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## LAND STEWARDSHIP AND ECO-CULTURAL EDUCATION



In addition to its core and non-core real estate assets, the Endowment Group manages 360,000 acres of Hawai'i land zoned for agriculture and conservation. The land includes 63 miles of ocean frontage, 100 miles of streams, historic fishponds, forests and lava fields. These lands and resources are deeply tied to the Hawaiian culture and define KS as an *ali'i* trust. Consequently, they are managed separately from KS' freely traded investment portfolio.

To honor KS' kinship with these assets and to meet the goals of the Strategic Plan, the Endowment Group's Land Assets Division works to derive financial, educational, cultural, environmental and community value from the land. The division also promotes sustainable uses of the land through activities including:

- Mālama 'Āina – a program which improves overall environmental stewardship
- 'Āina Ulu – a program which allows KS and non-KS students to learn from and nurture the land
- Agricultural leasing – this program supports diversified agriculture in the state and helps sustain rural communities.

## INVESTING IN EDUCATION

Kamehameha Schools' Spending Policy sets a target of 4% of the five-year average market value of KS' endowment to be expended annually on its educational mission. Since the adoption of this policy in fiscal year 1999-2000, KS has maintained an annual trust-spending rate of approximately 4% with the exception of its initial year.

Trust spending, which represents the amounts spent during the fiscal year on educational programs, is calculated on a cash basis and includes major repairs, capital projects, an allocation of support costs and the funding of reserves. Total trust spending approximated \$219.5 million for the year ended June 30, 2003.

"Pauahi's Legacy Lives," KS' Strategic Implementation Plan that focuses on greater collaboration with other organizations as well as with families and their communities, completed its first full year of implementation in 2003. Net expenditures in trust spending for "Pauahi's Legacy Lives" initiatives totaled approximately \$7.4 million in fiscal year 2002-2003.

Trust spending for campus-based programs and capital project expenditures increased by \$16.0 million and \$10.8 million respectively, in fiscal year 2002-2003 as compared to the previous fiscal year due primarily to the continued expansion of the Maui and Hawai'i campuses.