HO’OPONO

Business Enterprise Program

Services for the Blind Branch

Division of Vocational Rehabilitation

State of Hawaii Department of Human Services

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M I N U T E S

BUDGET AND FINANCE SUB-COMMITTEE MEETING of the HAWAII STATE COMMITTEE OF BLIND VENDORS

DATE: Saturday, May 7, 2022

PLACE: Ho'opono

 1901 Bachelot Street

 Honolulu, HI 96817

1. CALL TO ORDER:
2. Sub-Committee Members: Don Patterson, Dane Alani, Michael Miyashiro, Doug Moises, and Stan Young
3. Licensed Blind Vendors: Evelyn Ah San, Kyle Aihara, Christopher Akamine, Dyllon Asami, James Chinn, Ronald Flormata, Ivy Galariada, Flordeliza Galiza, Wilmer Galiza, Kenneth Johnson, Steve Kim, Desiree Lacewell, Thomas Morikami, Lespaul Naki, Norman Ota, Gail Sakamoto, Lynn Schempp, Justin Shim, Wanda Takaesu, Myles Tamashiro, and Martha Vo
4. Ho'opono: SBA Lea Dias, VFS Tad Matsuno and Bruce Chin, VR Counselor John Zamarra, and BEP Secretary MJ Andres
5. Attorney General Office: DAG Erin Lau
6. Guests: VRA Maureen Bates, Steve Parcell, Jessica Parcell, and Emily Cruz
7. ROLL CALL AND CALL TO ORDER:

Noting the presence of a quorum, Don called the meeting to order at 9:35 a.m.

1. APPROVE MINUTES OF 5/27/21 BUDGET & FINANCE SUB-COMMITTEE MEETING:

Dane moved to accept the minutes as submitted. Doug seconded the motion. Hearing no response for discussion, the motion passed unanimously with Stan, Dane, Mike, Doug, and Don voting yes.

1. STATE LICENSING AGENCY REPORT:

SBA Lea reported the balance of the RSRA as of 4/28/22 was $2,142,413.26.

She also reported the expenditure and income report as follows:

Expenditure Summary:

Initial Inventory $16,978.99

Postage $282.40

Refurbishing $72,125.50

New Equipment $12,185.21

Replacement Equipment $$11,055.21

Repair & Maintenance $20,101.95

Medical & Life Insurance Benefits $485,624.05

Retirement Benefits $124,990.65

Vending Machine Commissions & Other $18,409.40

Total Expenditures for SFY 2021 (July 1, 2020 to June 30, 2021) $761,753.36

Income Summary:

Unassigned Vending Machine Commissions $138,474.18

Blind Vendors Ohana Annual Contribution $420,132.00

1% of Honolulu Airport Concession $96,373.70

Interest Earned $9,157.95

Total Income for SFY 2021 $664,137.83

1. DISCUSSION – BUDGET FOR SFY 2023 AND BLIND VENDOR BENEFITS:
2. Possible Additional Funds to Vendors Based on Blind Vendors Ohana Contribution: Stan reported that BVO went through a rough period and lost a lot of income during covid and had projected zero contribution to the RSRA. However, with the leadership of his partners, Thomas Morikami and Walter Ishikawa and the careful work of the employees, BVO was able to donate $390 thousand for in 2020, $420 thousand in 2021, and is projecting a contribution of possibly up to $1 million to the RSRA. He recommended an additional $10,000 per blind vendor to be used for strictly for inventory, equipment, or refurbishment of facility.
3. Recommendation to HSCBV regarding Budget and Benefits for SFY 2023 (Vote): Stan proposed to provide the same benefit package of $7,000 medical benefit in July, a $5,000 medical supplement in the Spring, and a $3,000 retirement benefit in June of next year for a total of $15,000 per blind vendor. To the total budget of $760 thousand, he proposed to add 10% to the budget, additional funds for travel for both blind vendors and staff, and an additional $200 thousand for possible renovations and/or training to improve the program, for a total of approximately $1.1 million.

Don asked for any public testimony at this time. VRA Maureen noted that DVR has sufficient resources to support their allowable contributions for facility renovations for SFY 2023. She also expressed concern with the new administration changes at the government level and recommended the committee increase their expenditures because the current expenditure figures reflect a surplus in the current allotment of $1.3 million and may be vulnerable to be raided by the legislature.

Stan moved to recommend the SFY 2023 Budget of $1.1 million budget which includes $15 thousand benefit package for each blind vendor, additional funds for staff and vendors to travel, and approximately $200 thousand for renovations and/or training to improve the program. The motion was seconded by Dane and passed unanimously with Stan, Dane, Mike, Doug, and Don voting yes.

The 2023 Budget and benefit package will be presented to the statewide committee in June.

1. DISCUSSION – RAISE EXPENDITURE CEILING FOR RANDOLPH SHEPPARD REVOLVING ACCOUNT:

Don noted that the committee will consider the recommendation of VRA Maureen to raise the expenditure ceiling to avoid the RSRA from possibly getting raided. Stan noted this recommendation is for discussion only to see if we can raise the ceiling because the process still must be discussed with the SLA. SBA Lea noted the agency is open to discussions and agreed that we need to have discussions to justify why and how the money will be spent.

Don asked for any public testimony at this time. VRA Maureen noted minimum wage, cost of benefits, inventory costs or other costs associated with inflation rates can be factored in, but it will need be substantiated with expenditures. She added that we can factor in expansion of program.

1. ADJOURNMENT:

There being no further business to discuss and hearing no objections, Stan moved to adjourn the meeting. Dane seconded and the motion passed unanimously with Stan, Dane, Mike, Doug, and Don voting yes. The meeting adjourned at 10:27 a.m.

Respectfully submitted:

LD:mra

Ho'opono/Employment Section