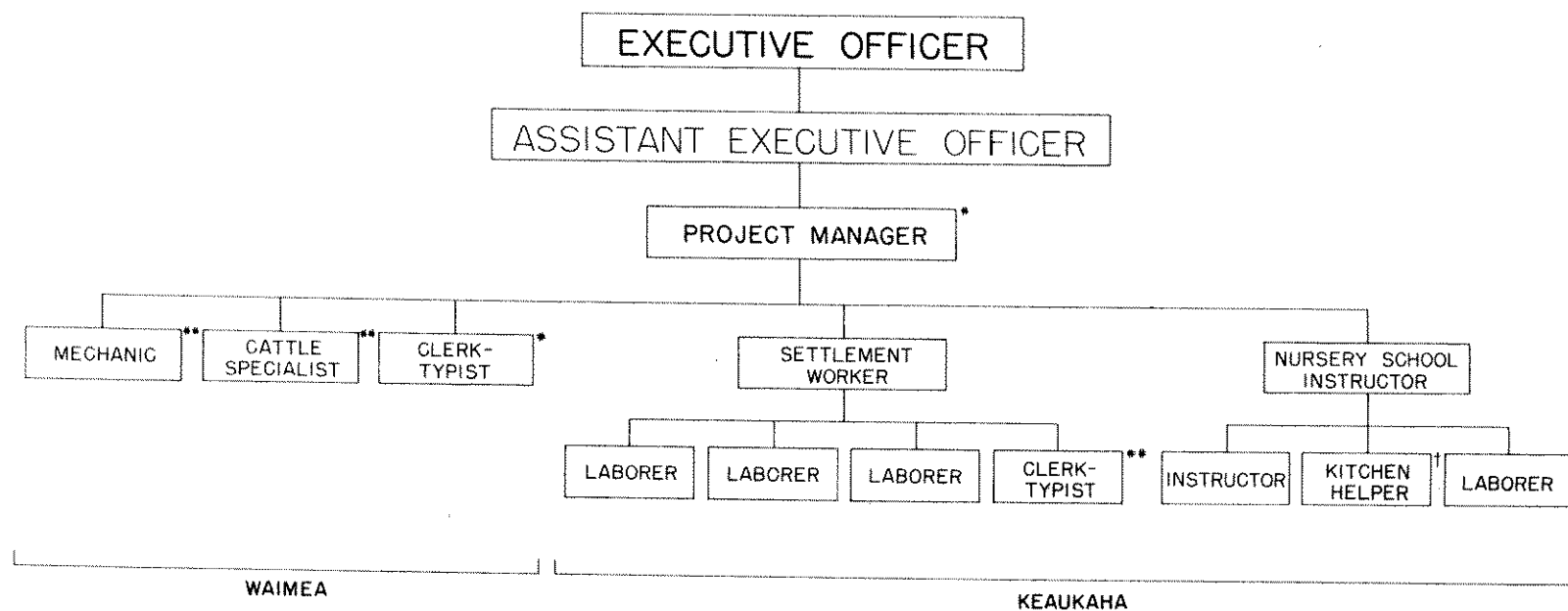
RECOMMENDATION: Administration of the Keaukaha nursery school be placed under the project manager for Hawaii, when one is appointed, the instructor-in-charge to be immediately responsible to him.

WAIMEA  
PROJECT

A new settlement at Waimea (near Kamuela) was being established in the last quarter of 1952. Activation of the Waimea project

CHART 4

# SUGGESTED ORGANIZATION OF THE HAWAIIAN HOMES COMMISSION FOR THE ISLAND OF HAWAII



will markedly expand Hawaiian Homes Commission activities on Hawaii and necessitate a larger local staff. The experience of the Hawaiian Homes Commission on Molokai points out the general needs of an administration encompassing agricultural as well as houselot areas spread over extensive acreage. Like Molokai, the Waimea project will involve cattle-raising. Unlike the older settlement, however, homesteaders will be themselves actively engaged in caring for cattle. In the initial stages of operation the cattle will be not theirs, but stock of nearby ranches raised by the homesteaders under contract. Unlike Molokai, an adequate water supply should present neither a physical or administrative problem, since the project will be served by the county water system. (Expansion of community pasture and irrigation programs beyond those presently contemplated, would, however, require some scheduling of water use, since it is understood that the system will not be able to supply all potential users at the same time.)

Effective organization would appear to require appointment of a project manager to direct all Hawaiian Homes Commission settlements on Hawaii. He should be aided by a clerk-typist, to handle correspondence, filing, and other office routine. If tractors or other heavy automotive equipment are purchased for use on homesteads or Hawaiian Homes Commission property, it may be necessary to employ one or more operators and mechanics to operate and maintain them. (The same consideration of relative costs of employing a mechanic or using commercial repair shops, discussed for Molokai, would apply here.)

Services of a staff member experienced in cattle management will be required if the Commission directs the establishment at Waimea of a community pasture similar to Molokai's, or if the homesteaders engage in raising their own cattle for market. However, if the community pasture is only a stand-by one, to be used in time of

drought, and as long as the homesteaders under contract raise cattle owned by nearby ranches, this position may not be necessary. Indeed, while Waimea homesteaders are receiving instructions from the owners of the stock they are maturing, the advice of an Hawaiian Homes Commission staff cattleman would be either repetitious or contradictory. The Commission may well defer filling this position until the Waimea homesteaders are established as truly independent stockmen. The extent to which the services of agricultural extension agents of the University of Hawaii may fill this need should also be taken into consideration.

Offices for the project manager for Hawaii would most advantageously be located at Waimea, where immediate problems of expansion are centered. The manager could, however, spend one or occasionally two days each week at Keaukaha.

RECOMMENDATION: The project manager be responsible for overseeing home construction and improvements in all settlements of Hawaii.

The settlement worker at Keaukaha, supervised by the project manager, would have additional time for recreation and welfare programs if relieved of his duties of advising on home construction and inspecting the improvements for the Hawaiian Homes Commission. The settlement worker may well continue, however, to serve as collector of amounts owed to the Hawaiian Homes Commission and direct beautification programs at the settlement. Direct supervision of the maintenance, road repair, and hauling work performed by the three-man general labor force at Keaukaha can also remain his responsibility. As previously indicated, closer control of these employees should be instituted, and daily work records may be maintained by the settlement worker. Work assignments, however, should be made by the project manager during his weekly visits to the Hilo area. (See Chart 4 for an outline of the suggested organization.)



## VI FUTURE NEEDS OF THE HAWAIIAN HOMES COMMISSION

### AREAS OF EXPANSION

The Hawaiian Homes Commission has just entered a phase of expansion in the number of homesteaders it serves as well as in the area of its operation. Waimea, Hawaii is providing 48 ranch lots, 28 farm lots, and, if they are all claimed, will also provide 85 houselots. Panaewa Forest at Hilo, not yet opened for settlement, could in a brief period supply 387 house and subsistence farm lots, were funds available. Some three hundred new houselots, approximately evenly divided between Kewalo, Waimanalo and Nanakuli, can be made available at Oahu settlements. Molokai, site of the oldest and most fully developed Hawaiian Homes Commission project, could provide 40 more lots with present facilities, up to 200 additional houselots and 300 residential lots, if irrigation facilities are expanded. One hundred and eighty-seven houselots and farm or pastoral lots are planned for Kauai, thus far without Hawaiian Homes Commission settlements, when Hawaiian Homes Commission lands, now leased to plantations, become available during the next biennium.

The pressure of a long waiting list of applicants urges the Commission to open areas as rapidly as it can. At the close of 1952 more than 2,000 applications for homesteads were at hand: 1,564 for land on Oahu, 374 for Hawaii, 124 for Molokai, and 24 for land on Kauai.

### LARGER ADMINISTRATIVE TASK

All of these developments cannot take place in the near future, however, since the rate at which Hawaiian Homes Commission settlements expand is limited by funds, by the provision of the Hawaiian Homes Commission Act forbidding opening more than 20,000 acres to homesteaders every five years, and in some instances by a limited demand for leaseholds. Administrative

difficulties will also restrict the growth of the settlements, unless the Hawaiian Homes Commission is efficient and sufficiently flexible to undertake the development of new areas without throwing its existing operations into confusion.

Experience gained in Molokai suggests the best form of organization for Hawaii. Authority for all Hawaiian Homes Commission administration on the island is centralized in a project manager, who delegates specific jobs to his staff members and who bears responsibility for all functions of the project. When Kauai is opened to settlement, operations on Hawaii will furnish additional experience by which to judge the size of staff required for the project. A minimum staff would probably consist of the project manager, a clerk-typist, and, if the settlement is an agricultural area, an agronomist or cattle specialist.

STRONG  
PROJECT  
ADMINISTRATION  
NEEDED

Growth of the settlements and their extension to areas of Hawaii and Kauai not yet developed intensifies the need for strong local administration under the general direction of the executive officer. Good administration of an expanding Hawaiian Homes Commission will increasingly require participation in budgeting and other planning at the settlement level. Were the executive officer and his assistant to formulate a budget without consulting the project managers, they would ignore on-the-spot information they are not likely to possess in detail; were they to control most local expenditures--for equipment, materials, etc.--from Honolulu, as is now attempted, instead of establishing a fairly detailed budget for each project to be administered by the manager, they would undertake project administration by remote control, a task which would leave little time for overall supervision of the territorial agency.

STAFF  
ENGINEER

The recommended addition of an engineer to the Honolulu staff would permit advance planning of Hawaiian Homes Commission projects, developments, and settlement buildings, without distracting the executive officer from the current needs of the agency. Such distraction would seem inevitable as long as the executive officer also serves as the Hawaiian Homes Commission engineer.

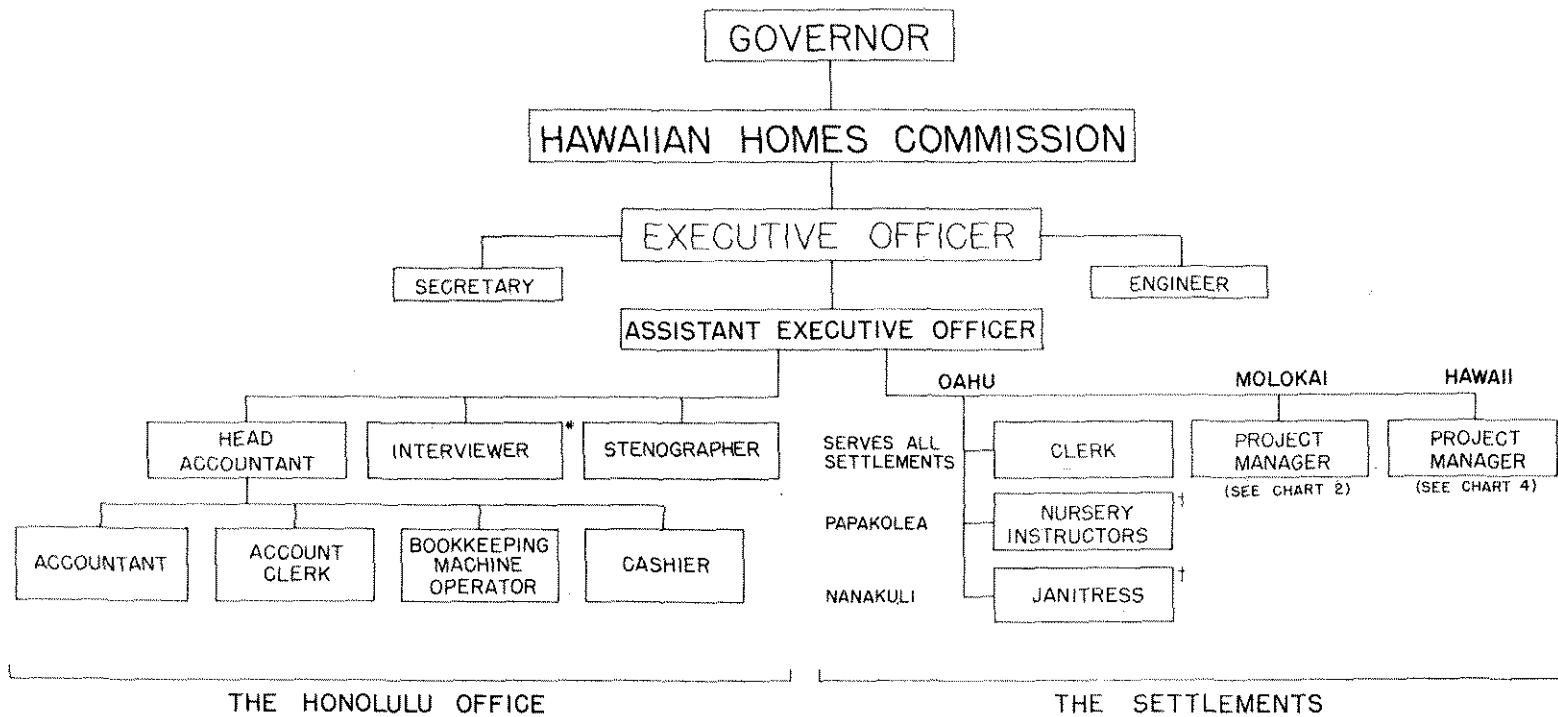
As new areas of settlement become ready for occupancy, the proposed staff engineer can take primary responsibility for advising homesteaders on construction plans, drawing up contracts, and inspecting construction. In this manner he may be able to reduce the work load of the assistant executive officer and of project managers in an area for which their abilities as administrators may not qualify them to render expert service.

WHAT SERVICES  
SHALL THE  
COMMISSION  
UNDERTAKE?

Consideration of the further growth of the Hawaiian Homes Commission underscores the importance of the conclusion stated at beginning of this report: until the Commission states for itself and its staff the purposes of the agency, present administration and future planning are handicapped. Priority in opening up new areas, the lessees to be selected, and the services to be performed at the new settlements will depend on the determination of these goals. It will require well-defined policies as well as a capable staff to undertake successfully the contemplated program of the Hawaiian Homes Commission.

CHART 5

# SUGGESTED ORGANIZATION OF THE HAWAIIAN HOMES COMMISSION



† PART-TIME POSITION

\* NEW POSITION