

December 13, 2021  
Agenda Item IV.A

To: KIRC Commissioners  
From: Michael K. Naho‘opi‘i, Executive Director  
Subject: Review and Approve Amendment to the FY 2022 KIRC Operating Budget

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**RECOMMENDED MOTION:**

A. Approve the KIRC FY22 budget increase of \$19,268.52 and the redistribution of general and trust funds as detailed in Table 1 below.

**BUDGET SUMMARY**

The FY22 budget was approved on June 24, 2021 for a total of \$1,798,504.46. The amended FY22 budget increases in total by \$19,268.52 and redistributes the sources of general and trust funds.

The amended budget was developed with the goal of reducing non-reimbursable trust fund expenses, which would protect and extend the life of the Trust Fund. Overall, this budget reduces non-reimbursable trust fund expenses by \$98,757.60.

**BUDGET DISCUSSION**

The following table summarizes the changes in the amended FY22 budget:

	<b>FY22 Approved</b>	<b>FY22 Amended</b>	<b>Change</b>
<b>FY22 General Funds</b>	\$948,420	\$1,041,420.00	\$93,000.00
<b>FY21 General Funds Carryover</b>	\$12,876.05	\$22,884.65	\$10,008.60
<b>Reimbursable Trust Funds</b>	\$330,952.63	\$360,895.15	\$29,942.52
<b>Non-Reimbursable Trust Funds</b>	\$506,255.78	\$407,498.18	(\$98,757.60)
<b>Totals</b>	<b>\$1,798,504.46</b>	<b>\$1,817,772.98</b>	<b>\$19,268.52</b>

The following were the sources of these changes:

1. The Department’s general funds allotment for the KIRC was \$93,000 higher than expected. Part of this increase is being used to move Maui office expenses from trust funds back to general funds and \$47,817.60 is being applied to the Base Camp Management contract (previously trust funds).
2. Upon review of encumbered FY21 purchase orders, staff discovered \$10,008.60 in general funds that could be carried over to FY22.
3. The North American Wetland Conservation Act (NAWCA) grant and the Department of Health, Clean Water Act (DOH5) grant both include \$37,190 in funding for FY22 boat operations, \$27,190 and \$10,000 respectively. This allows all boat related expenses including fuel, vessel maintenance and boathouse expenses to be moved from non-reimbursable to reimbursable trust funds.
4. The DOH5 grant is also providing \$10,000 for base camp operations for FY22. This combined with \$18,000 from the Institute of Library and Museum Services (ILMS4)

grant, allows the staff to move a portion of the base camp management contract from non-reimbursable to reimbursable.

5. Since the Ocean Program assess a fee for its permitted trolling permits, we reclassified the cost of the permit stickers from non-reimbursable to reimbursable.
6. The overall budget was corrected by moving the NAWCA Small Grant from Ocean Program to the Restoration Program.
7. Corrections were made to the Ocean Program’s budget. There were spreadsheet formula errors in the original budget submission which new results in an increase in the non-personnel, reimbursable trust fund.

**REVISED IMPACT TO TRUST FUND**

FY22 Beginning Cash Balance			\$1,500,339
Revenue:			
Grant income (estimate)	\$360,895		
Trust Fund Interest (estimate)	\$9,000		
Income (estimate)	\$50,000		
Giving (estimate)	<u>\$25,000</u>	\$444,895	
Expenditures:		<u>\$758,393</u>	
Net Income:		(\$313,498)	
Ending Balance FY22 (projected)			<u>\$1,186,841</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 June 24, 2021	FY2022 Amended Budget	FY22 G-Funds Budget	FY21 G-Funds Carry Over	FY2022 T-Fund Reimbursed	FY2022 T-Fund Non-Reimbursed	Notes
<b>COMMISSION</b>	\$ 64,390.00	\$ 66,390.00	\$ 42,420.00	\$ -	\$ 23,970.00	\$ -	4%
Personnel	\$ 39,960.00	\$ 39,960.00	\$ 39,960.00	\$ -	\$ -	\$ -	
Non-Personnel	\$ 24,430.00	\$ 26,430.00	\$ 2,460.00	\$ -	\$ 23,970.00	\$ -	
<b>ADMINISTRATION</b>	\$ 521,708.60	\$ 521,209.60	\$ 492,962.40	\$ 21,217.20	\$ 21,955.00	\$ -	29%
Personnel	\$ 346,320.00	\$ 346,320.00	\$ 346,320.00	\$ -	\$ -	\$ -	
Non-Personnel	\$ 175,388.60	\$ 174,889.60	\$ 146,642.40	\$ 21,217.20	\$ 21,955.00	\$ -	
<b>OPERATIONS</b>	\$ 733,283.11	\$ 733,283.11	\$ 191,517.60	\$ 1,667.45	\$ 132,599.88	\$ 407,498.18	40%
Personnel	\$ 142,620.00	\$ 142,620.00	\$ 142,620.00	\$ -	\$ -	\$ -	
Non-Personnel	\$ 590,663.11	\$ 590,663.11	\$ 48,897.60	\$ 1,667.45	\$ 132,599.88	\$ 407,498.18	
<b>OCEAN</b>	\$ 203,716.84	\$ 216,716.84	\$ 111,300.00	\$ -	\$ 105,416.84	\$ -	12%
Personnel	\$ 111,300.00	\$ 111,300.00	\$ 111,300.00	\$ -	\$ -	\$ -	
Non-Personnel	\$ 92,416.84	\$ 105,416.84	\$ -	\$ -	\$ 105,416.84	\$ -	
<b>RESTORATION</b>	\$ 275,405.91	\$ 280,173.43	\$ 203,220.00	\$ -	\$ 76,953.43	\$ -	15%
Personnel	\$ 255,389.94	\$ 242,347.46	\$ 203,220.00	\$ -	\$ 39,127.46	\$ -	
Non-Personnel	\$ 20,015.97	\$ 37,825.97	\$ -	\$ -	\$ 37,825.97	\$ -	
<b>CULTURE</b>		\$ -	\$ -	\$ -	\$ -	\$ -	0%
Personnel		\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Personnel		\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL</b>	\$ 1,798,504.46	\$ 1,817,772.98	\$ 1,041,420.00	\$ 22,884.65	\$ 360,895.15	\$ 407,498.18	
Personnel	\$ 895,589.94	\$ 882,547.46	\$ 843,420.00	\$ -	\$ 39,127.46	\$ -	49%
Non-Personnel	\$ 902,914.52	\$ 935,225.52	\$ 198,000.00	\$ 22,884.65	\$ 321,767.69	\$ 407,498.18	51%