

June 26, 2024
 Agenda Item IV.A

To: KIRC Commissioners
 From: Michael K. Nāho‘opi‘i, Executive Director
 Subject: Review and Approve FY 2025 KIRC Operating Budget

RECOMMENDED MOTION:

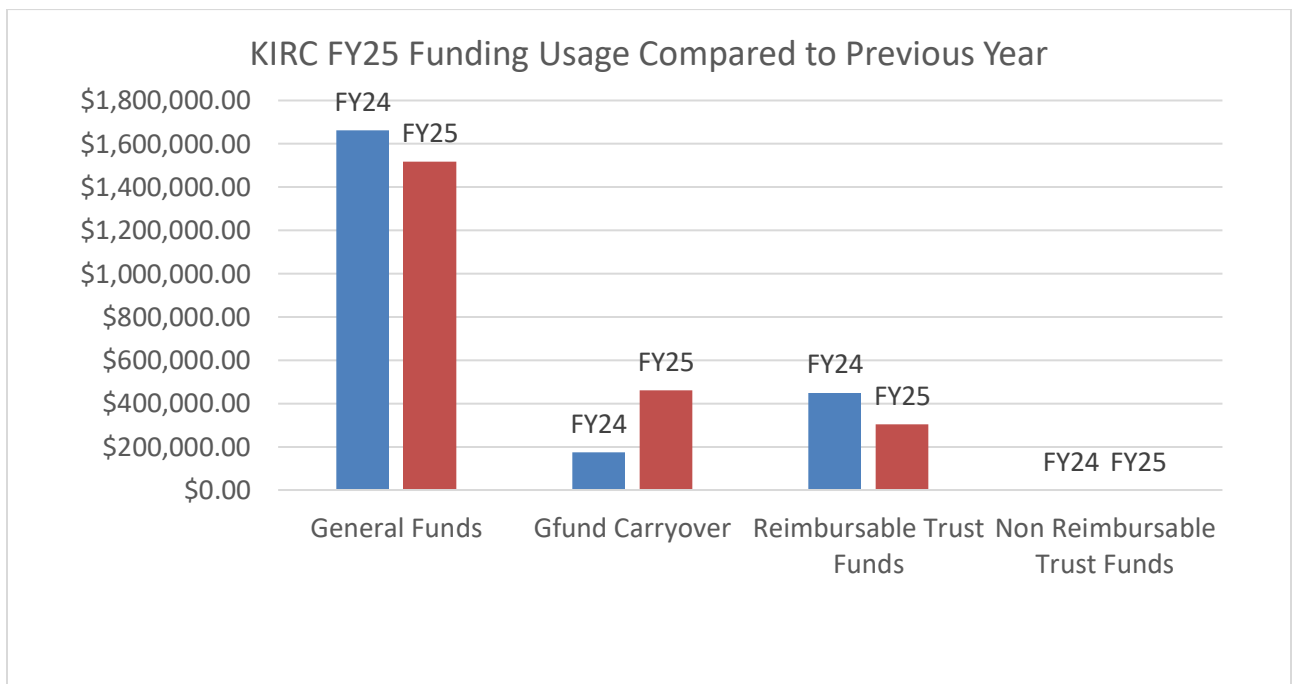
- A. Accept \$1,978,072.31 general appropriation budget, as detailed, to fund KIRC staff positions and program expenses as approved in the State Administration’s budget.
- B. Approve the expenditure of approximately \$303,769.85 from the Kaho‘olawe Rehabilitation Trust Fund to fund reimbursable grants projects and non-reimbursable operations.

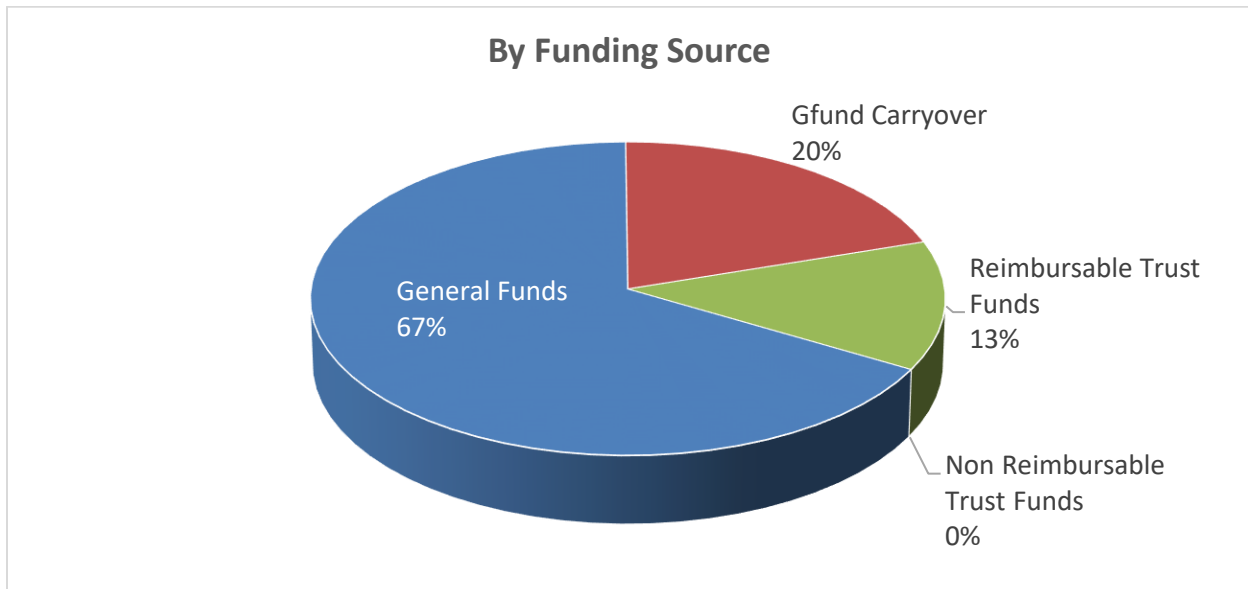
BUDGET SUMMARY

The total FY25 operating budget is 2,281,842.16 and focuses on the continuation of on-island work accesses, on-island restoration, resource management activities and implementation of grant funded projects.

SOURCES OF FUNDING FOR FY25

	FY24	FY25	Change
General Funds	\$1,662,128	\$1,518,562	(9%)
General Funds Carryover	\$173,872	\$459,510	164%
Reimbursable Trust Funds	\$449,496	\$303,770	(32%)
Non-Reimbursable Trust Funds	\$0	\$0	0
Totals	\$2,285,496	\$2,81,842	Less than 1%





General Funds: HB1800 HD1 SD1 CD1 (State Budget) is currently pending the Governor’s signature. The FY25 appropriation increased from \$1,803,789 (FY24) to \$1,840,658 (FY25). The increase was due to an estimated escalation in payroll. The table below includes the current appropriation and the estimate on the upcoming budget restriction.

	Appropriation	Estimated Restriction (10%)	Current Allocation
Personal SVCS (Payroll)	\$1,227,658	\$122,766	\$1,104,892
Other Current Expenses	\$613,000	\$61,300	\$551,700
Total	\$1,840,658	\$184,066	\$1,656,592

General Fund Carryover: General fund carryover are general funds that have been encumbered in the previous year and will be used in the current fiscal year. These are funds encumbered in purchase orders or leases for payments which cross two fiscal years.

For FY25, the KIRC was fortunate to have \$100,000 in vacancy savings due to delays in filling vacant positions. Additionally, State Parks had a large vacancy saving that they shared with the rest of the department. The KIRC received \$200,000 of that amount to be applied to existing contracts.

Additionally, FY24 general funds were allocated for the first quarter of FY25 for the office maintenance contracts to ensure they would be paid while the new FY25 State budget is authorized and funds released.

The following table summarizes the general fund carry over for FY25:

Source	Amount	Note
Office Maintenance Services	\$17,200	Funding available for 1 st Quarter
Fuel and Boathouse Maintenance	\$14,600	Fuel, electricity and landscaping PO
Base Camp Management	\$427,710	Operations of Base Camp
Total	\$459,510	

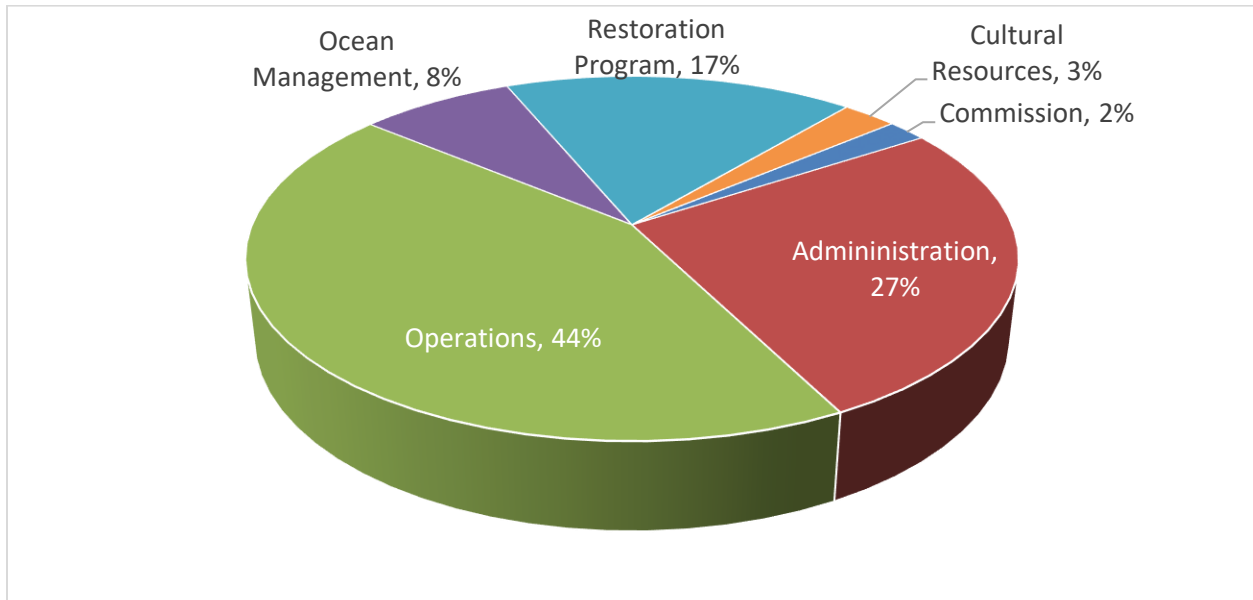
Reimbursable Trust Funds: Trust funds are used to pay for grant expenses. These expenses are reimbursable to the KIRC. The KIRC is fortunate to have the trust fund to front the cost and expenses of its grant-based projects. This allows staff to immediately start a project and then receive reimbursement. The effect is a cumulative net zero on the KIRC trust fund.

The following table summarizes the current awarded grants.

Source	Amount	Note
IMLS 6	\$11,200	Required attendance to Hawaiian Conservation Conference, KIRC newsletters and annual reports and communications contract funds
IMLS 5	\$4,200	Remaining funding to replace KIRC cloud-based servers
HTA	\$34,000	Project supplies and equipment
Coastal Wetland Conservation (CWC)	\$71,322	Salary for ORSII; project materials, supplies and equipment; boat operations funds; base camp operations funds; communication contract funds
NAWCA Small Grant	\$36,000	Native plants
DOH 6	\$147,048	NRS II salary, materials and supplies, boat reimbursement
Total	\$303,770	

Non-Reimbursable Trust Funds: No non-reimbursable trust funds are estimated to be utilized this fiscal year.

DISTRIBUTION OF BUDGET



FY25 Funding Impact on Programs: The following are the impacts of the proposed budget upon the various KIRC programs:

- **Commission:** The Commission Program budget includes the following:
 - General funds for the Commission Coordinator;
 - Travel to support four (4) hybrid Commission meetings for FY25 from general funds. Hybrid meetings will consist of in-person and remote attendance. Most of the meetings will be located at the DLNR Board Room due to the availability of audio/video equipment to host the hybrid meetings. This budget assumes Honolulu-based commissioners will attend in person, if they desire, and all off-island commissioners will attend remotely.
- **Administration:** The Administration Program budget includes:
 - General funds for the Executive Director, Administrative Officer, Administrative Specialist III, Public Information Specialist and GIS/LAN Specialist;
 - Office expenses including the office lease, storage space, computer equipment support, travel;
 - Outreach materials, three (3) newsletters and an annual report;
 - Purchase of materials, contracts and supplies per the IMLS 5 and 6 grants and the HTA grant;
 - Conference travel per IMLS 6 grant;
- **Reserve Operations:** The Reserve Operation Program budget includes:
 - General funds for the Reserve Operations Manager, Vessel Operator, Logistic Specialist and Volunteer Coordinator;

- General and reimbursable trust funds for Maui vehicles and Kīhei Boathouse operating expenses including funding for vessel maintenance, repair, and operations; funding for maintaining the Kīhei Boathouse;
- General Funds and reimbursable trust funds for base camp operations, materials and supplies, on-island vehicle and heavy equipment repairs, fuel, backup electrical system, vehicles and trucks;
- Mix of General Funds and General Funds Carryover for base camp management contracts and communications contracts.
- **Restoration:** The Restoration Program budget includes:
 - General funds for the Natural Resource Specialist IV and two Natural Resource Specialist IIIs;
 - Reimbursable trust funds for a temporary Natural Resource Specialist II position funded by the Department of Health, Clean Water Branch Grant No. 6 (DOH VI)
 - Reimbursable trust funds for first year operation of DOH VI grant project.
- **Ocean:** The Ocean Program budget includes:
 - General funds for an Ocean Specialist III and Ocean Specialist II;
 - Reimbursable trust funds for second-year efforts for the Coastal Wetland Conservation (CWC) grant project.
 - Reimbursable trust funds for a temporary Ocean Resource Specialist I position funded by the CWC grant.
- **Culture:** The Cultural Program budget includes:
 - General funds for a permanent Cultural Resource Project Coordinator position.

IMPACT TO TRUST FUND

Estimated FY25 Beginning Cash			\$398,533
Balance			
Revenue:			
Grant income (estimate)	\$303,770		
Trust Fund Interest (estimate)	\$5,000		
Income (estimate)	\$65,000		
Account Receivables (estimate)	\$200,000		
Giving (estimate)	\$30,000	\$603,770	
Expenditures:		\$303,770	
Net Income:		\$300,000	
Ending Balance FY26 (projected)			<u>\$698,533</u>

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.

FY25 KIRC Budget

	FY2024 Approved	FY25 Combined	FY24 G-Funds Carry Over	FY25 G-Funds	FY25 T-Funds Reimbursed	FY25 T-Funds Non-Reimbursable	Notes
COMMISSION	\$ 46,380.00	\$ 44,856.00	\$ -	\$ 44,856.00	\$ -	\$ -	
Personnel	\$ 43,920.00	\$ 42,396.00	\$ -	\$ 42,396.00	\$ -	\$ -	
Non-Personnel	\$ 2,460.00	\$ 2,460.00	\$ -	\$ 2,460.00	\$ -	\$ -	
ADMINISTRATION	\$ 601,923.85	\$ 606,434.00	\$ 17,200.00	\$ 539,834.00	\$ 49,400.00	\$ -	
Personnel	\$ 380,592.00	\$ 370,784.00	\$ -	\$ 370,784.00	\$ -	\$ -	
Non-Personnel	\$ 221,331.85	\$ 235,650.00	\$ 17,200.00	\$ 169,050.00	\$ 49,400.00	\$ -	
OPERATIONS	\$ 895,033.79	\$ 994,192.31	\$ 442,310.52	\$ 539,315.79	\$ 12,566.00	\$ -	
Personnel	\$ 237,340.00	\$ 237,000.04	\$ -	\$ 237,000.04	\$ -	\$ -	
Non-Personnel	\$ 657,693.79	\$ 757,192.27	\$ 442,310.52	\$ 302,315.75	\$ 12,566.00	\$ -	
OCEAN	\$ 305,338.50	\$ 175,756.00	\$ -	\$ 117,000.00	\$ 58,756.00	\$ -	
Personnel	\$ 194,238.50	\$ 130,756.00	\$ -	\$ 117,000.00	\$ 13,756.00	\$ -	
Non-Personnel	\$ 111,100.00	\$ 45,000.00	\$ -	\$ -	\$ 45,000.00	\$ -	
RESTORATION	\$ 368,820.00	\$ 398,603.85	\$ -	\$ 215,556.00	\$ 183,047.85	\$ -	
Personnel	\$ 252,021.00	\$ 274,729.60	\$ -	\$ 215,556.00	\$ 59,173.60	\$ -	
Non-Personnel	\$ 116,799.00	\$ 123,874.25	\$ -	\$ -	\$ 123,874.25	\$ -	
CULTURE	\$ 68,000.00	\$ 62,000.00	\$ -	\$ 62,000.00	\$ -	\$ -	
Personnel	\$ 68,000.00	\$ 62,000.00	\$ -	\$ 62,000.00	\$ -	\$ -	
Non-Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL	\$ 2,285,496.14	\$ 2,281,842.16	\$ 459,510.52	\$ 1,518,561.79	\$ 303,769.85	\$ -	
Personnel	\$ 1,176,111.50	\$ 1,117,665.64	\$ -	\$ 1,044,736.04	\$ 72,929.60	\$ -	
Non-Personnel	\$ 1,109,384.64	\$ 1,164,176.52	\$ 459,510.52	\$ 473,825.75	\$ 230,840.25	\$ -	