

REPORT TO THE TWENTY-SIXTH LEGISLATURE
2011 REGULAR SESSION

THE HAWAII HISTORIC PRESERVATION SPECIAL FUND
FOR FISCAL YEAR 2009-2010



PREPARED BY:

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
IN RESPONSE TO
SECTION 6E-3, HAWAII REVISED STATUTES

HONOLULU, HAWAII
DECEMBER 2010

THE HAWAII HISTORIC PRESERVATION SPECIAL FUND
FOR FISCAL YEAR 2009-2010

BACKGROUND

The Hawaii Historic Preservation Special Fund (Fund) was established under 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:

The revenues deposited into the Fund were derived from user fees, professional fees, donations and interest income. The Fund is used to pay for one position, Historic Sites Preservation Specialist (112243), although the Fund usually does not generate enough to fully cover the costs of this position. In addition, the Fund is used to cover special fund assessments (central services fees and administrative expenses) required under Chapter 36, HRS.

FUND BALANCE

Appropriation Account Number: S-321-C

| | | | |
|------------------------|-----------|----|-----------|
| Beginning Cash Balance | (7/1/09) | \$ | 0 |
| Revenues | | \$ | 56,964.38 |
| Expenditures | | \$ | 56,964.38 |
| Ending Cash Balance | (6/30/09) | \$ | 0 |
| Ending Encumbrances | (6/30/09) | \$ | |
| Net Cash Balance | | \$ | 0 |

DIVISION ACCOMPLISHMENTS

In Fiscal Year (FY) 2009-2010, the Department's State Historic Preservation Division (SHPD) has worked to stabilize and grow its workforce, and to weather the economic downturn. In March 2009, the National Park Service (NPS) released the results of its audit of SHPD and put SHPD on high risk status. For the next two years, the primary goal of SHPD will be to meet the requirements of the NPS report. Highlights include:

1. Hiring appropriate staff to meet the NPS Grant requirements. At minimum, these positions include:
 - a. An Archaeologist meeting NPS requirements, including a Master's degree in Archaeology or Anthropology.
 - b. An Architectural Historian meeting NPS requirements, including a Master's degree in Architectural History.
 - c. A Historian with a Bachelor's degree in History.

In addition, NPS is requiring that SHPD hire an Archivist or Librarian to help ensure that survey and inventory reports are accessible to the public.

SHPD suffered a setback this year in terms of retaining adequate staff. SHPD lost two Archaeologist, and so far has only been able to hire one to replace the positions. SHPD currently has three Archaeologists on staff, one on Maui, one on Hawaii, and one on O'ahu. SHPD has permission to hire two additional Archaeologists.

SHPD also lost its Historic Architect, and the contract for the Architectural Historian ran out of funds, which SHPD was not able to replenish before the end of the fiscal year. SHPD made an offer for the Architecture Branch Chief, but the individual declined due to the low pay. Thus, SHPD currently are out of compliance for its architecture branch as SHPD does not meet the personnel requirements.

2. Survey and Inventory: Ensure that SHPD has an accessible inventory in place. Staff is working to better organize the files, and the Navy is assisting SHPD to update its Geographic Information System (GIS). SHPD have to hire a consultant to help meet this requirement as SHPD does not have enough staff to oversee GIS development at this time.
3. Review and Compliance: Develop a procedures manual with standard operating procedures for review and compliance to ensure consistency in reviews. The outline for this has been submitted to NPS and approved. Unfortunately, due to a loss of a key staff

position, work on this will have to be reassigned.

4. National Register: Develop review procedures and training procedures for the Hawaii Historic Places Review Board. Training has been on-going since last year, and a review procedures manual has been completed and will be submitted to NPS.
5. Certified Local Governments (CLG): Develop CLG operations review procedures and regularly review CLG operations. A draft operations review procedure has been developed and staff is working on refining the draft.
6. Planning: This item was postponed by NPS. SPHD will re-start this effort in FY 2011-2012.

Despite the setbacks and lack of staff, SHPD staff has been working valiantly and have earned kudos from its partners. While they have been some delays, especially around times of staff transitions, staff has been able to keep up with most of the work.

SHPD's culture and history staff continues to work with the Burial Councils, although the burial councils are often at odds with SHPD. SHPD believes it has a requirement to balance the needs and rights of all citizens, while the Burial Councils are charged with the protection of burials without any requirement to balance their decisions against the needs of any other groups. While SHPD believes that this is the reason certain decisions are given to the Burial Councils and others are given to SHPD, this remains a source of contention. SHPD looks forward to the Office of Hawaiian Affairs' (OHA) evaluation of the Burial Councils and whether or not they will fit better within OHA's structure.

SHPD received three complaints about damages to historic sites. One, at the Hale Alii project on Oahu was substantiated and SHPD is moving forward on levying fines on the project proponent. Any fines will go to the Fund.

In October 2009, SHPD learned that it was out of compliance with the Native American Graves Protection and Repatriation Act requirements for inventory and consultation for its iwi inventory. All reburials ceased at that time as staff is re-inventorying iwi in curation and working at bring its inventory and notification process into compliance.

SHPD has participated in 106 consultations for Honolulu's Rapid Transit Corridor, Fort Kamehameha, USS Ex-Missouri, the National Oceanic Atmospheric Administration Facility at Ford Island. SHPD had also participated in consultation for on-going projects with all military branches private housing programs.

Due to problems with its system, SHPD's out access database is very slow, and in order for it to work, use was limited to one person. SHPD has been unable to fix this problem and moved intake to an access database in March 2010 which allows all staff access to the intake database and makes tracking progress on projects much easier. From March to June 2010, SHPD reviewed 953 reports. As the economy gets better, SHPD expects these counts to go up. In the meantime, SHPD can use this opportunity to look for ways to operate more efficiently. SHPD continues to look for a solution that will help allow to link intake, Site Inventory, Historic Register and the Library to the GIS. The Navy is currently helping SPHD with its GIS use and backlog.

SHPD continues to have problems with backlogged files, due to a lack of clerical staff. This can affect reviews in all of the Branches. SHPD also will continue to face staffing problems as long as salaries are lower than in the private sector, and in the Federal government. However, SHPD is the kind of place where staff with long-term knowledge increase in value over time. Therefore, SHPD can only function well if it receives an adequate level of funding.

FUTURE PROGRAMS

For the next two years, SHPD will work on meeting NPS requirements to get off “high risk” status. This means that moving its Oahu operations back into the town, while still a goal, has been put on the back burner.