

PISCES Board of Directors Meeting Minutes

8 September 2015

9:00 a.m. Hawaii Standard Time

I. Call to Order/Roll Call:

A quorum being present, the meeting was called to order by PISCES Board Vice Chairperson, Rob Kelso.

Other members in attendance included:

Governor George Ariyoshi

Hoyt Davidson

Mary Alice Evans (representing the Director of DBEDT)

Galen Ho

Donald Straney

Also in attendance:

Gregg Kinkley, Deputy Attorney General, State of Hawaii

Jim Crisafulli and Jeff Pang, Office of Aerospace Development

PISCES staff: Polly Roth

II. Approval of meeting minutes:

Board Meeting – July 13, 2015: Draft minutes were circulated prior to the meeting. Governor Ariyoshi made a motion to accept the July 13, 2015 minutes as submitted. Ms. Evans seconded the motion, and the Board voted unanimously to accept the minutes.

III. Review FY15 year-end expenses:

Ms. Roth provided information on final FY15 expenditures totaling \$782,810. Personnel expenditures were \$579,975 (74.1%), \$176,363 (22.5%) for non-labor operations costs and \$26,472 (3.4%) for indirect costs. Cash carried forward for use in FY16 for PISCES operations was \$400,328.

IV. Review/approve FY16 budget for board-approved operating model

Ms. Roth reviewed the status of the assumptions employed in the development of the FY16 operating budget based on the operations model selected by the board in its June 26, 2015 meeting (scenario "B"). Scenario "B" depends on receiving Governor's approval to contract \$370,000 to RCUH. This request has been submitted and is pending. The FY16 PISCES budget totals \$748,473, with \$589,987 (78.8%) of the budget designated to support personnel costs, \$133,175 (17.8%) for other current expenses, and \$25,311 (3.4%) for indirect costs. This budget supports operations through June 30, 2016 when known funds would be exhausted.

An amount in excess of the original planning level by \$81.3K may become available from restricted FY15 funds. If so, PISCES operations could continue into August 2016. The request for approval to allot, expend, and contract with RCUH for these additional funds is currently pending review by the Budget and Finance Department and approval by the Governor.

V. Review and approve FY17 budget

Executive Director Kelso provided three budgets for consideration by the Board.

- The “Low Budget” (\$1.31M) provides for baseline, status quo operations for the current PISCES business model and value proposition. It provides for current staffing level with the addition of a full time Robotic Technician in lieu of a year around part time student technician.
- The “Mid-level Budget” (\$1.53M) provides funding for an Aerospace Business Development Manager and the introduction late in the year of an Administrator (to address succession planning) in addition to the positions in the baseline budget. The new positions and added non-labor budget will allow PISCES to expand contributions to aerospace industry economic development.
- The “High Budget” (\$1.76M) provides funding for a Launch Processing Manager and a Launch Processing Technician in addition to the positions in the mid-level budget. These added positions and non-labor budget would enable launch support activities.

Mr. Ho made a motion that PISCES adopt and submit the FY17 mid-level budget (\$1.53M) in the Hawaii State budgeting process, and to consider in November 2015 whether to add a request for launch funds (high-level budget). Governor Ariyoshi seconded the motion and it passed unanimously.

VI. Discussion/Action – DBEDT brief to PISCES Board on process for inclusion of FY17 PISCES budget in DBEDT/Governor’s budget

Ms. Evans provided information and a timeline for FY17 budget submission and consideration in the 2016 legislative session. Official budget preparation guidelines have not yet been issued.

VII. Discussion/Action – DBEDT brief to PISCES Board on options for closing the FY16 funding gap

There will be a gap in time between the point when currently available funds are depleted and the point when FY17 funds will be available for use. Ms. Evans outlined four options that can be used singly or in combination to bridge the funding gap.

- Increase carry-over funds from FY16 by effecting operating cost savings
- Seek and obtain grants from NASA, NOAA, Energy, Defense or NSF
- Seek donations to the PISCES Special Fund
- Reach out to Hawaii’s Congressional Delegation for help working with federal agencies that fund space research and educational activities.

Finally, when Hawaii State budget preparation instructions are issued, there may be a provision for emergency appropriation requests. If so, there will be specific criteria that must be met in order to make such a request.

If the PISCES request for additional FY 16 operating funds complies with the requirements for making such a request, it will be possible to submit an emergency appropriation request through the DBEDT Director and Budget & Finance to the Governor for consideration of inclusion in the Supplemental Budget Request to the 2016 Legislative Session.

Emergency budget requests are considered for passage and sent to the Governor for enactment at least ten days before the end of the session. If the bill is signed into law by the Governor, there is time to request allotment and approval to contract the funds to RCUH prior to June 30, 2016.

VIII. Schedule October Board meeting and Adjourn:

The Board plans to have a 1.5 day meeting in early November in Hilo/Big Island so that the Board can tour the two PISCES laboratories and the robotic construction of the basalt landing pad. PISCES staff will circulate a poll to find a convenient time for the meeting. Travel support will be available for those who request it.

Ms. Evans made a motion to adjourn the meeting and Mr. Ho seconded the motion. The meeting was adjourned at 10:34 am, HST.