

REPORT TO THE TWENTY-EIGHTH LEGISLATURE
2015 REGULAR SESSION
ON
THE HAWAII HISTORIC PRESERVATION SPECIAL FUND
FOR FISCAL YEAR 2013-2014



PREPARED BY:

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
IN RESPONSE TO
SECTION 6E-3, HAWAII REVISED STATUTES

HONOLULU, HAWAII
OCTOBER 2014

THE HAWAII HISTORIC PRESERVATION SPECIAL FUND
FOR FISCAL YEAR 2013-2014

BACKGROUND

The Hawaii Historic Preservation Special Fund (Fund) was established in Section 6E-16, Hawaii Revised Statutes (HRS), by way of Act 388, Session Laws of Hawaii 1989, to enhance and preserve elements of our past that should be integrated into our daily living.

Allowable deposits into the Fund include:

- (1) Appropriations by the Legislature to the special fund;
- (2) Gifts, donations, and grants from public agencies and private persons;
- (3) All proceeds collected by the Department of Land and Natural Resources (Department) derived from historic preserve user fees, historic preserve leases or concession fees, fees charged to carry out the purposes of Chapter 6E, HRS, or the sale of goods; and
- (4) Civil, criminal, and administrative penalties, fines, and other charges collected under Chapter 6E, HRS, or any rule adopted pursuant to Chapter 6E, HRS.

All interest earned or accrued on moneys deposited in the Fund shall become part of the Fund. The Fund shall be administered by the Department; provided that the Department may contract with a public or private agency to provide the day-to-day management of the Fund.

Subject to legislative authorization, the Department may expend moneys from the Fund:

- (1) For permanent and temporary staff positions;
- (2) To replenish goods;
- (3) To produce public information materials;
- (4) To provide financial assistance to public agencies and private agencies in accordance with Chapter 42F, HRS, involved in historic preservation activities other than those covered by Section 6E-9, HRS; and
- (5) To cover administrative and operational costs of the Department's Historic Preservation Program.

Use of the fund:

The majority of money in the fund was originally targeted to pay two positions 103121 and 112243. Since its inception the fund was not able to generate enough money for the positions, resulting in the positions remaining vacant. Therefore, a change in MOF for the two positions from special to general funds, along with the conversion from temporary to permanent were approved by 2013 legislature for FY 14 and FY 15 to allow the Department to fund and fill these positions.

As a result, the money in the fund is currently used to pay for administrative and operational costs in support of the Department's Historic Preservation Program.

FUND BALANCE

Appropriation Account Number: S-321-C

Beginning Cash Balance	(7/01/13)	\$	0.00
Revenues			75,540.85
Cash Transfers			62,623.14
Expenditures			47,181.81
Ending Cash Balance	(6/30/14)	\$	90,982.18
Ending Encumbrances	(6/30/14)	\$	0.00
Net Cash Balance		\$	90,982.18

The revenues were derived from user fees, professional fees, and interest income. Moneys were expended to pay for software and computer equipment to meet IT requirements for upgrades to the latest version of the computer operating system for existing staff, coupled with the purchase of new computers and software in support of staff hiring for newly approved positions. In addition, expenditures included special fund assessments (central services fees and administrative expenses) under Chapter 36, HRS.

ACCOMPLISHMENTS

During 2013-2014, the State Historic Preservation Division (SHPD) focused its effort on meeting the National Park Service's (NPS) Mandated Corrective Action Plan (CAP) and submitted a final report to the NPS in May 2014 detailing its accomplishments and on-going course of action. On June 18, 2014, NPS accepted and approved all but one of the required elements submitted in the final report.

SHPD has filled several vacant positions with qualified staff including an Administrator (102282), Maui Lead Archaeologist (101037), Kauai Lead Archaeologist (43185), Architectural Historian (100378), Maui Burial Specialist (121172), Office Assistant IV (43185), and Office Assistant III (26603). In the architecture branch, there exists staff who meet the qualifications for architectural historian, however a search is currently on to fill the Architecture Branch Chief and Historian positions. SHPD will continue to hire through the upcoming year to fill these and other vacant positions.

The project review backlogs in the Archaeology branch continues to exhibit sizable reductions as the SHPD has filled vacant positions, utilized 89-day temporary hires, and contracted professional services to meet mandated project review due dates. Meanwhile the Architecture branch has made steady strides to meet its project review due dates on a consistent basis. During the past 12 months the average review has been completed in 5 days. The mode or common review period has been 3 days.

The 2014 Legislature approved a change in designation of three general fund and eight federal fund positions from temporary to permanent status. The positions are (1) Cultural Historian (102287A), (2) Architectural Historians (100377 and 100378), (1) Historic Preservation Archaeologist IV (102055), (2) Historic Preservation Archaeologist III (102064 and 102301A), (1) Historic Preservation Data Management Specialist (102283), (1) Historic Preservation GIS Systems Specialist (102288), (1) Librarian (91217C), (1) CLG Grant Specialist (91218C) and (1)

Compliance Specialist (99083CA).

FUTURE PROGRAMS

During FY 2014-2015 SHPD will continue to fill vacant positions until all funded positions are filled.

SHPD will revise and issue its fee schedule no later than June 2015 to more accurately reflect the actual costs incurred in the review process. It is estimated that this will increase revenue to the Special Fund three-fold.

SHPD will work to complete the Data Management Plan, the final outstanding required element of the Corrective Action Plan. However, continuing efforts on this Plan, after receipt of the NPS's June 2014 letter have revealed that implementation exceeds current appropriation levels. Without additional funding, implementation will be very slow.

SHPD will begin work on obtaining World Heritage Site designation for the Iolani Palace.

SHPD will undertake a comprehensive review of its regulations and initiate the revision process, as appropriate.