Legislature approves $2 million for Kahoolawe commission

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The Kahoolawe Island Reserve Commission had been hoping to receive at least $6 million from the state Legislature to maintain operations for the next two years, but lawmakers approved only $2 million for the commission in its biennium budget by Friday’s legislative deadline.

"The good news is that we got money. We've never gotten money from the state before, so this is a good start," KIRC Executive Director Michael Naho'opi'i said by phone Sunday.

But he added that the commission is likely going to have to "downscale" its current operations in order to stretch what little money it has remaining in its trust fund in addition to grant money, charitable contributions and the money from the state.

"It's going to be rough and we're going to make the most of what we've received," Naho'opi'i said. "We're going to try not to release anyone and still provide access to the island for volunteers and continue the work we have been doing, but we might have to downscale."

The commission employs 18 people and contracts one base camp operations manager. It provides four-day volunteer restoration access trips about two or three times a month, bringing about 50 volunteers to the island every month.

Until now, the commission has drawn its funds from a $44 million trust fund the federal government set up when it turned over the island to the state in 1994, with the caveat that the island would be transferred to a future Hawaiian nation. That fund is slated to run out of money by early next year.

Since 2009, members of the commission have lobbied state lawmakers for some sort of funding mechanism that would bolster the dwindling trust fund, but no legislation had ever passed.

This year, Gov. David Ige included in his biennium budget proposal a $1 million appropriation to KIRC for fiscal year 2016 and another $1 million for fiscal 2017. House Bill 438, which would have appropriated additional funds to the commission for restoration and preservation projects, died in conference committee Friday.

Commission Chairwoman Michele Chouteau McLean said she was disappointed that lawmakers did not approve the commission's requested funds.

"On the one hand, I'm appreciative that we did get the funding that we got, but I think we did a good job at conveying that we needed the full amount, and not to get it was disappointing," McLean said by phone Sunday.

The commission has scaled its spending back significantly in the last few years. The current year's operating budget - $2.89 million - is the smallest the commission had passed since it began restoration efforts in 2004. That year, the commission passed a spending budget of $7 million to fund its operations for the 2005 fiscal year.
McLean said commissioners and staff intend to meet over the next week to "figure out what kind of cuts need to be made." A formal commission meeting will be held by the end of this month.

"Surely it won't be business as usual. There will be some reductions. Just how far those go, we're not certain yet," she said, adding that members still need to assess exactly how much is left in the trust fund and anticipated grant revenue. KIRC officials projected last year that only about $1.18 million would be left in the trust fund by June.

The Legislature has charged KIRC with putting together a financial sustainability plan by January.

That plan will likely include fundraising methods currently banned by state law, Naho’opi'i said. An amended version of Senate Bill 897, which also failed to pass this session, would’ve authorized limited revenue generating activities activities within the Kahoolawe Island Reserve, overturning a longstanding law that prohibits all commercial activity on or around the island.

"People need to understand, what we're not seeking is commercial use of the island but ways of generating revenue to pay for what we do," Naho'opi'i said.

As an example, he said if KIRC wanted to develop an educational program and charge a tuition fee to bring people to the island and learn about Kahoolawe, that would not be allowed. Also, selling trash or residue that had been removed from the island would be considered commercial and therefore illegal.

"Not all revenue-generating activities are bad," Naho'opi'i said, adding that the commission could offer guided boat tours around Kahoolawe with the mission of educating people about the plight of environmental conservation.

"Language was put in (the law) because of fear of development, fear of casinos and prisons and resorts being developed on Kahoolawe, but I think, over the years, we've understood what can be done and what is appropriate for the island.

"I think we can achieve some kind of balance," Naho'opi'i said.

He intends to continue lobbying for more funds for the commission next session, after the financial sustainability plan is completed.

Lawmakers will reconvene Tuesday to vote on Senate Bill 1299, which appropriates the funds to KIRC from the conveyance tax. The legislative session ends Thursday.

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