

**HOUSE COMMITTEE ON FINANCE
BUDGET REQUEST FOR SUPPLEMENTAL BUDGET 2008-2009**

January 2008

Program Structure Number: 04 02 07

Program I.D. and Title: LNR 407 Natural Area Reserves and Watershed Management

1. Introduction

a. Summary of program objectives

To protect, restore, and enhance Hawaii's forested watersheds, native ecosystems, natural areas, unique native plant and animal species, cultural and geological features for their inherent value, their value as watersheds, their value to science, education, and the economy, and for the enrichment of present and future generations.

b. Description of program objectives

- i. Control non-native species within the Natural Area Reserve System (NARS) and watershed partnership areas
 - ii. Protect NARS and watersheds from feral ungulates
 - iii. Monitor threats in NARS and watersheds
 - iv. Administer Natural Area Partnership Program (NAPP) contracts
 - v. Support watershed partnerships throughout the state with funding and technical expertise
 - vi. Protect and enhance threatened and endangered species and native habitats with active management programs.
 - vii. Administer the Youth Conservation Corp students and interns program for the benefit of the environment and the youth of Hawaii.
 - viii. Implement outreach and volunteer programs to engage the general public in resource management projects.
 - ix. Support research and environmental education by issuing permits and providing access and interpretation.
- c. Explanation of how the program intends to meet its objectives within the upcoming supplemental fiscal year.

Major management activities on both public and private land involve control of alien species, including ungulates, weeds, and small predators, rare plant outplanting, monitoring, public outreach, and maintenance of existing infrastructure, such as trails and signs. Protecting natural areas, watersheds and ensuring the future of rare native ecosystems and species requires sustained management actions.

Within the upcoming supplemental fiscal year, the Program intends to meet its objectives by building upon the momentum gained as a result of increased consistent dedicated state funding and staff supplied by the Legacy Lands Act through the Natural Area Reserve Fund (NARF). However, reduction of federal funding, threats from invasive species, diseases, and increased public use provide challenges in managing the natural areas, watersheds, and native and endangered species. Increasing the NARF support by two million dollars in the Supplemental Budget is needed to increase program accomplishments in protecting and maintaining forested watersheds, water production capacity, native species and habitats, youth nature environmental education, and ecosystem services for the future.

Natural area and watershed partnership and community-based management programs will continue to be effective tools for leveraging funds and securing stakeholder participation and commitment. The Program will reap benefits of past accomplishments in establishing and implementing these partnerships. Partnership steering committees, community advisory councils, and facilitated working groups will continue to help management partners address local concerns in the coming biennium.

Increased collaboration and integration of the many different programs such as Watershed Partnerships, Legacy Land Conservation acquisitions, threatened and endangered species programs operations will increase the effectiveness and benefits of these programs and further the objective of protecting Hawaii's natural resources.

2. Program Performance Results

a. Discussion of the program performance results achieved in fiscal year FY07

i. **Natural Area Reserves Management**

During Fiscal Year (FY) 07, NARS staff conducted ground and aerial surveys for ungulates (including sheep, mouflon, deer, goats, and pigs). Fencing continues to be an important tool to facilitate the reduction in animal populations. Over 145 miles of existing fences were inspected and maintained, and four miles of new fencing was under construction. Public hunting, staff control, trapping, and snaring (in remote/fenced areas) were used to reduce non-native ungulate populations; the type of control measure implemented depends on the resources available, the reserve location, terrain features, and the relative abundances of ungulates. NARS staff continues to work with hunting organizations such as the Molokai Hunting Working Group, the Pig Hunters of Hawaii, and others to accomplish control goals while minimizing conflict with the recreational hunting community.

Invasive weed control is ongoing in nearly every reserve, and priority weeds have been identified for each reserve (and sometimes for units within reserves). Volunteers provide significant manual labor to assist in weed control efforts. NARS staff also communicates with the respective island Invasive Species Committee (ISC) to prevent duplication and coordinate efforts where possible. Monitoring of rare plant populations, collection of seeds and propagules, and outplanting of rare plants are ongoing efforts to protect and enhance the rare plants found within NARS.

Additional information about the accomplishments of the State's rare plant program in FY 07 follows the island descriptions below.

Maintenance of infrastructure is also an ongoing activity. Staff maintained 582 signs throughout NARS. Information and boundary signs were installed or replaced in several reserves. Approximately 125 miles of existing trails and boardwalks were maintained in various reserves, primarily for management purposes. Trail maintenance includes alien plant control along the trails to limit the spread of weeds to new areas. Over 145 miles of existing ungulate control fence were maintained with regularly scheduled inspections, and immediate repairs were made to prevent ungulate ingress and subsequent damage to the resource. Existing helipads were maintained to facilitate management and monitoring and to provide access for emergencies. 16 management shelters were maintained for long-term management actions. Over 70 miles of roads, mostly on Hawaii and Oahu, were maintained to provide hunter and management access. Road barriers continue to be maintained in the Manuka Reserve on Hawaii to prevent dumping and illegal logging activities. Vehicle barriers continue to be maintained on both sides of Kaena Point (Oahu) to protect the fragile dune ecosystem and cultural sites by prohibiting off-road vehicle use. Similarly, vehicle barriers continue to be maintained at Ahihi-Kinau to protect geological and cultural features from off-road damage.

Staff training for needed skills remains important, particularly with the new hires. Training during FY07 included first aid, CPR, fire response, ATV operation, helicopter safety/crew member training, ACETA training, firearms certification, herbicide use, ungulate control methods, procurement (small purchase, HEPS, IFB, and RFPs), ArcGIS, leadership skills, and mediation. In addition, NARS staff attended the Hawaii Conservation Conference (July 2007), an annual three-day conference attended by nearly 1,000 resource management professionals in the State. Finally, NARS staff on Maui and Hawaii continued the successful "exchange program" with the natural resource managers of EMWP to share field methods and develop skills. Two week-long exchanges took place, with EMWP and Maui NARS crews going to Hawaii to assist Hawaii NARS staff with invasive species control, and later with Hawaii NARS staff going to Maui to assist in fence building.

NARS staff completed revisions to the administrative rules (Chapter 13-209) relating to activities within NAR during FY07. Over the past years, there have been occasions where shortcomings in the existing administrative rules resulted in a failure to efficiently or effectively respond to threats to NAR. One example, which received a fair amount of publicity, was the difficulty regulating public use at Ahihi-Kinau and preventing illegal activity such as poaching and squatting in lava caves. In addition, there was a need to formalize many of the policies regarding special use permit applications into the rules. The proposed rule amendments were signed by the Governor on January 13, 2007 and took effect January 23, 2007.

NARS Admin staff processed over 50 special use permit requests and coordinated permit processing with other DOFAW staff (wildlife, botanist) to ensure that

applicants applied for all necessary permits. NARS Admin staff conducted outreach presentations to multiple audiences and coordinated field visits for numerous groups, including visiting dignitaries, visiting (mainland) staff from cooperating agencies (e.g., U.S. Forest Service, USFWS), the Pacific Century Fellows, and the UH Law School. NARS Admin staff responded to over 45 requests for information from the public (as forwarded by the DLNR Public Information Officer). NARS Admin staff continued participation on the national Natural Area Association, acted as the DOFAW representative and chaired the Hawaii Conservation Alliance, Wekiu Bug Working Group, acted as the DOFAW representative on the Forest Stewardship Advisory Committee, continued participation in organizing the Hawaii Conservation Conference, participated as the DLNR representative on the Bioprospecting Commission (monthly meetings), and provided assistance to other DOFAW programs on an ongoing basis.

Finally, NARS staff continue to leverage resources and increase effectiveness by working with a variety of watershed partnerships and other conservation partners including: the Hawaii Conservation Alliance, Kauai Watershed Alliance, East Maui Watershed Partnership, West Maui Mountains Watershed Partnership, Leeward Haleakala Watershed Restoration Partnership, East Molokai Watershed Partnership, Three Mountain Alliance, Kohala Watershed Partnership, the Plant Extinction Prevention Program, the Maui Forest Bird project, the Kauai Invasive Species Committee, the Oahu Invasive Species Committee, the Maui Invasive Species Committee, Big Island Invasive Species Committee, the Office of Mauna Kea Management, the Forest Service (Hawaii Experimental Tropical Forest), the Sierra Club, the Nature Conservancy, the Wildlife Society, the Hawaii Wildlife Fund, and more.

For additional information about the NARS management and major accomplishments within individual reserves during the past year, please see the annual comprehensive status report on the Natural Area Reserves System, and the Natural Area Partnership Program (NAPP) and the financial condition of the Natural Area Reserve Fund (NARF) located on the Department website at <http://www.hawaii.gov/dlnr/Reports.html>.

ii. Watershed Partnership Support

The first Watershed Partnership was formed in 1991 on East Maui when public and private landowners realized the benefits of working together to ensure the conservation of a shared watershed that provided billions of gallons of fresh water to the area. Today, Watershed Partnerships continue to be innovative and effective alliances of public and private landowners committed to the common value of protecting forested watersheds for water recharge and other ecosystem services through collaborative management. The benefits of collaborative management practiced under Watershed Partnerships are many: 1) management actions address large landscapes and threats affecting core watershed areas and habitats and species across multiple landownership boundaries; 2) leverage limited dollars for maximum benefits and allow the pooling of resources as well as expertise to reduce redundancy

in efforts (partnerships effectively leverage state dollars with federal, county, and private funds/match, often 1:1); 3) provide capacity building for landowners, particularly private, to engage in watershed protection; and 4) actions conserve other ecosystem services such as native habitats/species, recreation, culture, education, and jobs.

There are nine Watershed Partnerships in the State (Maui-3, Moloka'i-1, Kaua'i-1, Hawai'i-2, O'ahu-1, and Lāna'i-1) involving over 45 private landowners and 24 public agencies (including several NARs and NAPPs) that cover close to one million acres (a quarter of the State's land base). All Watershed Partnerships have management plans, which guide management actions and provide clear objectives and goals for future outcomes and achievements. Most management actions are habitat based and revolve around combating the main threats facing watersheds - feral ungulates (hooved animals) and invasive species. Examples include ungulate removal and fencing, invasive species control, forest health monitoring, outplanting and restoration, rare species management, and education and outreach. The Division of Forestry and Wildlife (DOFAW) provides technical and financial resources to support the Watershed Partnerships through its Watershed Partnerships Program, which is funded by the Natural Area Reserve Fund and managed under the NARS program.

The 2006 increase in conveyance tax funds and approval by the legislature to increase the budget ceiling to \$8 million allowed for a four-fold increase for funding to the Watershed Partnerships. \$2.6 million was awarded in FY07 to support major on-the-ground watershed management activities under the Watershed Partnerships on five islands covering over 150,000 acres. Match generated by the awarded state funds of totaled \$2.7 million or slightly better than a 1:1 match. These grants are still active and will not be concluded until May 31, 2008. Therefore funding reports below indicate interim status of expenditures and work progress. In addition to the \$2.6 million in grants, \$700,000 was allocated for additional temporary positions to assist with coordination and watershed management on forest reserve and partnership lands. In FY08, a total of \$3.3 is budgeted to support expansion of watershed management initiatives under the Watershed Partnerships Program as well as fund new initiatives to enhance broader watershed management activities across the islands of Kaua'i, O'ahu, Maui, Moloka'i, and Hawai'i.

For more information on the Watershed Partnerships see <http://www.hawp.org>

iii. Natural Area Partnership Program

This innovative Program provides State-matching funds on a 2:1 basis with private funds for management of natural resources on 7 Natural Area Partnerships totaling 30,000 acres. FY 07 Program accomplishments include the creation of a new partnership preserve in Kau. For more information on the NAPP, see www.state.hi.us/dlnr/dofaw/napp/index.html.

iv. Rare Plant Species Restoration and Protection FY 07

The focus of the Rare Plant Program for FY07 continued to be support of habitat protection and enhancement, benefiting our native flora and fauna by utilizing Federal Section 6 grants, a World Conservation Union (IUCN) grant, a Landowner Incentive Program (LIP) grant, and moneys from NARF and staff time for match. The mid-elevation rare plant nurseries on Hawaii, Kauai, Oahu, and Maui and Lyon Arboretum's micropropagation facility continue to be the heart of private and public restoration programs across the State. More than 10,000 plants are also currently maintained as *in vitro* germplasm storage at the State's micropropagation facility.

The Plant Extinction Prevention (PEP) Program, developed to prevent the disappearance of Hawaii's rarest plant species, with staff on each of the major islands has quickly become an important plant conservation partnership. The PEP program addresses the estimated 182 species that are in danger of extinction within five years (plants with fewer than 50 individuals left in the wild). In FY07, PEP staff has been added to the island of Hawaii, joining staff on Oahu and Maui Nui, and a Statewide Program Coordinator was hired. Funding is in hand to hire PEP staff on Kauai during FY08. Over the past year, the PEP Program has monitored rare species for plant health/fruit production, collected seeds/cuttings/ air layers, cross pollinated between isolated populations, contained insect outbreaks, established small ungulate exclosures, controlled rats and slugs, eliminated alien weeds, and/or outplanted additional individual plants for numerous plant species.

For additional information about the Rare Plant Species Restoration and Protection Program, please see the annual comprehensive status report on the Natural Area Reserves System, and the Natural Area Partnership Program (NAPP) and the financial condition of the Natural Area Reserve Fund (NARF) at <http://www.hawaii.gov/dlnr/Reports.html>.

v. Public Outreach, Youth Activities and Community Involvement

In 2007, the Youth Conservation Corps members contributed approximately 30,000 volunteer hours working on projects such as endangered species restoration; trail maintenance, out-planting, species monitoring, and invasive plant removal. The 2007 Program consisted of seven teams on five islands including Oahu, Kauai, Maui, Molokai and Hawaii. A total of 72 youth participated. The Program lasted 6 and 1/2 weeks plus one week of training, including a team trip to Kahoolawe for each team. For more information on YCC, see <http://www.hawaiiycc.com>. Other partners supporting the program include Kamehameha Schools, University of Hawaii-Pacific Cooperative Studies Unit, the Hawaii Department of Health, Clean Water Branch and the U.S. Environmental Protection Agency, among others.

The year-round component to YCC is operated as an Americorps program. The Program allows young adults to gain entry-level experience working alongside managers in the field. The Program was intended to serve as an extension of the summer YCC Program and provide more in-depth training for youth interested in pursuing a career working in the natural resources conservation field. In 2007,

DOFAW enrolled a total of ten full-time members (1700 hrs each) and three part-time members (900 hrs each) committing to work for a year. In addition, 12 minimum-time members served as team leaders for the summer program.

YCC is one part of DOFAW's Public Outreach, Youth Activities, and Community Involvement Program, a statewide effort to improve awareness and understanding of Hawaii's forests, wildlife, and watersheds and threats to these resources such as invasive species and fire. Components of this effort have included printed materials such as books and posters as well as multi-media exhibits and hands-on education and outreach programs. During FY 07, DOFAW worked in partnership with the Department of Education (DOE) to produce a teacher's manual for natural resources education that meets current standards and addresses topics of importance in today's Hawaii. DOFAW contracted DOE to produce the resource utilizing existing materials that were updated and aligned to current standards as needed by current and retired DOE teachers. The resource is currently undergoing editing and formatting prior to finalization. This effort is supported in part by a grant from the USDA Forest Service and NARS staff supervision. More information about the YCC and outreach program is available at <http://www.hawaii.gov/dlnr/Reports.html>.

vi. NARS Commission

The NARS Commission was established by statute as an advisory body to the Department of Land and Natural Resources (DLNR) under §195-6, HRS. The Commission held six meetings over the past year. Topics ranged from commercial use and other concerns at Ahihi-Kinohiwa Natural Area Reserve (NAR) on Maui; special use permit request from the United States (US) Army to conduct work in the three Oahu NAR (Kaala, Kaena, Pahole) as off-site mitigation for continued army training in Makua; approval of Waikamoi (Maui), Moomomi (Molokai), and Pelekunu (Molokai) Long Range Management Plans as part of renewal process for continued enrollment in the NAPP; approval of the Kau (Hawaii) Long Range Management Plan as part of the process for enrollment in NAPP; and proposed administrative rule changes.

- b.** Explain how these performance results relate to program's objectives and department's mission.

The Department's mission is to, "Seek, develop and implement cost-effective strategies for the long-term sustainable management, maintenance, protection and utilization of existing and potential ocean, land, natural and cultural resources of the State of Hawaii in an integrated manner and in partnership with others from the public and private sectors." The Program goals and objectives implement the Department's mission with regard to natural areas, watershed management, native ecosystems, unique native plant and animal species, and geological features on public and private lands. Development and prioritization of projects and actions for the Program are conducted within the framework of the Department and Division's goals and objectives. Each project upon which performance measures are based is linked directly to one or more goals and objectives.

- c. Explanation of how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discussion of the performance results achieved during the past two years.

Program effectiveness is measured by:

1. Number of acres in natural areas and watersheds actively controlled for non-native plants as % of plan.
2. Number of acres in natural areas and watershed partnerships actively protected from feral ungulates as % of plan.
3. Number of acres inspected and monitored for weeds and ungulates as % of plan.
4. Number of acres protected by Natural Area Partnership Program contracts as % of plan
5. Number of acres enrolled in watershed partnership agreements as % of plan.
6. Percent of T&E species being managed as compared to total listed.
7. Number of YCC members and interns as % of plan.
8. Man-hours volunteered in resource management projects as % of plan.
9. Number of research/educational permits issued by NARS Commission/Staff as % of plan.

Project success is measured through evaluation of the completion of the stated goals and objectives.

- d. Discussion of actions taken by each program to improve its performance results.

Partnerships, such as the natural area partnerships program and watershed partnerships, have become increasingly important for implementation of landscape and ecosystem-level conservation restoration projects. Ecosystem issues are complex and cut across political, legal, and geographic boundaries. Often, no one agency or organization is equipped to handle the issue in its entirety, thus making cooperative partnerships a vital necessity. Action taken to support cooperative conservation include: 1) Increased funding and personnel for watershed partnership and the NAPPs; 2) Increased funding and personnel for NARS, YCC and Endangered Species Program - 24 new state positions for the NARS and watershed management; 3) Development of cooperative management agreement with USFS for the Hawaii Experimental Tropical Forest and a habitat conservation plan with DOT for red Ilima on Oahu; 4) Expansion of the NAPP in the Kau area to encourage protection of native ecosystems in south Hawaii; and 5) Expansion of the acreage covered by watershed partnership agreements.

Educational and volunteer utilization programs were expanded and provided a significant increase in the work force for conservation management. The Youth Conservation Corp enrolled 72 summer students and 11 fulltime interns over the past 2 years. Additional expansion is planned in 2009 for 25 full-time and 50 part-time interns.

Other changes made to increase efficiency and effectiveness during the past year include: 1) Training programs for staff and volunteers to help manage natural areas; 2) Greater utilization of the websites to communicate and disseminate information to the public; 3)

Developing cooperative programs with the tourism industry to maintain high use visitor areas such as the ranger program at Ahihi-Kinaiu NAR on Maui; 4) Developing and administering a land acquisition program; 5) Continuing participation in alliances, community meetings and outreach efforts to promote natural area and watershed ecosystem awareness; 6) Creating new management plans and updating administrative rules or legislative statues relating to natural area and watershed management; and 7) Completing efforts to designate worthy new areas as NARs.

- e. Identification of all modifications to the program's performance measures and discussion of the rationale for modifications

Program staff are in the process of conducting a complete review of the strategic planning framework of the LNR 407 program. Following the Department's and Division's vision and mission, the NARS program is refining the Program's objectives to more clearly reflect the core purpose of the Natural Area Reserves program, the Department's mandates, the relationship with other conservation programs, and the challenges that arise as the program expands and gains success. The increase of activities and measures of effectiveness is partially a result of the LNR 407 Program being assigned responsibilities for the watershed partnerships and YCC programs via Legislative action.

3. Problems and Issues

- a. Discuss any problems and issues encountered by the program

Protecting natural areas, watersheds and ensuring the future of rare native ecosystems and species requires sustained management actions over time to prevent degradation by pervasive threats such as feral animals and invasive weeds. Feral animals damage native vegetation, contribute to erosion and damage watershed capacity. At the landscape level, control of feral animals is possible using a combination of public hunting, exclusion by fences, staff control and aerial shooting. Building and maintaining fences, although effective, is expensive and must be combined with other animal control activities. For remote areas and areas with steep terrain, aerial shooting is often the only effective method of controlling feral animal numbers. However, implementing aerial control missions remains a challenge due to safety concerns, cost, and access issues. Invasive weeds modify habitat and require constant effort and vigilance to effectively contain them. With the dedicated funding provided by NARF, it is anticipated that much of the management action in NARS and watersheds will focus on invasive weeds and feral animal control to protect intact habitat and stabilize degraded habitats. Future efforts will focus on protection of additional acres of native habitat and additional species requiring a moderate increase in funding support.

Natural resource protection and management are long-term efforts requiring time and energy commitments not often found in other projects. Restoration projects often take years before results are discernable. Several of the projects funded this year could take years to achieve the desired objectives. It is important to note that management and protection of natural areas, watersheds and native ecosystems need to continue for the long term.

Although the primary mission of NARS is resource protection, the reserves provide recreational opportunities for residents and tourists in pursuits such as hiking, photography, kayaking, diving, nature viewing and hunting. Providing and maintaining roads, trails, boardwalks, shelters, interpretative signage and brochures enhance public awareness, access and enjoyment of NARS and watersheds. However it is a challenge for staff to manage public use while protecting the resources. The Hawaii Tourism Authority acknowledged this by granting Ahihi-Kinai NAR funds to mitigate resource and human conflicts, particularly overuse by tourists.

b. Program change recommendations to remedy problems

The department is requesting an increase of two million dollars in special funds allocation to enable increased management actions throughout the sub-programs and field projects. The Legislature advised program staff when the Legacy Land Act was passed to take a couple of years to develop strategic plans and capacity (both personnel and infrastructure) before requesting additional funding. The Program has increased its capacity to manage native species and their habitats and meet the goal of protecting these irreplaceable resources at a higher and warranted level. The additional funds will be divided amongst the Natural Area Reserve Program, Watershed Partnership projects, Natural Area Partnership Program, and Youth Conservation Corps projects. The department is also requesting funding for a CIP project to improve visitor facilities at the Ahihi Kinai Natural Area on Maui which currently receives some of the heavy visitation. The CIP project will construct a parking lot for visitor traffic.

Increased public input and/or participation in both the planning and implementation stages of the Program will encourage local community support and understanding for the program. A recent survey found a high level of public support to set aside and manage nature preserves on each island, protect endangered species and to control invasive species. A moderate increase in funding for the NAPP, Watershed Partnerships and the YCC will allow existing projects to grow and provide the opportunity to add new projects.

The program will continue to seek partnerships with landowners and explore alternative funding and initiatives to sustain and manage the State's natural resources. The department appreciates the actions by the 2007 Legislature that provided a federal fund appropriation for the program to provide access to federal conservation dollars and use the state funds as match.

c. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

By statute (HRS 247-7) the NARF supports the Forest Stewardship and NAP Programs, NARS, watershed management and YCC. As a short term measure to support underfunded conservation programs, the Department supports continuing funding from conveyance tax revenue to support other programs, including Endangered Species

management, appropriate invasive species actions, and management of the forest reserve system. In the next biennium, this support will affect the funding available for the core programs for which the Natural Area Reserve Special Fund was created, particularly if conveyance tax revenue decrease as a result of a downturn in real estate transactions. The long-term solution to this problem will come from renewed and aggressive efforts to develop and solidify a broad coalition of support for separate and dedicated funding for endangered species management, comprehensive invasive species coordination and control, and forest reserve management. In a recent survey, the public was highly supportive of conservation programs and highly supportive of efforts to fund these programs.

4. Expenditures for FY08:

	Appropriation Act 213/2007 FY 2007-08	Collective Bargaining	Transfer In Transfer (Out)	Governor's Restrictions	Estimated Total Expenditures
(Pos. Count)	(23.00)				(23.00)
Personal Services	2,190,682	70,512	0	0	2,261,194
Current Expenses	7,611,981	0	0	0	7,611,981
Equipment	0	0	0	0	0
Motor Vehicles	6,000	0	0	0	6,000
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(Pos. Count)	(23.00)				(23.00)
Total Requirements	9,808,663	70,512	0	0	9,879,175
Less:					
(Pos. Count)	(1.00)				(1.00)
Special Funds	8,611,868	41,893	0	0	8,653,761
(Pos. Count)	(0.00)				(0.00)
Federal Funds	0	0	0	0	0
(Pos. Count)	(22.00)				(22.00)
General Funds	1,196,795	28,619	0	0	1,225,414

a. Explain all transfers within the program I.D. and the impact on the program.

None

b. Explain all transfers between program I.D. and the impact to the program

Recurring cash transfer to the Hawaii Invasive Species Council (LNR 402 Special Fund) (Act 178 Section 19, SLH 2005). The cash transfer has ranged from \$1,000,000 to \$3,000,000 in prior years and was \$3,000,000 in FY08 to fund the Hawaii Invasive Species Council Programs. The cash transfer that did not affect appropriated ceilings or reduce actual Estimated Total Expenditures in FY08. Cash transfers from the Natural Area Reserve Special Fund will reduce cash balance in FY09 and negatively affect the cash status if continued into the next biennium budget.

Recurring cash transfer of \$600,000 to the Forest Stewardship Special Fund to support the Forest Stewardship Program grants to private landowners. The cash transfer did not affect appropriated ceiling or reduce actual Estimated Total Expenditure in FY08.

Recurring cash transfer of \$1,575,000 to the Forest Stewardship Special Fund to support T+E programs, DOFAW invasive species personnel, administer the USDS/NRCS/CREP program, and Forest Reserve management. The cash transfer did not affect appropriated ceiling or reduce actual Estimated Total Expenditure in FY08.

Recurring cash transfer of \$60,000 to support DLNR Fiscal personnel. The cash transfer did not affect appropriated ceiling or reduce actual Estimated Total Expenditure in FY08.

Non-recurring cash transfer of \$2,640,000 to the Forest Stewardship Special Fund (LNR 172 special fund) to support Kula Forest Reserve Restoration. The cash transfer did not affect appropriated ceiling or reduce actual Estimated Total Expenditure in FY08.

The cash balance in the Natural Area Reserve Fund was adequate to fund these transfers over the short-term. Over the long-term, the conveyance tax revenue will not be able to sustain this level of transfers without reducing funds available for programs statutorily listed in HRS § 247-7. The public strongly supports funding for conservation programs and natural area preserves and supports the Department's efforts to sustain and expand these conservation initiatives.

c. Explain any restrictions and the impacts on the program.

None

5. Supplemental Budget Requests for FY09:

	Appropriation Act 213/2007 FY 2008-09	Budget <u>Adjustment</u> FY 2008-2009	Supplemental <u>Request</u> FY 2008-2009
(Pos. Count)	(23.00)	0.00	(23.00)
Personal Services	2,255,818	0	2,255,818

Current Expenses	7,246,981	2,000,000	9,246,981
Equipment	0	0	0
Motor Vehicles	6,000	0	6,000
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(Pos. Count)	(23.00)	(0.00)	(23.00)
Total Requirements	9,508,799	2,000,000	11,508,799
Less:			
(Pos. Count)	(1.00)	(0.00)	(1.00)
Special Funds	8,111,868	2,000,000	10,111,868
(Pos. Count)	0.00	(0.00)	(0.00)
Federal Funds	200,000	0	200,000
(Pos. Count)	(22.00)	(0.00)	(22.00)
General Funds	1,196,931	0	1,196,931

a. Workload Or Program Request

- i. Description of request, reasons for the request, and desired outcomes or objectives to be accomplished by proposed program.

Increase Natural Area Reserve Fund ceiling by \$2,00,000.

The historic Legacy Lands Act (Act 156, Session Laws of 2005) raised expectations among supporters of the legislation and citizens concerned with the conservation of the State's unique natural resources that previously identified management needs (including fencing, animal removal, and weed control within critical watersheds and natural area reserves) would finally be funded. The Department successfully requested raising the spending cap in FY07 to fund a phased increase of natural area and watershed management actions. At that time, the Legislature cautioned the Program to take a couple of years to develop strategic plans and capacity (both personnel and infrastructure) to expand management actions before requesting additional funding. The Program now feels prepared to expand aggressive conservation actions in many NARS and Watersheds, thus realizing the long aspired goal of managing the NARS and watersheds on par with other private and federal conservation areas. Specifically it is requested the funds be allocated for:

A.	Management of Natural Area Reserves	\$750,000
B.	Watershed Partnerships related projects	\$750,000
C.	Natural Area Partnerships	\$120,000
D.	Youth Conservation Corps	\$240,000
E.	Increased Central Services costs	\$140,000

Protecting and managing the 1.5 million acres in watershed partnerships enhances the reliability and quality of our water, promotes the health of our forests, and benefits coral reefs and marine life. Increased funding for NARS protects the best remaining representatives of our native ecosystems and rare native plants and animals so that future generations can enjoy, study, and experience a unique natural heritage. This request will allow increase NARS and watersheds to be managed on par with other private and federal conservation areas by providing funds for active management, including control of invasive species and ungulates; monitoring of habitat and species health and of the effectiveness of management actions, maintenance of fences and other field infrastructure. The request will also allow the program to expand the number of students/interns and islands served under the YCC program.

- ii. Listing/description of positions requested, and funding requirements by cost category and source of funding.

None

- iii. For all lump sum requests, provide a detailed breakout indicating specific purposes for all planned expenditures.

None

- b. For all positions count reductions, please specify whether the positions were new, filled or vacant.

No reductions.

6. Program Restrictions:

Identify restrictions carried over from FY 07 as well as additional reductions due to the Department of Budget and Finance's budget ceilings for FY08 and FY09.

None

7. Capital Improvement Program (CIP) requests for FY09.

See Appendix A.

8. Proposed Lapses of CIP projects:

| None