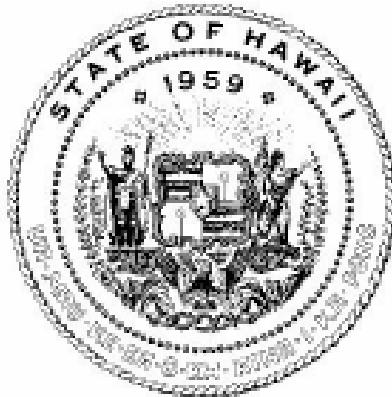


REPORT TO THE THIRTY-FIRST LEGISLATURE
2022 REGULAR SESSION

THE STATE HISTORIC PRESERVATION PROGRAM
FOR FISCAL YEAR 2020-2021



PREPARED BY:

STATE OF HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES

IN RESPONSE TO:
SECTION 6E-3, HAWAII REVISED STATUTES

DECEMBER 2021

THE STATE HISTORIC PRESERVATION PROGRAM FOR FISCAL YEAR 2020-2021

BACKGROUND

Section 6E-3, Hawaii Revised Statutes (HRS), directs the Department of Land and Natural Resources (Department) to submit to the Governor and the Legislature an annual report detailing the accomplishments of the year, recommendations for changes in the state plan or future programs relating to historic preservation, and an accounting of all income, expenditures, and the fund balance of the Hawaii Historic Preservation Special Fund.

ACCOMPLISHMENTS

During 2020-2021, the Department's State Historic Preservation Division (SHPD) set the Hawaii Cultural Resource Information System (HICRIS) into full operation on January 1, 2021, after a year and a half of design and development with the vendor (VHB, Inc.). The new system provides SHPD with a more proactive and efficient streamlined workflow. Combined with future library digitization the system will make its extensive library of cultural resource data more widely available and usable to professionals and the public via internet access. HICRIS also incorporates part of the legacy data from hardcopy files, stand-alone databases, as well as various applications to ensure more thorough documentation is available to SHPD for its reviews. This enhances SHPD's existing capabilities, including improving data entry, retrieval, maintenance, accessibility, and reporting functionality. Moreover, the implementation of HICRIS enables SHPD to fulfill the final element of the National Park Service Corrective Action Plan.

SHPD was unable to fill vacant positions because of a freeze on hiring during the first half of the Fiscal Year 2020 – 2021. However, the freeze has since been lifted and SHPD has posted three vacant positions to be filled with qualified staff, including the two Architectural Historians (100378 and 112243), and the Oahu Archaeologist III (122799). In addition, SHPD is waiting for approval to post the Architecture Branch Chief position (100380), along with three positions that had a change of means of financing from general to special fund in the 2021. This change provides a more stable funding source for these critical position.

There are currently approximately 725 open unique projects in HICRIS. Project reviews in SHPD's Archaeology Branch currently reflect a 6-month to 1-year backlog, as SHPD experienced increases in permit and project submissions.

This project review load is coupled with on-going challenges in filling position vacancies in large part due to private and federal sector competition along with lower compensation offered by the State. Thus, SHPD continues to work on increasing compensation for technical staff positions, diligently filling the vacant archaeologist, and using temporary hires and professional service consultants as a stop gap measure in meeting mandated project review requirements and due dates.

SHPD is heavily engaged in its project to revise its 40+-year old administrative rules. This revision will help simplify the review process and in turn help with the backlog. SHPD has contracted a legal fellow through the University of Hawaii (Law School) to assist in this process. As part of the rules revision process SHPD has been participating in regular meetings to consult with stakeholders including community members and professionals.

The rules revision will also set a revised fee schedule to more accurately reflect the true costs incurred in the review process and to offset a larger portion of those costs. It is estimated that this will increase revenue to Hawaii Historic Preservation Special Fund three-fold.

A significant portion of the volume of SHPD's work is required for federal compliance. In order to address minor and redundant Federal compliance projects, SHPD Archaeology Division is working with some of the counties, state agencies and the Honolulu Board of Water Supply on Memoranda of Agreement and Programmatic Agreements to facilitate reviews, including to GIS map sensitive areas. These are time consuming to review and process, but should reduce SHPD's workload over time.

FUTURE PROGRAMS

SHPD is updating its staffing position needs to eliminate the backlog of reviews and allow it to meet its mandate of timely reviews going forward. In addition, increased staffing will help SHPD fulfill all other program requirements and stave off future Corrective Action Plans from the National Park Service. An estimated increase of 15 new professional positions and an increase in compensation for 21 authorized professional positions will help keep and provide SHPD with a sufficient professional workforce to meet the volume of permits, reports, and submittals for review under Review and Compliance program of approximately 2000 annually. Furthermore, it would help SHPD meet the volume of work generated under the Tax Incentive, State and National Register, Survey and Inventory, and Certified Local Government programs, respectively, which are normally worked on time permitting, after the higher prioritized reviews of permits, submittals, and reports.

As part of its efforts to reduce its backlog and review wait time, SHPD is also planning to support a potential legislative proposal to delegate authority to review certain permits to the counties, thereby reducing SHPD's intake load and allowing SHPD to focus on core historical review priorities.

HAWAII HISTORIC PRESERVATION SPECIAL FUND

The Hawaii Historic Preservation Special Fund (Fund) was established in Section 6E-16, HRS, by way of Act 388, Session Laws of Hawaii (SLH) 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 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 SHPD.

Appropriation Account Number: S-321-C

Beginning Cash Balance	(7/01/20)	\$ 0.00
Revenues		\$ 32,604.33
Cash Transfers		139,293.05
Expenditures		<92,377.97>
Ending Cash Balance	(6/30/21)	\$ 79,519.41
Ending Encumbrances	(6/30/21)	\$ 10,219.38
Net Cash Balance		\$ 89,738.69

The revenues were derived from user fees, professional fees, and interest income. Moneys were used in large part to pay for utilities (\$13,556), renewal of software licenses (\$19,737), and IT-consultant services for HICRIS (\$39,900), respectively.