

February 24, 2022
Agenda Item IV.A

To: KIRC Commissioners
From: Michael K. Nāho‘opi‘i, Executive Director
Subject: Review and Approve Amendment to the FY 2022 KIRC Operating Budget

RECOMMENDED MOTION:

Approve the KIRC FY22 budget increase of \$61,266.00.

BUDGET SUMMARY

The FY22 budget was previously amended on December 13, 2021, for a total of \$1,817,772.98. This amendment increases the FY22 budget by \$61,266.00 to execute the FY22 portion of the new National Coastal Wetland Conservation (CWC) Grant funded by the U.S. Fish and Wildlife Service and to correct a spreadsheet error on the previous budget.

The three-year CWC project includes funding for equipment, supplies and funding for an Ocean Resource Specialist II for two-years. Staff is planning to start the new staffing in FY23. Additionally, the grant includes funds to cover other current expenses including vessel operations, access fees, meals, and communications.

The FY22 budget increase will only include funds expected to be expended in FY22. The KIRC staff will also be encumbering funds this fiscal year to secure a contract for native plant seedlings but will not be expending the majority of these funds until the following years of the grant.

BUDGET DISCUSSION

The following table summarizes the changes in the amended FY22 budget:

	FY22 Approved	FY22 Amended	Change
FY22 General Funds	\$1,041,420.00	\$1,041,420.00	\$0.00
FY21 General Funds Carryover	\$22,884.65	\$22,884.65	\$0.00
Reimbursable Trust Funds	\$345,970.15	\$416,936.15	\$70,966
Non-Reimbursable Trust Funds	\$407,498.18	\$397,798.18	(\$9,700.00)
Totals	\$1,817,772.98	\$1,879,038.98	\$61,266

This budget amendment includes the following:

1. Add the new Coastal Wetland Conservation Grant (CWC) Project to the Ocean Resource Management Program.
2. Add reimbursable trust funds (\$42,341) to the line item for Ocean Resource Management/CWC/Material & Supplies.
3. Shift money non-reimbursable trust funds (\$2,200) to reimbursable trust funds in the line item for Reserve Operations/Contracts/Base Camp to reflect for CWC grant funding for on-island internet communications. The current communications contract is funded by the IMLS IV grant. The CWC grant will now cover \$2,200 of this contract which would

free up the corresponding monies to fund the non-reimbursable trust funds portion of the Base Camp contract.

4. Move money from non-reimbursable trust funds (\$7,500) to reimbursable trust funds in the line item for Reserve Operations/Contracts/Base Camp to reflect CWC grant funding for on-island meals. This portion of the Base Camp contract is currently being funded by non-reimbursable trust funds.
5. Corrects a spreadsheet formula error in Administration/Outreach/IMLS NHMS Grant line item that results in an increase of \$18,925 in reimbursable trust funds.

REVISED IMPACT TO TRUST FUND

FY22 Beginning Cash Balance				\$1,500,339
Revenue:				
	Grant income (estimate)	\$424,942*		
	Trust Fund Interest (estimate)	\$9,000		
	Income (estimate)	\$50,000		
	Giving (estimate)	\$25,000	\$508,942	
Expenditures:			\$802,040	
Net Income:			(\$293,098)	
Ending Balance FY22 (projected)				<u><u>\$1,207,241**</u></u>

Notes:

*increase in grant income by \$64,047

**net effect is a projected FY22 ending balance higher than the previous amendment by \$20,400.

LEGAL AUTHORITY:

The relevant provisions of Chapter 6K, Hawai‘i Revised Statutes, read as follows:

[§6K-6] Responsibilities and duties of the commission. The general administration of the island reserve shall rest with the commission. In carrying out its duties and responsibilities, the commission...

(2) Shall approve all contracts for services and rules pertaining to the island reserve...

[§6K-9.5] Kaho`olawe rehabilitation trust fund. (b) The commission may use moneys in the trust fund to carry out the purposes of this chapter, including hiring employees, specialist and consultants necessary to complete projects relating to the purposes of this chapter.

FY22 KIRC Amended Budget Comparison

	FY2022 Approved December 13, 2021	FY2022 Amended Budget	FY22 G-Funds Budget	FY21 G-Funds Carry Over	FY2022 T-Fund Reimbursed	FY2022 T-Fund Non- Reimbursed	Notes
COMMISSION	\$ 66,390.00	\$ 66,390.00	\$ 42,420.00	\$ -	\$ 23,970.00	\$ -	4%
Personnel	\$ 39,960.00	\$ 39,960.00	\$ 39,960.00	\$ -	\$ -	\$ -	
Non-Personnel	\$ 26,430.00	\$ 26,430.00	\$ 2,460.00	\$ -	\$ 23,970.00	\$ -	
ADMINISTRATION	\$ 521,209.60	\$ 540,134.60	\$ 492,962.40	\$ 21,217.20	\$ 25,955.00	\$ -	29%
Personnel	\$ 346,320.00	\$ 346,320.00	\$ 346,320.00	\$ -	\$ -	\$ -	
Non-Personnel	\$ 174,889.60	\$ 193,814.60	\$ 146,642.40	\$ 21,217.20	\$ 25,955.00	\$ -	Increase due to formula error
OPERATIONS	\$ 733,283.11	\$ 733,283.11	\$ 191,517.60	\$ 1,667.45	\$ 142,299.88	\$ 397,798.18	39%
Personnel	\$ 142,620.00	\$ 142,620.00	\$ 142,620.00	\$ -	\$ -	\$ -	
Non-Personnel	\$ 590,663.11	\$ 590,663.11	\$ 48,897.60	\$ 1,667.45	\$ 142,299.88	\$ 397,798.18	Reduction due to new reimbursable expenses
OCEAN	\$ 216,716.84	\$ 259,057.84	\$ 111,300.00	\$ -	\$ 147,757.84	\$ -	14%
Personnel	\$ 111,300.00	\$ 111,300.00	\$ 111,300.00	\$ -	\$ -	\$ -	
Non-Personnel	\$ 105,416.84	\$ 147,757.84	\$ -	\$ -	\$ 147,757.84	\$ -	Increase spending to execute new grant
RESTORATION	\$ 280,173.43	\$ 280,173.43	\$ 203,220.00	\$ -	\$ 76,953.43	\$ -	15%
Personnel	\$ 242,347.46	\$ 242,347.46	\$ 203,220.00	\$ -	\$ 39,127.46	\$ -	
Non-Personnel	\$ 37,825.97	\$ 37,825.97	\$ -	\$ -	\$ 37,825.97	\$ -	
CULTURE		\$ -	\$ -	\$ -	\$ -	\$ -	0%
Personnel		\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Personnel		\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL	\$ 1,817,772.98	\$ 1,879,038.98	\$ 1,041,420.00	\$ 22,884.65	\$ 416,936.15	\$ 397,798.18	
Personnel	\$ 882,547.46	\$ 882,547.46	\$ 843,420.00	\$ -	\$ 39,127.46	\$ -	47%
Non-Personnel	\$ 935,225.52	\$ 996,491.52	\$ 198,000.00	\$ 22,884.65	\$ 377,808.69	\$ 397,798.18	53%