

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

January 2008

Program Structure Number: 04 03 02

Program I.D. and Title: LNR 906 – Natural and Physical Environment

I. Introduction

A. Summary of Program Objectives

To assure and promote the preservation of the physical environment of the State by formulating policies, allocating resources, administering operations and personnel, and disseminating information, which supports program effectiveness and efficiency.

B. Description of Program Objectives

This program is responsible for the general administration of the Department of Land and Natural Resources (DLNR) under the Board of Land and Natural Resources (Board). The activities performed under this program include land use and resource planning, resource inventories, personnel and budget management, fiscal control, service and support to administratively attached boards and commissions and acting as liaison with other agencies.

C. Explanation of How the Program Intends to Meet Its Objectives Within the Upcoming Supplemental Year

The program will continue to enhance program effectiveness and efficiency by providing directions relating to its area of responsibility in formulating policies that are designed to achieve statewide objectives.

II. Program Performance Results

A. Discuss the Program Performance Results Achieved in Fiscal Year (FY) 2007

1. Over the past year, DLNR has begun to implement the Hawaii Ocean Resources Management Plan (ORMP) to improve overall protection and management of Hawaii's natural and cultural resources.

The 2006 ORMP charts a new course of action that calls for a change in the way we manage our natural and cultural resources. Building on traditional Hawaiian management principles and lessons from past efforts, the ORMP illustrates the need to move toward integrated and place-based approaches to resource

management. The ORMP is based on three important perspectives, which the department is incorporating into its everyday practices.

Perspective 1 - Connecting Land and Sea

Careful and appropriate use of the land is required to maintain the diverse array of ecological, social, cultural, and economic benefits we derive from sea. The Department continues to focus on land management to improve the quality of coastal areas and the marine environment. Existing efforts to reduce land-based sources of pollution from all land uses will be continued and strengthened with targeted assistance in priority watersheds. The Department continues to develop new measures to protect beaches and shoreline areas from coastal erosion, not only to preserve beaches but also to protect human life and our economy.

Perspective 2 - Preserving Our Ocean Heritage

A vibrant and healthy ocean environment is the foundation for the quality of life valued in Hawai'i and the well being of its people, now and for generations to come. The department continues to make priority actions at sea to improve the quality of the marine environment. Efforts to reduce pollution from sea-based sources continue and will continue to be strengthened, with added emphasis on stopping the introduction of marine alien species and discharges from commercial vessels in archipelagic waters. The status of coral reef ecosystems is dependent on the implementation of a multi-pronged approach: strengthening and expanding marine protected areas, employing new, ecosystem-based approaches for managing nearshore fisheries, and substantially increasing the capacity for enforcement and voluntary compliance with ocean resource rules and regulations, which the Department continue to work on. Additionally the Department will continue with developing new approaches to manage recreational and commercial uses of our beaches and coastal areas and develop responsible and sustainable ocean-based tourism.

Perspective 3 - Promoting Collaboration and Stewardship

Working together and sharing knowledge, experience, and resources will improve and sustain our efforts to care for the land and sea. Increasing pressure on natural resources coupled with a greater understanding of environmental systems have brought to light the need for a more holistic approach to natural resource management. The Department continues to integrate natural resources management approaches, build capacity for community participation and stewardship, and develop legal and policy proposals to institutionalize integrated and collaborative management approaches. As part of a holistic approach, collaborative governance mechanisms are needed to provide greater opportunities for integrated planning and public involvement. Thus the Department has placed an emphasis on place-based collaboration recognizes that natural resource management cannot succeed without acceptance and commitment from community members. In turn, community leaders and resource managers have realized that this approach can save significant time, money, and effort in

developing sustainable, appropriate environmental management plans for their communities.

The ORMP establishes management priorities for the next 5 years to guide the Department as it embarks on this new course of action and continues its effort to move toward integrated and area-based approaches to natural and cultural resources management that require greater collaboration among jurisdictional authorities and catalyze community involvement and stewardship.

2. The Department's total expenditures (all Means of Financing) in FY 2007 were approximately \$155 million compared to \$113 million in FY 2006. In FY 2007 and 2006, the Administrative Services Office processed 5,984 and 6,507 purchase orders, respectively. The decrease in purchase orders is due to streamlining of the procurement process and expanding the use of the Purchasing Card (pCard) program.
3. The Data Processing Office is continuing to increase network connectivity, including remote offices, so that employees are able to benefit from department's network file access, E-mail, Internet and Intranet services. The number of remote offices that are connected to the DLNR network has increased to 37.
4. The Personnel Office is responsible for the provision of major services including recruitment, classification, reorganization, labor relations, training safety, equal employment opportunities, and employee transactions (assistance/benefits and personnel file management). The Personnel Office processed over 4,000 personnel actions in FY 2007. The increase in personnel actions were due to the number of pay increases resulting from negotiated increases in collective bargaining contracts, classification actions processed as a result of reorganization, redescription, and position extension.

B. Explanation of How These Performance Results Relate to Program's Objectives and Department's Mission

The performance results indicate the level of support this program provides to the various programs in fulfilling the Department's mission.

C. Explain How the Effectiveness of The Program is Measured (i.e.: Outcomes, Measures of Effectiveness, Benchmarks, etc.) and Discuss the Performance Results Achieved During the Past Two Years

The effectiveness of the program is measured by the time-frame it takes to process various requests such as vendor payments, personnel actions and data processing requests. The performance results achieved during the past two years indicate that the program is providing essential fiscal and administrative support to the divisions.

D. Discuss Actions Taken to Improve Performance Results

In FY 2007, the Department expanded the use of the pCard Program implemented by the State Procurement Office. This program provides for the use of bank credit cards by authorized employees. The primary objectives are to provide easier acquisition of small dollar purchases and to reduce the paperwork and time associated with the preparation and processing of purchase orders. The use of the pCard also ensures that vendors are paid promptly.

Management staff from each program routinely meet to improve communication, discuss policies and procedures, resolve problems and identify their goals, objectives and performance measures. Recommendations from these meetings should improve the general administration of the Department.

E. Identify All Modifications to the Program's Performance Measures and Discuss the Rationale for These Modifications

None

III. Problems and Issues

A. Discuss Any Problems and Issues Encountered by the Program

The primary function of this program is administration of the Department of Land and Natural Resources. Although DLNR's operating and CIP budget increased substantially over the years, the Administrative staff remained the same. It has been increasingly difficult to provide the same level of public service with limited staff and funds allocated to this program. Department will continue to seek alternative funding and explore alternative solutions to managing and sustaining the State's natural resources and providing necessary services.

B. Program Change Recommendations to Remedy Problems

The Department will continue its ongoing commitment to streamlining operations and activities (such as re-evaluating internal procedures, recruit qualified personnel, etc). This also includes providing information and on-line services via the Department's website to allow the general public access to various resources and services.

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

See above.

IV. Projected Expenditures for FY 2007-2008

	Appropriation Act 213/2007 <u>FY 07-08</u>	Collective <u>Bargaining</u>	Transfer In <u>Transfer (Out)</u>	Governor's <u>Restrictions</u>	Estimated Total <u>Expenditure</u>
(Pos. Count)					
Personal	(39.00)				(39.00)
Services	2,106,595	73,587			2,180,182
Current					
Expenses	374,309				374,309
Equipment	35,000				35,000
Motor Vehicles	0				0
(Pos. Count)	(39.00)				(39.00)
Total	2,515,904	73,587			2,589,491
Less:					
(Pos. Count)	(6.00)				(6.00)
Special Funds	656,508	12,142			668,650
(Pos. Count)					
Federal Funds	0				0
(Pos. Count)	(33.00)				(32.00)
General Funds	1,859,396	61,445			1,920,841

A. Explanation of All Transfers Within the Program I.D. and its Impact on the Program

None

B. Explanation of All Transfers Between Program I.D. and the Impact to the Program

None

C. Restrictions and Their Impact on the Program

None

V. **Supplemental Budget Requests for FY 2008-09**

	<u>Appropriation Act 213/2007 FY 2008-2009</u>	<u>Budget Adjustment FY 2008-2009</u>	<u>Supplemental Requests FY 2008-2009</u>
(Pos. Count)			
Personal	(39.00)	(2.00)	(41.00)
Services	2,119,227	79,324	2,198,551
Current Expenses	374,309	0	374,309
Equipment	30,000	0	30,000
Motor Vehicles	0	0	0
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Total Requirements	(39.00) 2,523,536	(2.00) 79,324	(41.00) 2,602,860
Less:			
(Pos. Count)	(6.00)	(0.00)	(6.00)
Special Funds	654,008	0	654,008
Pos. Count)	(0.00)	(0.00)	(0.00)
Federal Funds	0	0	0
(Pos. Count)	(33.00)	(2.00)	(35.00)
General Funds	1,869,528	79,324	1,948,852

A. **Workload or Program Request (Description of request, reasons for the request, and desired outcomes or objectives to be accomplished by proposed program. Listing/description of positions requested, and funding requirements by cost category and source of funding)**

1. **Description of Request, Reason for the Request, and Desired Outcomes or the Objectives to be accomplished**

The budget request includes a Personnel Management Specialist III and an Account Clerk IV positions.

The Personnel Office has experienced an increase in workload due to an increase in the number of newly authorized positions over the past several years. This increase has had a significant impact on the Personnel Office resulting in a need for an additional professional position. The Personnel Management Specialist III will serve as a generalist and be responsible for assisting the Classification and Recruitment specialists with a variety of professional duties in classification, recruitment, reorganizations, training, safety, and employee job replacements.

In addition to the increase in the number of authorized positions, the Department's operating and CIP budgets increased significantly over the years. We request an Account Clerk IV to address the increasing workload in the Fiscal Staff Section of the Administrative Services Office. The Account Clerk IV will process purchase orders and contracts for materials and supplies, repairs and maintenance, services, equipment, motor vehicles, and travel related expenditures. The accounting staff has to work overtime to process the payroll, to make vendors payments within thirty days, and to meet other critical deadlines.

2. Listing/Description of Positions Requested and Funding Requirements by Cost Category and Source of Funding

	<u>MOF</u>	<u>Amount</u>
Personnel Management Specialist III	A	\$44,512
Account Clerk IV	A	\$34,812
Total request	A	<u>\$79,324</u>

B. For All Position Count Reductions, Please Specify Whether the Positions Were New, Filled or Vacant

None

VI. Identify Restrictions Carried Over From FY 2008 as Well as Additional Reductions Due to the Department Of Budget and Finance's Budget Ceiling For FY 2009.

A. A description of the reduction, the reasons for the reduction, and the impacts to the objectives to be accomplished by the program.

None.

B. A listing/description of the positions cut including source of funding, please specify whether the positions were filled or vacant.

None.

VII. Capital Improvement Request (CIP) Requests for FY 2008-2009

None

VIII. Proposed Lapses of Capital Improvement Program Projects

None.