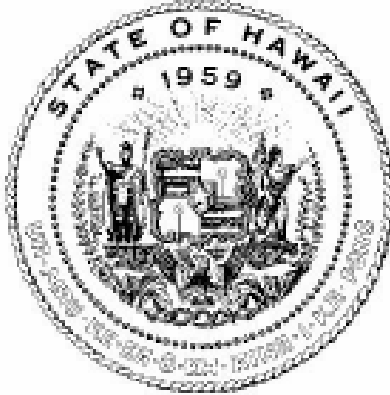


REPORT TO THE TWENTY-NINTH LEGISLATURE
2017 REGULAR SESSION
ON
THE HAWAII HISTORIC PRESERVATION SPECIAL FUND
FOR FISCAL YEAR 2015-2016



PREPARED BY:

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

HONOLULU, HAWAII
NOVEMBER 2016

THE HAWAII HISTORIC PRESERVATION SPECIAL FUND
FOR FISCAL YEAR 2015-2016

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, it has been difficult with generating enough money for payroll from the Fund in the past, the State Historic Preservation Division (Division) continues to work on updating its administrative rules to amend a thirteen year old fee schedule that does not accurately reflect the costs involved with reviewing permits, reports and submissions for determination.

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. However, upon receipt of approval for a new fee schedule set forth in an amended administrative rule, the Fund will be used primarily in support of payroll and benefits for the new Office Assistant III position along with a newly re-described Archaeologist IV position.

FUND BALANCE

Appropriation Account Number: S-321-C

Beginning Cash Balance	(7/01/15)	\$	0.00
Revenues			73,827.00
Cash Transfers			135,060.34
Expenditures			204,902.32
Ending Cash Balance	(6/30/16)	\$	3,985.02
Ending Encumbrances	(6/30/16)	\$	5,053.48
Net Cash Balance		\$	(1,068.46)

The revenues were derived from user fees, professional fees, and interest income. Moneys were expended primarily to cover federal fund payroll which is scheduled for reimbursement from the 2016 HPF Grant through the federal fund appropriation S-16-209-C. In addition, the Fund was used to pay for utilities, office supplies, rental of electronic data processing equipment and multi-purpose copiers, as well as travel related expenditures for neighbor island staff to attend historic preservation conferences and training workshops on O'ahu.

ACCOMPLISHMENTS

During 2015-2016, the Division continued to work on fulfilling the final outstanding element of the National Park Service's (NPS) Mandated Corrective Action Plan (CAP) or the development of a Data Management Plan. The Division contracted a consultant to assist it in developing a Data Management Plan and Budget for the development and implementation of a Data Management System. The Plan and Budget are expected to be completed in time for the 2017 Legislative Session.

In addition, the Division has contracted a vendor to digitize approximately one third of its correspondence files, records, and reports (approximately 1 million pages) as part of its effort in establishing a new data management system.

The Division has also filled several vacant positions with qualified staff including a Librarian (91217C), O'ahu Assistant Archaeologist (102064), Maui Cultural Specialist (102287), GIS Specialist (102288), and Maui Burial Specialist (91216C). The Division will continue to fill its other general funded vacant positions through the upcoming year, including but not limited to: Hawaii Island Lead Archaeologist (102055), O'ahu Lead Archaeologist (100379), Kauai Lead Archaeologist (103121), and Historic Preservation Systems Manager (102283).

Although project reviews in the Archaeology Branch reflect a six month backlog, as the Division experiences difficulty in filling these vacancies in large part due to private and federal sector completion along with lower compensation offered by the State, the Division continues to work at filling the Hawaii Island, Maui, and O'ahu vacant archaeology positions while using temporary contract hires and professional service consultants to assist it in meeting mandated project review due dates.

Conversely, a fully staffed Architectural Branch has been able to meet its project review due dates on a consistent basis while working to complete a statewide architectural survey has provided in Act 89, SLH 2015.

FUTURE PROGRAMS

During Fiscal Year 2016-2017, the Division will continue to work at filling vacant positions until all funded positions are filled.

The Division will continue to work on revising and issuing its new fee schedule by June 2019 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.

In addition, the Division will continue work at the implementation of the Data Management Plan for the development of a Data Management System by working with the Governor and Legislature in obtaining the necessary funding estimated at one million dollars over the next few years.