

REPORT TO THE TWENTY-EIGHTH LEGISLATURE
2016 REGULAR SESSION
ON
THE HAWAII HISTORIC PRESERVATION SPECIAL FUND
FOR FISCAL YEAR 2014-2015



PREPARED BY:
DEPARTMENT OF LAND AND NATURAL RESOURCES
STATE OF HAWAII

IN RESPONSE TO:
SECTION 6E-3, HAWAII REVISED STATUTES

November 2015

THE HAWAII HISTORIC PRESERVATION SPECIAL FUND
FOR FISCAL YEAR 2014-2015

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 is targeted to pay two new positions approved by the 2015 Legislature: an Office Assistant III (91603C) and Ethnographer (91604C). Although, the Department's State Historic Preservation Division (SHPD) has had difficulty in the past with generating enough money deposited into the Fund for payroll, SHPD is in the process of updating its administrative rules to amend a 13 year old fee schedule that does not accurately reflect the costs involved with reviewing permits, reports and submissions for determination.

As a result, the Fund is currently used to pay for administrative and operational costs in support of the Department's Historic Preservation Program. However, upon receipt of approval for a new fee schedule set forth in an amended administrative rules, the fund will be used primarily in support of payroll and benefits for the new Office Assistant III and Ethnographer positions, respectively.

FUND BALANCE

Appropriation Account Number: S-321-C

Beginning Cash Balance	(7/01/14)	\$	0.00
Revenues			75,683.59
Cash Transfers			87,983.18
Expenditures			23,638.06
Ending Cash Balance	(6/30/15)	\$	140,028.71
Ending Encumbrances	(6/30/15)	\$	<u>0.00</u>
Net Cash Balance		\$	140,028.71

Revenues were derived from user fees, professional fees, and interest income. Moneys were expended to pay for office supplies, rental of electronic data processing equipment and multi-purpose copiers, as well as travel related expenditures for neighbor island staff to attend the 3-day strategic planning and historic preservation training workshop. In addition, expenditures included special fund assessments (Central Services Fees and Administrative Expenses) under Chapter 36, HRS.

ACCOMPLISHMENTS

During Fiscal Year 2014-2015, SHPD successfully fulfilled all but one of the National Park Service's (NPS) Mandated Corrective Action Plan (CAP) require elements, and subsequently focused its effort on finalizing the remaining CAP requirement: The SHPD Data Management Plan. This included requesting and receiving from the 2015 Legislature general funds totaling \$300,000 for Fiscal Years (FYs) 2016 and 2017 to implement the Data Management Plan.

SHPD also filled several vacant positions with qualified staff including an Archaeology Branch Chief (100530), History and Culture Branch Chief (12975), Architecture Branch Chief (100380), O'ahu Burial Specialist (120337), O'ahu Cultural Specialist (102394), and the Architectural Historian (100377). As a result, the architectural branch is currently fully staffed. SHPD will continue, in the upcoming year, to fill its other general funded vacant positions, including but not limited to: a Librarian (91217C), Hawaii Island Lead Archaeologist (102055), O'ahu Lead Archaeologist (100379), O'ahu Assistant Archaeologist (102064), Maui Cultural Specialist (102287), Geographic Information Systems Specialist (102288), Certified Local Government Grant Specialist (91218C), and Maui Burial Specialist (91216C).

The project review backlog in the Archaeology Branch continues to reflect meaningful reductions, while the SHPD worked to fill the Hawaii Island and O'ahu vacant archaeology positions, in large part by using contract hires and professional service consultants to meet mandated project review due dates. Meanwhile, a fully staffed Architectural Branch has been able to meet its project review due dates on a consistent basis.

In addition to the 2015 Legislature approving two new special fund positions as previously mentioned, it also changed the method of financing for the Librarian position (91217C) from federal to general funds.

FUTURE PROGRAMS

During FY 2015-2016, SHPD will continue to fill vacant positions until all funded positions are filled.

SHPD also continues to work on revising and issuing its new fee schedule by June 2016 to more accurately reflect the actual costs incurred in the review process. It is estimated that this will increase revenue to the Fund three-fold.

SHPD will work to complete the Data Management Plan which is the final outstanding required element of the CAP. SHPD is continuing its effort to fully implement this Plan, having received substantial support from the 2015 Legislature in the form of general funds totaling \$300,000, appropriated in increments of \$150,000 for FYs 2016 and 2017, respectively.

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

SHPD is continuing in its undertaking of a comprehensive review of its regulations and initiate the revision process, as appropriate.