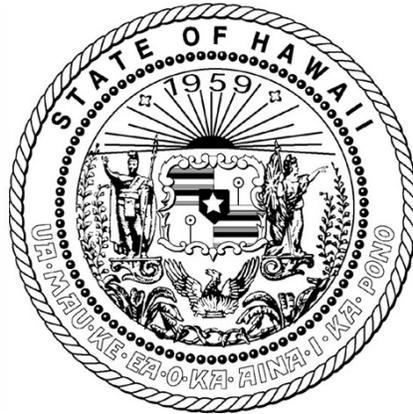


REPORT TO THE TWENTY-NINTH LEGISLATURE
2018 REGULAR SESSION
ON
THE HAWAII HISTORIC PRESERVATION SPECIAL FUND
FOR FISCAL YEAR 2016-2017



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

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

HONOLULU, HAWAII
OCTOBER 2017

THE HAWAII HISTORIC PRESERVATION SPECIAL FUND
FOR FISCAL YEAR 2016-2017

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

Most of the 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 Fund has had difficulty in the past with generating enough money for payroll, the State Historic Preservation Division (SHPD) continues to work on updating its administrative rules to amend a fifteen-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 revised fee schedule set forth in a to be proposed and amended administrative rules, 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	(7/01/16)	\$	0.00
Revenues		\$	137,789.43
Cash Transfers			(2,418.46)
Expenditures			82,050.48
Ending Cash Balance	(6/30/17)	\$	3,985.02
Ending Encumbrances	(6/30/17)	\$	53,320.49
Net Cash Balance		\$	52,015.49

The revenues were derived from user fees, professional fees, and interest income. Moneys were used in part for an interim loan to cover federal fund payroll which is scheduled for reimbursement from the 2017 HPF Grant through the federal fund appropriation S-17-209-C. In addition, the special 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 2016-2017, SHPD 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 Integrated Information Management System. SHPD also procured a second vendor to conduct a second phase of scanning that entailed digitizing all the reports in the SHPD Library, estimated at over 600,000 pages. At the completion of both contracts the vendors will upload the scanned files into the SHPD’s DocuShare database. In addition, SHPD has upgraded its data transmission infrastructure to improve the neighbor island units’ capacity to receive and send data with an improved and more dependable rate of performance. Funding for these contracts and upgrades were authorized by the legislature in support of the development of SHPD’s new Integrated Information Management System which is the final element in the National Park Service (NPS) Corrective Action Plan (CAP).

SHPD has also filled several vacant positions with qualified staff including a Hawai‘i Island Lead Archaeologist (102055), O‘ahu Lead Archaeologist (100379), Secretary III (120320), Historic Preservation (HP) Systems Manager (102283) and a Librarian (91217C). SHPD will continue to hire through the upcoming year to fill its other vacant positions, including a Kaua‘i Lead Archaeologist (103121), Archaeologist (91604C), HP Systems Manager (102283) which only recently became vacant, two (2) Architectural Historians (100378) and (112243), Hawai‘i Island Burial Specialist (120336), two (2) Office Assistant IIIs (26603) and (91603C).

Project reviews in SHPD’s Archaeology Branch continue to reflect a six-month backlog, as SHPD experiences on-going difficulty in filling these vacancies in large part due to private and federal sector completion along with lower compensation offered by the State. Thus, SHPD continues to work at filling the vacant Kaua‘i lead archaeologist along with the Department of Transportation funded archaeologist positions while using temporary hires and professional service consultants to assist it in meeting mandated project review due dates.

The 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, Session Laws of Hawaii 2015.

FUTURE PROGRAMS

During Fiscal Year (FY) 2016-2017, SHPD will continue to work at filling vacant positions until all funded positions are filled.

SHPD is working at contracting a professional services consultant to assist in revising its administrative rules and issuing a revised fee schedule by September 2019 to more accurately reflect the true costs incurred in the review process and to offset a larger portion of those costs. It is estimated that this will increase revenue to the Fund three-fold.

In addition, SHPD continues to work on the development and implementation of the Integrated Information Management System by procuring a professional services consultant to develop a Request for Proposal for the development and installation of the Integrated Information Management System, and in working with the Governor and Legislature to obtain the necessary funding estimated at an additional 500 thousand dollars in support of its development, installation and implementation. This will fulfill the final element of the NPS CAP.