

July 1, 2022
 Agenda Item IV.A

To: KIRC Commissioners
 From: Michael K. Nāho‘opi‘i, Executive Director
 Subject: Review and Approve FY 2023 KIRC Operating Budget

RECOMMENDED MOTION:

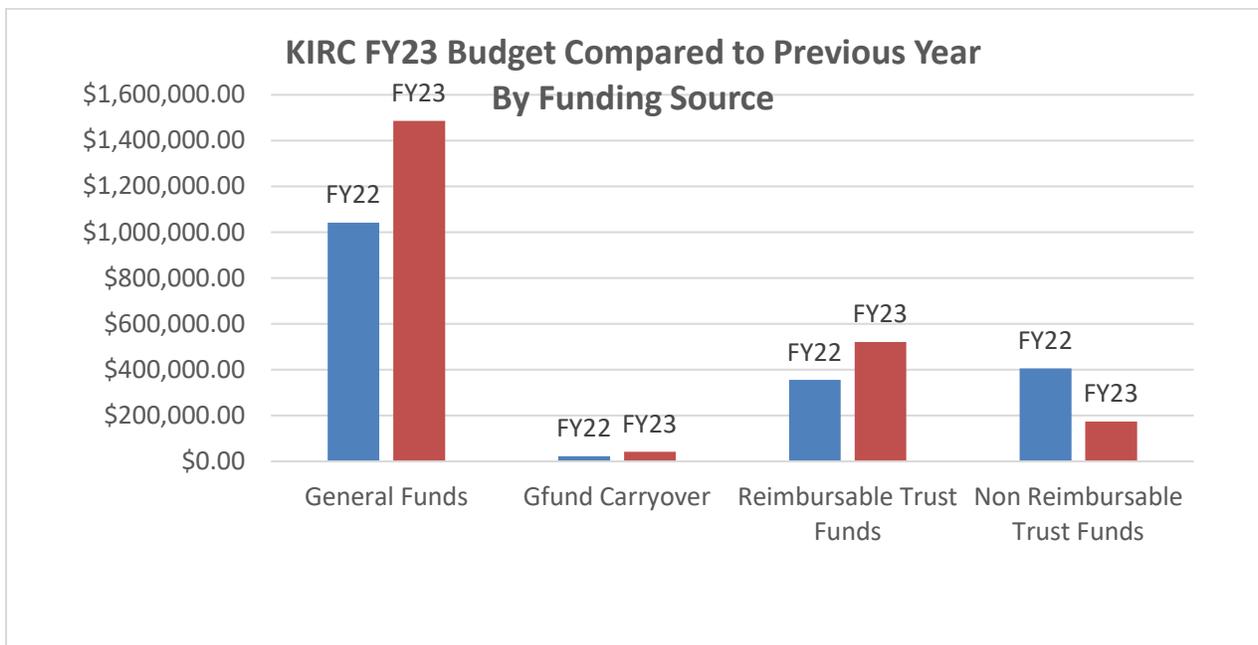
- A. Accept \$1,528,123 general appropriation budget, as detailed, to fund KIRC staff positions and program expenses as approved in the State Administration’s budget.
- B. Approve the expenditure of approximately \$695,734 from the Kaho‘olawe Rehabilitation Trust Fund to fund reimbursable grants projects and non-reimbursable operations.

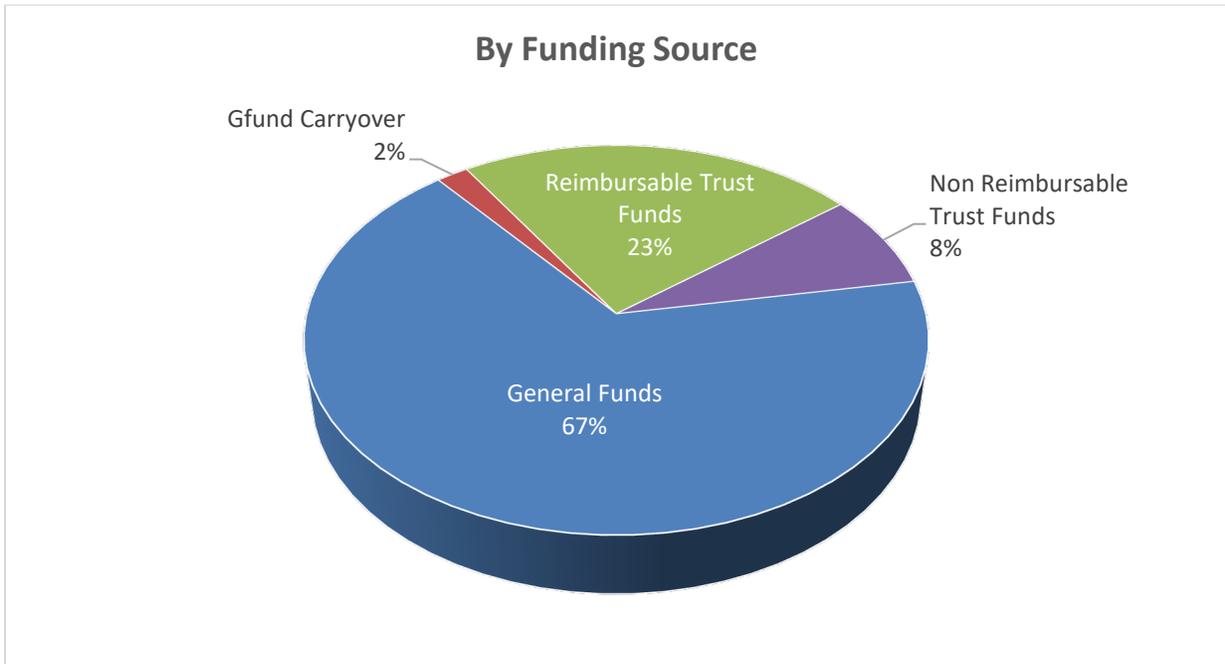
BUDGET SUMMARY

The total FY23 operating budget is \$2,223,857 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 FY23

	FY22	FY23	Change
FY22 General Funds	\$1,041,420	\$1,486,120	\$444,700
FY21 General Funds Carryover	\$22,884	\$42,003	\$19,119
Reimbursable Trust Funds	\$355,440	\$521,069	\$165,629
Non-Reimbursable Trust Funds	\$406,278	\$174,664	(\$231,613)
Totals	\$1,826,023	\$2,223,857	\$397,834





General Funds: HB1600 HD1 SD2 CD1 (State Budget) is currently pending the Governor’s signature. The CD 1 amendment adds two new positions to the KIRC’s staff. Each were funded with a six-month delay in hiring (\$38,000 and \$34,000 respectfully). The CD 1 amendment also added \$400,000 general funds for office and field Supplies (\$50,000), project materials, equipment and supplies (\$50,000) and other current expenses (\$300,000).

General Fund Category: Personal SVCS (Payroll):

	Amount	Total	Notes
Estimated FY23 Appropriation	\$907,803		
HB1600 Addition	\$72,000		6-month funding for new two new positions
Total Personal SVCS Available		\$930,813	

General Fund Category: Other Current Expenses:

	Amount	Total	Notes
Estimated FY23 Appropriation	\$213,000		
HB1600 Addition	\$400,000		
Subtotal		\$613,000	
less: Restriction	\$30,650		Estimate for FY23: 5%
Total Other Current Expenses Available		\$582,350	

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 FY23, funding relating to the KIRC office and storage leases as well as landscaping services for the Kihei boathouse were carried over. There will be enough carryover to cover the first quarter of these expenditures. Additionally, the Office AC repair contract will be encumbering \$14,000 from FY22 general funds for work to be accomplished in FY23.

The following table summarizes the general fund carry over for FY23:

Source	Amount	Note
Office Lease/Storage	\$26,426	Funding available for 1 st Quarter
Building Repairs	\$14,000	Office AC repair contract
Boathouse landscaping	1,577	Funding available for 1 st Quarter
Total	\$42,003	

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.

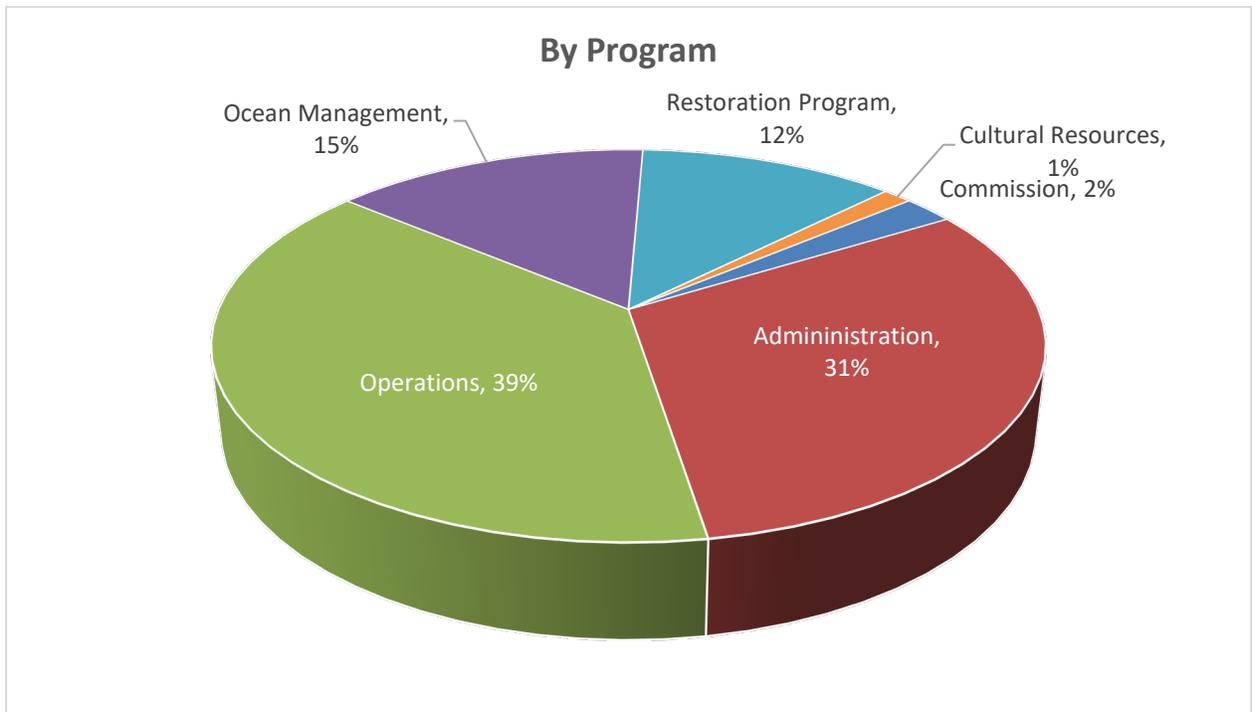
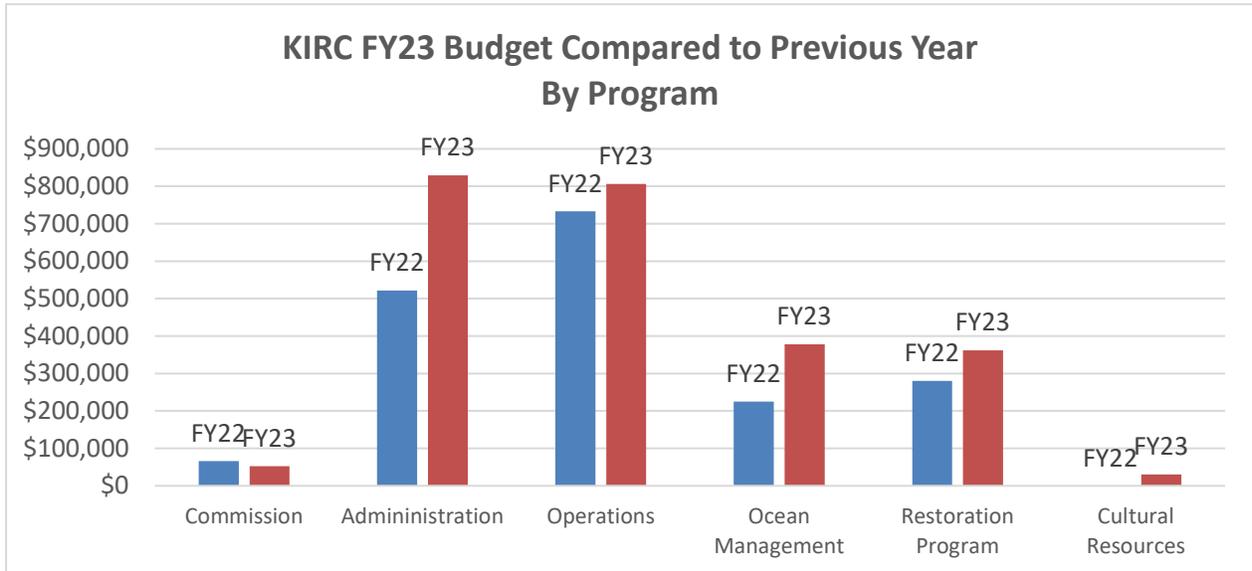
Source	Amount	Note
IMLS 4 (NHMS)	\$35,405	Project supplies and equipment and communications contract funds
IMLS 5	\$90,041	Replace office computers and servers; communications contract funds
HTA	\$40,000	Boat and base camp operations funds
DOH4	\$92,186	Continue plantings on Hakioawa slope
NFWF	\$73,025	Marine debris cleanup
Coastal Wetland Conservation (CWC)	\$188,418	Salary for ORSII; project materials, supplies and equipment; boat operations funds; base camp operations funds; communication contract funds
DOH 5	\$13,042	KIRII salary
NAWCA	\$61,839	Wetland restoration project supplies and boat operations funds
Total	\$521,069	

Non-Reimbursable Trust Funds: The additional general funds provided in HB1600 significantly reduces the amount of non-reimbursable trust funds projected to be used in the FY23 budget. With the additional grants provided and reimbursable trust funds, a lesser amount of non-reimbursable trust funds will be needed in the FY23 budget.

The following table summarizes the non-reimbursable trust funds needed for FY23:

Budget Item	Amount	Note
Admin Operations	\$65,054	Office AC repair
Base Camp Operations	\$64,435	Remainder of base camp management contract less general funds and grant funding. Includes a proposed supplemental contract for FY23.
Communications	\$32,132	Remainder of communications contract less grant funding.
Restoration: KIR II salary	\$13,042	Three-months' salary to cover from the end of DOH 5 grant and the start of new general funded positions
Total	\$17,6644	

DISTRIBUTION OF BUDGET



FY23 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 FY23 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 new computer equipment and servers per the IMLS 5 grant;
 - Office AC repair.
- **Reserve Operations:** The Reserve Operation program budget includes:
 - General funds for the Vessel Operator, Logistic Specialist and Volunteer Coordinator;
 - New general fund allotment for a new Operations Manager position, six-month hiring delay;
 - Reimbursable trust funds for Maui vehicles and Kīhei Boathouse operating expenses which includes funding for vessel maintenance, repair, and operations; funding for maintaining the Kīhei Boathouse;
 - 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 reimbursable and non-reimbursable trust funds for base camp management contracts, supplemental base operations contract and communications contracts.
- **Restoration:** The Restoration program budget includes:
 - General funds for the Natural Resource Specialist IV and two Natural Resource Specialist IIIs;
 - Six-months of trust funds for a Kaho‘olawe Island Reserve Specialist II position (three-months reimbursable by DOH 5 and three-months non-reimbursable);
 - Grant funds for native plants to implement the North American Wetland Conservation (NAWCA) grant project.
- **Ocean:** The Ocean program budget includes:
 - General funds for an Ocean Specialist III and Ocean Specialist II;
 - Reimbursable trust funds for a temporary Ocean Resource Specialist II position funded by the CWC grant (two-years of funding);
 - Reimbursable trust funds to complete the NFWF Marine Debris Cleanup Project in Kanapou;
 - Reimbursable trust funds for first-year efforts for the Coastal Wetland Conservation (CWC) grant project.

- **Culture:** The Cultural program budget includes:
 - New general funds allotment for a permanent Cultural Resource Specialist III position, six-month hiring delay.

IMPACT TO TRUST FUND

Estimated FY23 Beginning Cash			\$1,195,469
Balance			
Revenue:			
Grant income (estimate)	\$530,00		
Trust Fund Interest (estimate)	\$9,000		
Income (estimate)	\$65,000		
Giving (estimate)	\$25,000	\$629,000	
Expenditures:		\$695,733	
Net Income:		(\$66,733)	
Ending Balance FY23 (projected)			<u>\$1,128,736</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.

FY22 KIRC Amended Budget Comparison

	FY2022 Approved February 24, 2022	FY2023 Budget	FY2023 G-Funds	FY2022 G-Funds Carry Over	FY2023 T-Funds Reimbursed	FY2023 T-Funds Non Reimbursable	Notes
COMMISSION	\$ 66,390.00	\$ 52,332.74	\$ 42,420.00	\$ -	\$ 9,912.74	\$ -	2%
Personnel	\$ 39,960.00	\$ 39,960.00	\$ 39,960.00	\$ -	\$ -	\$ -	
Non-Personnel	\$ 26,430.00	\$ 12,372.74	\$ 2,460.00	\$ -	\$ 9,912.74	\$ -	
ADMINISTRATION	\$ 521,209.60	\$ 694,245.95	\$ 496,120.00	\$ 40,425.80	\$ 92,646.15	\$ 65,054.00	31%
Personnel	\$ 346,320.00	\$ 346,320.00	\$ 346,320.00	\$ -	\$ -	\$ -	
Non-Personnel	\$ 174,889.60	\$ 347,925.95	\$ 149,800.00	\$ 40,425.80	\$ 92,646.15	\$ 65,054.00	
OPERATIONS	\$ 733,283.11	\$ 858,685.27	\$ 603,060.00	\$ 1,577.39	\$ 157,480.00	\$ 96,567.88	39%
Personnel	\$ 142,620.00	\$ 176,620.00	\$ 176,620.00	\$ -	\$ -	\$ -	
Non-Personnel	\$ 590,663.11	\$ 682,065.27	\$ 426,440.00	\$ 1,577.39	\$ 157,480.00	\$ 96,567.88	
OCEAN	\$ 224,966.84	\$ 324,448.50	\$ 111,300.00	\$ -	\$ 213,148.50	\$ -	15%
Personnel	\$ 111,300.00	\$ 178,598.50	\$ 111,300.00	\$ -	\$ 67,298.50	\$ -	
Non-Personnel	\$ 113,666.84	\$ 145,850.00	\$ -	\$ -	\$ 145,850.00	\$ -	
RESTORATION	\$ 280,173.43	\$ 264,144.30	\$ 203,220.00	\$ -	\$ 47,881.80	\$ 13,042.50	12%
Personnel	\$ 242,347.46	\$ 229,305.00	\$ 203,220.00	\$ -	\$ 13,042.50	\$ 13,042.50	
Non-Personnel	\$ 37,825.97	\$ 34,839.30	\$ -	\$ -	\$ 34,839.30	\$ -	
CULTURE	\$ -	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	\$ -	1%
Personnel	\$ -	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	\$ -	
Non-Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL	\$ 1,826,022.98	\$ 2,223,856.76	\$ 1,486,120.00	\$ 42,003.19	\$ 521,069.19	\$ 174,664.38	
Personnel	\$ 882,547.46	\$ 1,000,803.50	\$ 907,420.00	\$ -	\$ 80,341.00	\$ 13,042.50	45%
Non-Personnel	\$ 943,475.52	\$ 1,223,053.26	\$ 578,700.00	\$ 42,003.19	\$ 440,728.19	\$ 161,621.88	55%