

SENATE COMMITTEE ON WATER AND LAND

BUDGET REQUEST FOR SUPPLEMENTAL BUDGET 2008-09

SUMMARY TESTIMONY OF THE DEPARTMENT OF LAND AND NATURAL RESOURCES

January 28, 2008

DEPARTMENT OVERVIEW

I. INTRODUCTION

A. Summary of Program Objectives.

State Constitution, Article XI – Sec. 1:

For the benefit of present and future generations, the State and its political subdivisions shall conserve and protect Hawaii's natural beauty and all natural resources, including land, water, air, minerals and energy sources, and shall promote the development and utilization of these resources in a manner consistent with their conservation and in furtherance of the self-sufficiency of the State.

All public natural resources are held in trust by the State for the benefit of the people.

The specific objectives of the following divisions and staff offices are contained in their respective testimonies:

DLNR DIVISIONS

Land Division (LNR 101):

Maintains the official inventory of State lands; and handles the acquisitions of land for public purposes, and disposition of State land through sale, lease, month-to-month permit, easement and other dispositions.

Bureau of Conveyances (LNR 111):

Serves as the State's sole recording office for documentation of land title changes, liens and contracts between individuals. Examines, records, indexes and microfilms Regular System and Land Court documents and maps.

Engineering Division (LNR 141 and 810):

The Engineering Division administers the State's programs in water development and flood prevention and control. The Division also provides engineering assistance to other divisions and other State agencies.

Aquatic Resources (LNR 153, 401 and 805):

Manages the State's marine and freshwater resources through programs in commercial fisheries; aquatic resources protection, enhancement, and education; and recreational fisheries. The program also issues commercial fishing licenses and permits.

Forestry and Wildlife (LNR 172, 402, 407 and 804):

Manages statewide forests and natural area reserves; public hunting areas; plant and wildlife sanctuaries. Program areas include watershed protection, native resources protection, outdoor recreation, hiking trails and commercial forestry.

Water Resource Management (LNR 404):

Provides administrative, staff and technical services in support of the State Commission on Water Resource Management, whose general mission is to protect and enhance the water resources of the State through wise and responsible management.

Conservation and Resources Enforcement (LNR 405):

Enforces conservation and resources laws in the State. Officers also enforce hunting, fishing and camping permit requirements.

Boating and Ocean Recreation (LNR 801):

Manages, operates and maintains small boat harbors, launching ramps, and other boating facilities throughout the state. Manages ocean-based recreation and regulates the commercial use of boating facilities. Administers and operates a vessel registration system for the State.

Historic Preservation (LNR 802):

Operates a statewide inventory of properties of historic, architectural or cultural importance. Reviews development projects for their impact on historic properties. Also coordinates the Burial Sites Program and Historic Preserves Program. Any unearthing of human burials must be reported to this office.

State Parks (LNR 806):

Manages, plans, and develops parks with scenic and cultural values. Also processes camping permits for all State parks and cabins.

Administrative Services (LNR 906):

Provides administrative support services, internal management, and comprehensive fiscal services to the Chairperson, Members of the Land Board, and to the eleven operating divisions and two staff offices of the Department.

Personnel Office

Handles all benefits, classification, and records for departmental employees. Also administers the labor relations' process.

B. Description of Program Objectives.

The enormous responsibility for the stewardship of Hawaii's natural resources rests within the Department of Land and Natural Resources (DLNR). It is the mission of employees of DLNR to promote a sustainable Hawaii. It is the Department's goal to protect Hawaii's fragile environment, and wisely manage its natural resource base and the function and viability of natural systems on which all life depends in order that a strong foundation be maintained for future prosperity.

C. Explanation of How the Program Intends to Meet its Objectives in the Upcoming Fiscal Biennium.

1. In keeping with the Constitutional mandates to conserve and protect Hawaii's natural beauty and its natural and cultural resources and in order to be responsive to the present and future management of the State's resources, DLNR integrates environmentally sound economic natural resource-based development and public usage of Hawaii's natural resources, through resource inventories, management plans and objectives (short-term and long-term) and public information and education initiatives. The Department relies, in part, on increased vigilance of individuals and public and private agencies in protecting these resources.
2. 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 continues 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.

II. PROGRAM PERFORMANCE RESULTS

Please refer to the attached LNR Program testimonies.

III. DEPARTMENTAL PROBLEMS AND ISSUES

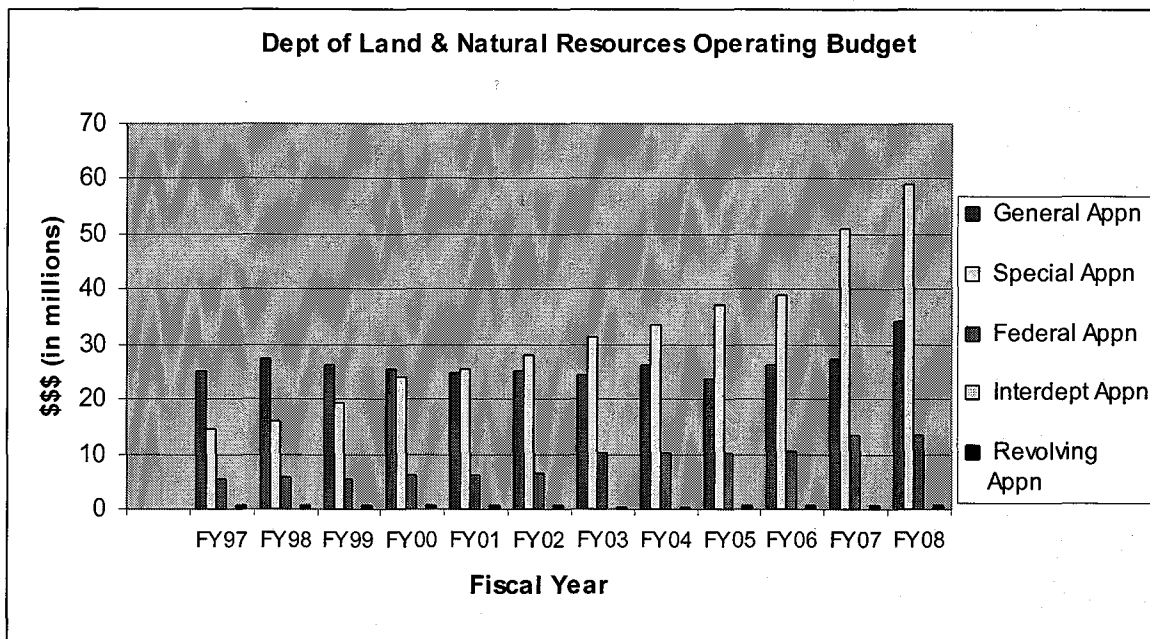
A. Discuss Problems and Issues Encountered by the Department.

With the broad array of services and activities provided by the Department, such as maintaining forest reserves and state parks, managing marine and freshwater resources, and recording conveyances and land transactions, protection of the natural resources and ensuring the health and safety of the general public has proven to be challenging.

Listed below is a comparison of the Department’s operating budget from FY 1997 to FY 2008.

Department of Land and Natural Resources
Operating Budget From FY 1997 to 2008

Fiscal Yr	General Appn	Special Appn	Federal Appn	Interdept Appn	Revolving Appn	Total Appn
FY97	25,051,058	14,542,772	5,303,840	143,768	618,136	45,659,574
FY98	27,489,211	15,879,787	5,686,690	143,768	621,660	49,821,116
FY99	26,298,075	19,264,542	5,639,324	143,768	621,660	51,967,369
FY00	25,644,643	23,919,370	6,185,319	149,328	621,660	56,520,320
FY01	24,719,599	25,658,381	6,363,233	149,328	621,660	57,512,201
FY02	25,158,881	27,938,920	6,397,711	-	626,984	60,122,496
FY03	24,404,143	31,460,496	10,192,062		518,019	66,574,720
FY04	26,109,133	33,400,661	10,349,788		543,791	70,403,373
FY05	23,812,151	37,186,667	10,177,183		661,007	71,837,008
FY06	26,408,502	39,023,894	10,415,204		710,839	76,558,439
FY07	27,292,777	50,925,327	13,318,833		710,839	92,247,776
FY08	34,258,380	59,163,502	13,388,275		788,574	107,598,731



Issues continue to surface requiring immediate attention, such as invasive species (e.g., coqui frogs, miconia, brown tree snakes, disease carrying insects and animals etc), and homeland security issues (e.g., small boat harbor enforcement requirements). Recurring health and safety issues continue to impact our facilities, such as repair and maintenance projects (e.g., state parks, small boat harbor facilities) and compliance with state and federal mandates (e.g., Americans with Disabilities Act, Endangered Species Act).

While much of the activities and duties performed in protecting and conserving the State's natural resources often goes unnoticed, we would like to emphasize the importance of maintaining a continuous program for the benefit of future generations.

B. Program Change Recommendations to Remedy Problems and Issues.

We have continued a series of initiatives within the Department, and are constantly looking for partners in the community who will help us, and work with us to move forward. Finding a balance between protection and uses of our natural and cultural resources is both difficult and challenging. We will continue to establish and renew alliances and partnerships with various government sectors, private sectors and communities. This will include assisting communities in working with and forming partnerships with other governmental agencies and the private sector.

We are also aggressively pursuing federal funds to support programs. Additionally, we are becoming more proactive in generating revenues for uses associated with state lands.

C. Explain any Changes Made by Your Department to Become More Efficient and Effective.

Our planning process to identify priority resources at risk, a future vision for each priority resource and implementing actions to be carried out in order to realize the future vision are the primary changes we will be focusing on for the next few years. Management staff from each program will be meeting to refine the existing plan, improve communication, discuss policies and procedures, resolve problems and identify alternative solutions, and re-evaluate program objectives and performance measures.

IV. DEPARTMENT-WIDE BUDGET SUMMARY INFORMATION

1. Totals For Department FY08 Budget with Restrictions and Emergency Requests FY09 Proposed Operating Budget Adjustments by MOF.

See Attachment 1.

The Department is requesting \$7.6 million for its Supplemental Budget for FY 2008-09 (\$1.5 million in general funds, \$4.8 million in special funds, and \$1.3 million in federal funds).

The Department is also requesting \$21.7 for various Capital Improvements Projects.

2. Emergency Requests (by title and amount) that the Department will be seeking for the current fiscal year.

See Attachment 2.

3. Summary of FY09 Proposed Operating Budget Adjustments by Program ID.

See Attachment 3.

4. Description of all FY09 Proposed Operating Budget Adjustments by Program ID.

See Attachment 4.

5. Listing of proposed FY09 Capital Improvements Program Projects.

See Attachment 5.

6. Specific Budget Adjustments of concern for your agency.

Please refer to the attached LNR Program testimonies.

7. **Summary of the Department's request to the Department of Budget and Finance, the funding decisions made by the Budget and Finance, and the funding decisions finalized by the Governor.**

See Attachment 6.

8. **Explain the process used to identify priorities for the Department including which category the requests for additional funding fall into: a. program initiatives of the Governor, b. certain unavoidable fixed costs and entitlements, or c. on-going critical programs which lack continuing funding.**

In developing the Department's priorities, we evaluated various factors such as health and safety issues, priority resources at risk, federal and court mandates, environmental initiatives, and repairs of our rapidly deteriorating public infrastructure. Given the broad array of programs and services provided by the Department, there were no hard and fast rules in determining the Department's overall priorities. Rather, based on program requirements and the need to sustain our natural resources, funding priorities for both operating and CIP were developed.

9. **Discuss How Requests for Additional Operating and Capital Improvements program Funding were Prioritized and Discuss the Manner in Which Community, Departmental, and Legislative Input was Gathered and Utilized to Determine Priorities.**

The Department of Land and Natural Resources is responsible for the stewardship of Hawaii's natural resources. Our goals are to protect our fragile environment and manage its natural resource base in a manner consistent with their conservation. All public natural resources are held in trust by the State for the benefit of the people, including future generations.

10. **Discuss What Actions the Department Has Taken or is Planning to Take to Reduce Operating Costs, and How Those Actions Will Translate Into Savings That May Be Reduced From Your Budget.**

See Attachment 7.

The Department has initiated various actions to assist in the protection, preservation and conservation of the State's natural resources for current and future generations. This however, will not translate into savings that may be reduced from the Department's budget or replace existing state funding, but rather complement the existing financial resources, as the protection and maintenance of the State's natural resources is everyone's responsibility.

- 11. Identify All Positions That Have Been Vacant as of December 1, 2007. For each of these Positions Please Indicate if Authority to Hire Was/Was Not Granted.**

See Attachment 8.

- 11. Listing of All Instances of the Department's Expenditures Exceeding the Federal Fund Ceiling for FY07 and FY08.**

See Attachment 9.

- 12. Listing of all budget appropriations transferred to another program ID and/or another Department in FY07 and FY08.**

See Attachment 10.

- 13. Listing of all deployed positions.**

See Attachment 11.

V. Biennium Budget Requests for FY09:

Provide the total position counts and funds requested.

A. Workload or program request:

For each program package or item being requested within the program I.D., provide the following (if no request is being made, indicate "none"):

Please refer to Attachments 1 through 4.

B. For all position count reductions, please specify whether the positions were filled or vacant.

None

VI. Program Restrictions:

Identify restrictions carried over from FY08 as well as additional reductions due to Department of Budget and Finance budget ceilings for FY09. If no reduction is being proposed, indicate "none."

None

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 Program (CIP) Requests for FY09:

CIP data for all projects within the agency being heard shall be combined into a single appendix in the department's testimony. (If no request is being made, indicate "none.")

See Appendix A.

VIII. Proposed Lapses of CIP projects:

Any CIP project listed for lapse shall include the following (if no lapse is made, indicate "none.")

See Appendix B.

CIP REQUESTS FOR SUPPLEMENTAL YEAR 2008-2009

1. Lump Sum CIP, Improvements to Harbor Facilities, Statewide

Scope of Work: DOBOR Harbor Facilities construction includes improvements to piers, docks, launch ramps, roads, parking, utilities and other related facilities.

Justification: DOBOR facilities were constructed over 30 years ago and have deteriorated to the extent that they pose public health and safety risks; and are beyond economic repair. The failure of these facilities will result in the loss of slips and income, which is needed to maintain this and other facilities statewide. In addition, many of its facilities are obsolete, unable to meet current program objectives, building codes and industry standards.

These improvements are needed to prevent continued pier and dock failures; provide adequate public service and facilities for residents and visitors; comply with Federal and State requirements in areas such as cesspool replacements and ADA barrier removal; maintain the State's responsibility for public health and safety; conform to current building codes and industry standards; support opportunities for ocean activities; and preserve Hawaii's natural and cultural resources.

1a.	<u>Program ID</u>	<u>Project Title</u>	<u>FY 2009 (in thousands)</u>	
	LNR 801	Lahaina SBH Pier and Utility Improvements, Maui	Plans	-
			Design	-
			Constr.	2500
			Total	2500C

Project No. B46

Scope of Work: Construction includes the replacement of the existing marginal pier, support structure, utilities and related work.

Justification: This project will replace the existing wooden marginal pier, support structure and utilities, which are over 30-years old, have exceeded their usable life and are beyond economic repair. The marginal pier provides access to approximately 1/3 of the 99 vessels moored in the harbor, its closure would result in the displacement of slip holders and lost rental income.

Senate District: 5
House District: 10

1b.	<u>Program ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
	LNR 801	Honokohau SBH	Plans	-
		Improvements,	Design	-
		Hawaii	Constr	500
		Total	500C	
	Project No.	B08		

Scope of Work: Construction includes the replacement of the existing loading docks, utilities and related improvements.

Justification: This project will replace existing concrete loading docks, which are heavily used by the public. The loading docks, which are over 30-years old have exceeded their usable life and are beyond economic repair. Both docks are beginning to show signs of failure and will eventually become a safety hazard.

Senate District: 3
House District: 6

1c.	<u>Program ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
	LNR 801	Ala Wai SBH 700	Plans	-
		Row Improvements,	Design	-
		Oahu	Constr	2500
		Total	2500C	
	Project No.	B71		

Scope of Work: Construction includes the replacement of existing deteriorated concrete piers, utilities and related improvements.

Justification: This project will replace existing concrete piers, which are over 40-years old, have exceeded their usable life and are beyond economic repair. Over half of the docks are not in service due to safety concerns, resulting in the displacement of slip holders and lost rental income. This project would provide safe and usable piers for both boaters and visitors. Currently approximately 26% of the harbor's 724 slips have been condemned or will be out of service within the next 2 years.

Senate District: 12
House District: 23

1d.	<u>Program ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
	LNR 801	Port Allen SBH Pier	Plans	-

	Improvements, Kauai	Design Constr Total	- 2000 2000C
Project No.	B94		
Scope of Work:	Construction includes the replacement of deteriorated concrete piers, docks, utilities and related work.		
Justification:	This project will replace existing concrete piers, support structures and utilities which are approximately 30-years old and have been determined to be beyond economic repair. The recent failure of two (2) main pier sections has limited access to vessels moored on the pier. Additional failures of main and finger piers may prompt the closure of the pier, resulting in the displacement of slip holders and lost rental income.		
Senate District:	7		
House District:	16		
1e.	<u>Program ID</u> LNR 801	<u>Project Title</u> Haleiwa SBH Pier 200 Improvements, Oahu	<u>FY 2009 (in thousands)</u> Design - Constr 2500 Total 2500C
Project No.	B76		
Scope of Work:	Construction includes the replacement of deteriorated piers, docks, utilities and related appurtenances.		
Justification:	The harbor is over 30 year old and many of the original piers and pier components have exceeded their useful life and must be replaced before they are deemed unsafe or unusable. The recent failure of two (2) main pier sections has limited access to vessels moored on the pier. Additional failures of main and finger piers may prompt the closure of the pier, resulting in the displacement of slip holders and lost rental income.		
Senate District:	22		
House District:	46		

2. State Parks Facility Improvements, Statewide

Scope of Work: Design and construction costs for State Parks projects statewide for improvements to water systems, park facilities, roadways, natural hazard mitigation and other related improvements.

Justification: Facilities in the State Parks system were constructed over 30 years ago and have deteriorated to the extent that they pose public health and safety risks and substantially increase maintenance and repair costs. In addition, natural hazard conditions, such as, erosion, rockfalls, floods and wave action have contributed to facility deterioration and safety hazards.

The improvements in these facilities are needed to prevent continued system failures in such areas as water systems; to provide adequate public service and facility resources for residents and visitors; to comply with Federal and State requirements in areas such as cesspool replacements and ADA barrier removal; and maintain the State's responsibility for public health and safety.

2a.	<u>Program ID</u> LNR 806	<u>Project Title</u> Kokee-Waimea Canyon State Parks, Kauai		<u>FY 2009 (in thousands)</u> - 800 1200 2000C
	Project No.	F46		

Scope of Work: Design and construction of improvements to the water system serving the Kokee and Waimea Canyon State Parks and other users.

Justification: The Kokee/Waimea Canyon water system is a public water system and the primary source of water for State Park facilities, government and non-government facilities, and leasehold residents in the area. Deterioration, age and increased usage have resulted in frequent failures in the system. These failures have resulted in high repair and maintenance costs, loss of service to water users, and risks to public health and safety. Additional water sources or wells are needed to meet the water supply needs of system users. The completion of this project will ensure public health and safety, and reduce high repair and maintenance costs to the State. Also, an additional water source will be added to the system and the Governor's initiative for clean and safe park facilities will be implemented.

Senate District: 7
House District: 16

2b.	<u>Program ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
	LNR 806	Ka Iwi Scenic Shoreline, Oahu	Plans	-
			Design	
			Constr	1500
			Total	1500C

Project No. H68

Scope of Work: Construction of improvements to the entry road/pathway of the Makapuu Lighthouse including roadway/pathway improvements, new lookout and rest stops, stairway improvements and improvements to the existing lookouts.

Justification: The increased usage of the entry road as a hiking trail and the lookouts and the deterioration of the roadway and lookouts from age, weathering and other natural conditions have resulted in unsafe and hazardous conditions. Park users comprise of all age groups and the current condition of the roadway/path pose increased risks to public safety. In addition, the roadway serves Federal maintenance staff for the Makapuu Lighthouse and continued deterioration of the roadway will prevent the efficient operation of this facility and affect national security policies. The State is required to keep passable access of this roadway for the U.S. Coast Guard.

Senate District: 25
House District: 17

2c.	<u>Program ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
	LNR 806	Natural Hazard Mitigation, Statewide	Plans	-
			Design	100
			Constr	900
			Total	1,000C

Project No. H46

Scope of Work: Design and construction of natural hazard mitigation measures and related improvements including: rock face scaling; slope and erosion stabilization; aboreal assessment and removal; weather-proofing roofing and other structural improvements; flood damage mitigation and drainage improvements; fire emergencies and other measures.

Justification: Recent severe weather trends have caused rockfalls, slope erosion, flood damage, structural deterioration, falling tree hazards, and dangerous drought conditions statewide. These events have severely strained limited maintenance funds and resources and required

emergency services to address brushfires, road closures, and other events. Risks to public health and safety increase as severe natural hazards and facilitation from anthropogenic activities in natural areas lead to deterioration of park resources and facilities.

Senate District: Statewide
House District: Statewide

2d.	<u>Program ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
	LNR 806	Wailua River State Park, Kauai	Plans	-
			Design	-
			Constr	500
			Total	500C

Project No. F54

Scope of Work: Construction of improvements to the Opaekaa Falls Lookout section of the park including: parking area improvements, such as repaving, restriping, bus parking designation, and accessibility compliance; and, lookout improvements, such as, pathway and railing improvements, accessible viewing area, and other related improvements.

Justification: The Opaekaa Falls Lookout is a popular visitor and resident attraction and increased usage has resulted in crowded conditions, parking and traffic congestion, deteriorated pathway and parking areas, and increased risk to public safety from narrow path corridors. In addition, the parking and lookout facilities are not compliant with accessibility requirements, which DLNR has legal mandates to address.

Senate District: 7
House District: 15

3. North Kona Water System Improvements, Hawaii

<u>Prog ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
LNR 141	North Kona Water System	Plans	1,200
		Land	5

Improvements, Hawaii	Design Constr	1,700 -
	TOTAL	2,905 C

Project No. G21C

Scope of Work: Planning, land acquisition, design and construction funds for water system improvements, including studies, water sources, waterlines, pressure reducing valve stations, storage reservoirs and other related work, to support future State sponsored projects in North Kona.

Justification: There is a need to improve the water system in the North Kona area due to increased water demands generated from proposed State-sponsored projects and private development. The existing system is barely able to meet current water demands.

A) \$8.885M – Private development (Hiluhilu Developer) in the North Kona area, which has been dormant for several years, is anticipated to pick up substantially in the near future. There exists a unique opportunity to partner with private entities to cost share in some of the identified improvements, which would reduce costs to the State while meeting its water needs. This will involve oversizing transmission lines and reservoirs. State sponsored projects to benefit from this request include the Natural Energy Laboratory, University of Hawaii at West Hawaii, Queen Kaahumanu Highway widening, Keahole-Kona International Airport and Keahole Agricultural Park.

B) \$5.52 M – To support DHHL and HCDCH development timeline for new sources (3 exploratory wells).

Senate District 3

House District 7

4. Waimea Wells, Hawaii

<u>Prog ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
LNR 141	Waimea	Plans	150
	Wells, Hawaii	Land	1
		Design	325
		Constr	1,500
		TOTAL	1,976 C

Project No. G76B

Scope of Work: Planning, land acquisition, design and construction funds for well exploration and development, including well drilling, casing

installation, pump testing, pump, controls, control building, connecting pipeline and other related work.

Justification:

Growth in the Waimea area has created a potable water shortage. Increasing costs and regulatory requirements for surface water treatment makes it desirable for the Waimea water system to switch to groundwater sources.

Partial funding will be provided by the County of Hawaii Department of Water Supply. (Project is currently under design by the County DWS).

If deferred or denied, State projects in the Waimea area, including the Waimea Civic Center/State Office Building 3, Waimea Elementary School 1st/2nd Increments, Waimea Intermediate School additions and DLNR Conservation Education Facility may be unable to get water service. (This will also include DHHL's projects in the Waimea area).

Senate District 3
House District 7

5. Kawai Nui Marsh Habitat Restoration Project, Oahu

<u>Prog ID</u>	<u>Project Title</u>	<u>FY 2009 (in thousands)</u>
LNR 402	Kawai Nui Marsh Habitat Restoration Project, Oahu	Plans 0 Land 0 Design 0 Construction 500 Equipment 0 TOTAL 500 C

Project No.

Scope of Work:

Additional funding for state match for Army Corps of Engineers habitat restoration project to construct wildlife conservation facilities including: shallow ponds, water control structures, vegetation removal, boundary fencing, mowing, stream clearing and predator control. This project provides additional state matching funds to complete construction of the \$6,759,000 Kawai Nui Marsh restoration project. The project is being jointly federally funded with the ACOE providing \$5,000,000 of the total project costs and the state providing \$1,759,000.

Justification:

The project implements the wildlife habitat restoration component recommended in the 1994 Kawainui Marsh Master Plan and Hawaii Endangered Waterbird Recovery Plans. The

project also becomes the foundation for other educational, environmental, cultural, recreational and ecotourism opportunities in the Marsh. Without the habitat restoration, the marsh will remain in the current state of degradation with little wildlife and community use values. If implemented, the project will help to restore 4 endangered waterbirds on Oahu and become the focus of community and volunteer efforts to restore the wildlife habitat in the marsh. The project will create scenic open space, reduce runoff to reef, increase populations of endangered Hawaiian stilt, moorhen, duck and coot, and remove invasive weeds from the marsh. The project implements the major environmental restoration action contemplated in Act 235, SLH 2007 and the transfer of City & County of Honolulu lands in Kawai Nui marsh to the State.

Senate District 0
House District 0

6. State Parks Efficiency and Conservation Improvements, Statewide

<u>Program ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
LNR 806	State Parks Energy	Plans	-
	Efficiency and	Design	250
	Conservation	Constr	-
	Improvements, Statewide	Total	250C

Project No. H55

Scope of Work: Design of energy efficiency improvements including retrofitting existing facilities and lighting fixtures with efficient replacements, utilizing solar water heating, where applicable, and water conservation measures.

Justification: Energy usage at Parks is largely from lighting, i.e., parking areas; camping pavilions and comfort stations; rental cabins; and Parks' maintenance facilities including baseyards and caretakers' residences. These park facilities utilize outdated, inefficient lighting and heating fixtures and methods leading to higher maintenance costs and unavailability of replacement fixtures. These improvements are needed to facilitate the State of Hawaii's compliance with energy conservation and efficiency policies in facilitating energy sustainability.

Senate District: Statewide

House District: Statewide

7. DOCARE Office, Honokohau Harbor, Hawaii

<u>Prog ID</u>	<u>Project Title</u>	<u>FY2009 (in thousands)</u>	
LNR 405	DOCARE Office	Plans	10
	Honokohau Harbor,	Design	30
	Hawaii	Constr	60
		TOTAL	100

Project No.

Scope of Work: Plan, design and construction of office and facility improvements including: cesspool closure, new septic system and leach field; demolition of existing Harbor Master Office; new office facility; replacement of perimeter fencing and secured gate, and related improvements.

Justification: The existing facility is owned by the State of Hawaii and provides a cost effective means to implement public safety and environmental protection responsibilities. The existing office structure is unsafe and deteriorated from termite damage, office space is limited, the existing fencing has deteriorated from age, and the sewer system is not in compliance with current standards.

Senate District 03
House District 06

8. Warning and Information Signage at DOFAW Facilities, Statewide

<u>Program ID</u>	<u>Project Title</u>	<u>FY 2009 (in thousands)</u>	
LNR 804	Informational and Natural Hazard Warning Signage, Statewide	Plans	-
		Design	-
		Constr.	150
		Total	150B

Project No.

Scope of Work: Construction of informational and natural hazard warning signage.

Justification: Informational, directional and natural hazard warning signage is needed to maximize public safety and enjoyment along managed trails and access roads that are frequented by the public and that may possess uncertain natural or environmental conditions. The signage will provide greater assurance and warning to the public related to

directional and other resource related information, in addition to providing the legal safeguards for DLNR in incidents resulting in personal injury or property damage. The completion of this project will ensure public health and safety and the implement the Governor's initiative for safe recreational facilities.

Senate District 0
House District 0

9. Ahihi-Kinaiu Natural Area Reserve, Maui

		Financial Requirements (in \$1,000s)	
<u>Program ID</u>	<u>Project Title</u>	<u>FY 2009 and MOF</u>	
LNR 407	Improvement public use facilities at Ahihi-Kinaiu Natural Area Reserve, Maui	Plans	0
		Land	0
		Design	20
		Const	80
		Equip	0
		Total	100 B

Project No.

Scope of Work: Plan, design, permit and construct 150' x 120' parking lot and 12' x 12' parking lot attendant booth.

Justification: Current parking lot is not level, rough and uneven with large rocks jutting out that can cause damage to vehicle undercarriages. This is the main parking area for Reserve visitors and where visitor use is expected to increase in future. Cars may continue to be damaged by unimproved parking lot, less vehicles will be able to park, management of parking area including possible fee collection will not be possible.

Senate District 5
House District 11

10. Public Lands Management, Statewide : Request to Change MOF from B to C

<u>Program ID</u>	<u>Project Title</u>	<u>FY 2009</u>
LNR 101	Dam Assessments	Plans
	Maintenance &	Design
	Remediation	Constr
	Statewide	Total
		2,270
		2,270 C

Project No.

Scope of Work: This project will perform assessments, maintenance and remediation work on the ten (10) regulated dams under the jurisdiction of the Department.

Justification: This project will address the needs of ten (10) regulated dams under the jurisdiction of the Department. Tasks include: assessments – hydraulic, stability/seepage and seismic analyses, and preparation of Emergency Action Plans (EAPs); initial annual maintenance of non-leased dams; and remediation – design and construction of required improvements, which may include new outlet and/or spillway structure, embankment modification, vegetation removal, spillway repairs or new catwalk. If deferred, public safety may be compromised. This project will correct deficiencies in the dams under DLNR jurisdiction and bring them up to current standards. Future annual maintenance costs will be sought within the operating budget. The breach of Kaloko Dam, with its consequent loss of lives and property damage, draws attention to the critical need for activities to address dam safety.

Senate District: 0

House District: 0

11. Mauna Kea Composting Toilets, Hawaii

<u>Program ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
LNR 804	Plan, Design,	Plans	1
	Construction and	Design	2
	Equipment for	Constr.	47
	Mauna Kea	Equip.	200
	Composting toilets	Total	250B

Project No.

Scope of Work: Plans, Design, Construction and Equipment for the Installation of Composting (waterless) toilets at Mauna Kea Forest Reserve.

Justification: Due to increasing public recreational use and a lack of comfort stations, there is a need to install a series of composting toilets at Mauna Kea in order to provide infrastructure to collect human waste for the comfort of the general public and for the protection of the surrounding environment.

Senate District 1

House District 1

12. DOCARE Office and Baseyard, Oahu

<u>Prog ID</u>	<u>Project Title</u>	<u>FY2009 (in thousands)</u>	
LNR 405	DOCARE Office and Baseyard, Oahu	Plans	10
		Design	50
		Constr	440
		TOTAL	500

Project No.

Scope of Work: Plan, design and construction of improvements to the DOCARE office and baseyard facility in Pearl City, Oahu, including; roofing replacement and improvements including rain barriers; accessibility improvements including pathway, ramps and entry improvements, replacement of exteriors siding, construction of covered parking for patrol vehicles, storage security improvements and related improvements.

Justification: The existing wooden structures have incurred significant water damage from the lack of appropriate weather protection measures, and connecting ramp and pathways are not compliant with current accessibility requirements and regulations. Also, there is no adequate protection for patrol vehicles from exterior elements.

Senate District 16
House District 036

PROPOSED LAPSES OF CIP PROJECTS FOR SUPPLEMENTAL YEAR 2008-2009

Act/Yr	Item No.	Proj No.	Project Title and Reason for Lapsing	MOF	Amount
213/07	A-12		North Kona Water System Improvements, Hawaii - unable to implement project with MOF U funds; reauthorization with MOF C funds requested	U	2,905,000
				TOTAL	2,905,000

**SENATE COMMITTEE ON WATER AND LAND
BUDGET REQUEST FOR SUPPLEMENTAL BUDGET 2008-2009**

January 28, 2008

Program Structure Number: 11 03 07 01

Program I.D. and Title: LNR 101 - Public Lands Management

I. Introduction

A. Summary Of Program Objectives

1. To ensure the effective and efficient use of public lands in ways that will fulfill the public land trust obligations and promote the sustained social, environmental and economical well-being of Hawaii's people, including planning for the use of and developing State lands, leasing lands for agricultural, commercial, industrial and resort purposes, issuing revocable permits and easements, taking inventory of and managing public lands, and ensuring the availability of lands for public purposes. (Chapter 171, Hawaii Revised Statutes)
2. To conserve, protect, and preserve important natural resources of the state through appropriate management and to promote their long-term sustainability and the public health, safety and welfare through regulation and enforcement of land use laws under Chapter 183C, Hawaii Revised Statutes; and protect and restore sandy beaches around the state through improving planning and early identification of coastal hazards, as well as through beach restoration and avoidance of coastal hazards.

B. Description Of Program Objectives

1. The Land Division is responsible for overseeing approximately 1.3 million acres of public lands. The large majority of these lands comprise the Public Land Trust, or lands that were ceded to the United States by the Republic and returned upon admission as a state. Use of Public Land Trust lands are guided by the following five purposes as defined in the Admission Act: (1) the support of the public schools and other public educational institutions; (2) the betterment of the conditions of native Hawaiians; (3) the development of farm and home ownership; (4) the making of public improvements; and (5) the provision of lands for public use.

The Land Division generates revenues through sales, leases, month-to-month

permits, land and water licenses, easements and other dispositions. Twenty percent of revenues generated from Public Land Trust lands have been transferred to the Office of Hawaiian Affairs while the majority of the remaining funds go into the general fund.

The Land Division ensures that lands are available for public uses by government agencies for a variety of public purposes, including schools, parks, forests, roads and highways, public works, hospitals, harbors and airports.

A major program area funded by the Land Division is the regulation and enforcement of land use laws in the State Land Use Conservation District through the Office of Conservation and Coastal Lands (OCCL). The OCCL is responsible for overseeing approximately 2 million acres of private and public lands that lie within the State Land Use Conservation District. In addition to privately and publicly zoned Conservation District lands, OCCL is responsible for overseeing beach and submerged lands out to the seaward extent of the State's jurisdiction.

The use of Conservation District lands is regulated by Chapter 13-5, Hawaii Administrative Rules (HAR), "Conservation District" and Chapter 183C, Hawaii Revised Statutes (HRS). These rules and regulations identify land uses that require Conservation District use Permits (CDUP) as well as impose fines for violations within the district. The potential uses of Conservation District lands are numerous. During the past few years, OCCL has processed CDUP's for open ocean aquaculture projects, telescopes on top of Mauna Kea, major power line projects on scenic ridges, and telecommunication facilities.

The OCCL is a small office with multiple functions, such as: permit processing, prosecution of land use violations, resolution of shoreline encroachments, implementation of beach restoration projects (i.e. Waikiki Beach Improvements), and administration of contested cases. The OCCL provides information to landowners, decision makers and the general public regarding Conservation District matters. The OCCL provides direction and guidance on a wide variety of coastal issues. This includes response to coastal erosion, coastal development setbacks, and beach nourishment. Additionally, OCCL is partnering with the University of Hawaii, Sea Grant Program, U.S. National Oceanic and Atmospheric Administration (NOAA), and the Coastal Zone Management Program to publish the Coastal Hazard Mitigation Guidebook.

2. For FY 2008-2009, the Division seeks an increase in the spending ceiling for the Special Land Development Fund by \$120,000 to purchase replacement vehicles. The Land Maintenance Crew supports the Land Division and the

crew needs a one-ton crew cab pick-up truck for land maintenance related tasks. The Maui District Land Office needs a pick-up truck for land maintenance related tasks such as inspecting State owned lands, streams and ditches on the island of Maui and a passenger vehicle for site inspections of Maui leases, permits and encumbrances.

C. Explanation Of How The Program Intends To Meet Its Objectives Within The Upcoming Supplemental Year

1. The Division activities for achieving its objectives include:

Disposition of State lands through fee sale, lease, permit, grant of easement, license, executive order or other types of dispositions. Issuance of leases and permits for agricultural, commercial, industrial, residential, eleemosynary and resort uses.

Acquisition of private lands and lands owned by other government entities that are required by the State agencies, through negotiation, condemnation or land exchange. Such lands will then be set aside to those government agencies requiring them.

Administration of leases and permits. Functions include conducting site inspections, processing lessee requests for consents to mortgages or assignments, and the ongoing enforcement of lease terms and conditions to ensure rent, insurance, performance bond and other lease requirements are met in a full and timely manner.

Property management of unencumbered State lands. Functions include responding to and addressing complaints by the public and conducting land maintenance activities (e.g. clearing stream mouths, cutting trees, towing abandoned vehicles, and cleaning illegal dumps).

Provide technical services for the public and other government agencies. The Land Division maintains a comprehensive inventory of all State-owned, public lands and also serves as a repository of all land documents dating back to the "Great Mahele" of 1848. The Division also provides abstracting and appraisal services and advice to other State agencies. The Division is also responsible for processing shoreline certifications for coastal properties.

Pursue planning and development initiatives on public lands. Such proactive measures ensure more effective and efficient use of public lands to fulfill our trust obligations, promotes economic activity in Hawaii, and eases the tax burden on the general public by facilitating self-sustaining revenue generation for the division.

Regulation and enforcement of land use laws in the State Land Use Conservation District to ensure the protection of natural resources in this District. The Office of Conservation and Coastal Lands processes Conservation District Use Applications, investigates violations, monitors permits, process contested case hearings, conduct rule amendments, perform beach restoration projects, shoreline certification services, provide remedial erosion solutions and develop shoreline development polices.

Strict compliance with 180-day processing period limits for CDUAs, completion of administrative rule amendments to streamline and improve regulatory processes, formulation of cost sharing agreements for beach restoration, prosecution of enforcement actions for unauthorized land uses in the conservation district, continuation of site visits to complete shoreline certifications, and development of additional education materials, plans and policies to deal with the effects of sea level rise and coastal hazards.

II. Program Performance Results

A. Discuss The Program Performance Results Achieved In FY 2007

1. In FY 2007, the Land Division generated approximately \$16 million in revenues. The Division also completed 2 land acquisitions for public uses, issued 32 set asides to government agencies, maintained delinquent accounts of 4.0% of total accounts, and conducted 199 inspections of State land. In FY 2006, the Division generated about \$16 million in revenues, made 4 land acquisitions, issued 44 set asides, maintained delinquent accounts of 4.5% of total accounts, and conducted 513 inspections of State land.
2. In FY 2007, OCCL processed over 80 Conservation District Use Applications, 80 violations, nearly 300 correspondences, and 50 Site Plan Approvals. OCCL conducted 117 site visits for shoreline certifications and acted with DAGS and Land Division in certifying 99 shorelines. OCCL completed 3 rules amendments and 15 shoreline encroachments. Through FY '06, OCCL conducted statewide workshops on two separate occasions, completed and distributed publications regarding shoreline hazards and improved shoreline management, and maintained data recovery efforts to study shoreline erosion rates.

B. Explanation Of How These Performance Results Relate To Program's Objectives And Department's Mission

1. The Land Division is responsible for ensuring the effective and efficient use and management of public lands in ways that will fulfill the public land trust obligations and promote the sustained social, environmental and economical well-being of Hawaii's people. The objectives established measure how well

the Division is performing these management responsibilities.

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

1. Outcome objectives have been set for the performance of land management districts, including maintaining no more than a 5% delinquency rate on rent collection, performing annual inspections of encumbered State lands, ensuring timely enforcement of all lease requirements (including insurance, performance bond, rental reopenings, etc.) and processing of disposition requests.
2. Number of CDUA's processed within 180-day processing period and number of CDUAs processed within 120-days.

D. Discuss Actions Taken By Each Program To Improve Its Performance Results

1. Over the past several years, the Land Division has taken actions to completely revamp the way business is conducted. A primary focus has been on improving fundamental management practices. In response to findings by the Legislative Auditor, major initiatives have been completed over the past few years to improve records management. The Division's first procedures manual was developed and is available on the Division's network in electronic form for easy access by staff. Land Board submittals, correspondence and various forms used in the processing of land dispositions have been standardized and are also available on the network as templates.

Another major area of focus was the use of technology to streamline and improve the Land Division's operations. Starting in 1999, the Land Division planned, designed and implemented the new State Land Information Management System (SLIMS). SLIMS integrates the three major functionalities: accounts receivable, land inventory, and property/lease management. For the first time in the management of Hawaii's public lands, staff can instantly query the system for information on a particular lease or land parcel. Future plans include incorporating GIS, web-based access and other related capabilities.

The Land Division has established a planning and development function to more proactively develop underutilized public lands, to examine highest and best uses and to generate additional revenues to the State. In the past, the Division was reactive in its management of public lands, being driven by requests received from various parties, mostly government agencies. The planning and development component allows the Division to more

proactively fulfill its trust obligations. The Division has been pursuing activities to develop lands for industrial parks and mixed-use projects and to rezone lands to be able to lease them out at a higher use.

E. Identify All Modifications To The Program's Performance Measures And Discuss The Rationale For These Modifications

1. "Amount of total revenues generated" was added as a measure of effectiveness. While revenues to the Office of Hawaiian Affairs and the Department of Hawaiian Home Lands were reflected as performance measures, there was no measure representing total revenues. The Department added this measure to recognize all revenues generated by the Land Division.

III. Problems and Issues

A. Discuss Any Problems And Issues Encountered By The Program

None.

B. Program Change Recommendations To Remedy Problems

None.

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

None.

IV. Expenditures for FY 2008

	Appropriation Act 213/2007 <u>FY 2007-08</u>	Collective <u>Bargaining</u>	Transfer In <u>Transfer (Out)</u>	Governor's <u>Restrictions</u>	Estimated Total <u>Expenditure</u>
(Pos. Count)					
Personal Services	(51.00) 3,233,607	97,890	0		(51.00) 3,331,497
Current Expenses	8,173,632	0	0	0	8,173,632
Equipment	109,700	0	0	0	109,700

Motor Vehicles	70,000	0	0	0	70,000
(Pos. Count)	(51.00)				(51.00)
Total	11,586,939	97,890	0	0	11,684,829
Less:					
(Pos. Count)	(51.00)				(51.00)
Special Funds	11,512,831	97,890	0	0	11,610,721
(Pos. Count)	(0.00)				(0.00)
Federal Funds	74,108	0	0	0	74,108
(Pos. Count)	(0.00)				(0.00)
General Funds	0	0	0	0	0
	11,586,939	97,890	0	0	11,684,829

A. Explain Of All Transfers Within The Program I.D. And Its Impact On The Program

None.

B. Explain Of All Transfers Between Program I.D. And The Impact To The Program

None

C. Explain Any Restrictions And Their Impact On The Program

None.

V. Supplemental Budget Requests For FY 2009

	Appropriation Act 213/2007 <u>FY 2008-2009</u>	Budget Adjustment <u>FY 2008-2009</u>	Supplement Requests <u>FY 2008-2009</u>
(Pos. Count)	(51.00)		(51.00)
Personal Services	3,331,497		3,331,497
Current Expenses	8,173,632		8,173,632
Equipment	109,700		109,700

Motor Vehicles	35,000	120,000	155,000
(Pos. Count)	(51.00)	(51.00)	(51.00)
Total Requirements	11,649,829	120,000	11,769,829
Less:			
(Pos. Count)	(51.00)		(51.00)
Special Funds	11,575,721	120,000	11,695,721
(Pos. Count)	(0.00)		(0.00)
Federal Funds	74,108		748,108
(Pos. Count)	(0.00)	(0.00)	(0.00)
General Funds	0	0	0
	(51.00)		(51.00)
	11,649,829		11,769,829

A. Workload Or Program Request (Description of the 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. For all lump sum requests, please provide a detailed breakout indicating specific purposes for all planned expenditures.)

1. FY 2008-2009 increase the spending ceiling for the Special Land Development Fund by \$120,000 to purchase replacement vehicles. The Land Maintenance Crew supports the Land Division. A one-ton crew cab pick-up truck is needed for land maintenance related tasks. The Maui District Land Office inspects State owned lands, streams and ditches on the island of Maui. A pick-up truck is needed for land maintenance related tasks and a passenger vehicle is needed for site inspections of Maui leases, permits and encumbrances.

B. For All Position Count Reductions, Please Specify Whether The Positions Were Filled Or Vacant

None.

VI. Program Restrictions (Identify Restrictions Carried Over From FY 2008 As Well As Additional Reductions Due To Department Of Budget and Finance's Budget Ceiling For FY 2009. If no reduction is being proposed, please indicate 'none'.)

None.

VII. Capital Improvement Projects Requests For FY 2009 (CIP data for all projects within the agency being heard shall be combined into a single appendix in the department's testimony. If no request is being made, please indicate 'none'.)

A. Project Title And Description

Dam Assessments, Maintenance and Remediation, Statewide. This project will perform plans, design and construction for assessments, maintenance and remediation work of ten (10) regulated dams under the jurisdiction of the Department.

B. Financial Requirements By Project Phase And Means Of Financing

In FY 2008, \$1,140,000 is for plans, \$2,540,000 is for design and \$50,000 is for construction. In FY 2009, \$16,800,000 is for construction. The program is unable to implement the project under current MOF B funds. Reauthorization with MOF C funds is needed.

C. Explanation And Scope Of Project

This project will address the needs of ten (10) regulated dams under the jurisdiction of the Department. Tasks include: (1) assessments (hydraulic, stability/seepage and seismic analyses, and the preparation of Emergency Action Plans), (2) initial annual maintenance of non-leased dams, and (3) remediation (design and construction of requirement improvements, which may include new outlet and/or spillway structure, embankment modification, vegetation removal, spillway repairs or new catwalk).

D. Justification For The Project

This project will correct deficiencies in the dams under the jurisdiction of the Department and bring them up to current standards. The breach of Kaloko Dam with its consequent loss of lives and property damage draws attention to the critical need for activities to address dam safety. If deferred, public safety may be compromised.

E. For All Lump Sum Requests, Please Provide A Specific Breakout Detailing Specific Projects For All Planned Expenditures

In FY 2008, \$1,140,000 is for plans, \$2,540,000 is for design and \$50,000 is for construction. In FY 2009, \$16,800,000 is for construction.

F. Senate And House District(s) For The Project

VIII. Proposed Lapses Of Capital Improvement Program Projects (Any CIP project identified for lapse shall include the following: project title, act and year of project appropriation, amount requested for lapse and means of financing, and justification for lapse of the project. If no lapses are being proposed, please indicate 'none.')

None.

**SENATE COMMITTEE ON WATER AND LAND
BUDGET REQUEST FOR SUPPLEMENTAL BUDGET 2008-2009**

January 28, 2008

Program Structure Number: 10 03 03

Program I.D. and Title: LNR 111, Conveyances and Recordings

I. Introduction

A. Summary Of Program Objectives

To protect the public by providing for an accurate, timely, and permanent system of registering and recording land title and related documents and maps.

B. Description Of Program Objectives

1. Examining, recording, indexing, and processing land title and other related legal documents and maps entitled to recordation under the Regular and Land Court Systems
2. Issuing Land Court Certificates of Title
3. Certifying copies of matters of record
4. Conducting records and Uniform Commercial Code (UCC) searches

C. Explain How Your Program Intends To Meet Its Objectives Within The Upcoming Supplemental Year

A working group made up of various industry representatives and the union was organized to discuss and create an RFP to automate the recording process. Ideas from the working group was presented for staff input and acceptance. The automation will provide for electronic filings and improved indexing capabilities. The Bureau is working to upgrade its computer memory that will improve staff efficiency and the flow of information to the real estate industry. Internet access to recording information is currently available and future enhancements to improve this service are being considered.

II. Program Performance Results

A. Discuss The Program Performance Results Achieved In Fiscal Year (FY) 2007

The Bureau recorded 414,793 documents in FY 2007 and generated revenues over \$60.0 million. This included \$10,031,600 in recordation fees, and \$48,328,401 in conveyance taxes and penalties. In FY 2006, the Bureau recorded 421,481 documents and collected over \$68.8 million of revenue. This included the

collection of \$10,206,950 in recordation fees, and \$56,645,703 in conveyance taxes and penalties. The conveyance tax supports the Land Conservation Fund, Natural Area Reserve Fund, Rental Housing Trust Fund, and Legacy Land Trust Fund.

B. Explanation How These Results Relate to Program's Objectives And Department's Mission

These results enable the Department to realize substantial revenues that are beneficial to the State's economy and provide increased revenues to support the Bureau's objective to enhance, expand, and improve services to the public.

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 program's effectiveness is determined by the number of Land Court and Regular System documents and maps recorded and processed daily, Land Court Certificates issued, certified copies issued, and UCC searches completed.

1. The number of documents recorded in FY2007 was 414,793, a decrease of 1.6% from FY2006. Recorded documents in FY2006 decreased slightly over 1% from FY2005.
2. The number of certificates of title issued by the Bureau 53,464 in FY2007, reflects no significant change from FY2005.
3. The number of UCC searches requested and completed during this time has decreased due to the greater availability of information online, enabling the public to perform their own searches.
4. The total revenue generated has increased due to the changes in HRS247 increasing the tax rate for real property transfers.

D. Discuss Actions Taken To Improve Performance Results

The Bureau needs to rely on a stable source of revenue to manage and support the substantial increase in daily recordings. Delays in recordings will have serious consequences on Hawaii's real estate industry.

By becoming totally self-sufficient, the Bureau has been able to expand and improve services to the public worldwide through internet access; maintain its critical network of hardware and software; facilitate land transactions in the state and contribute to the growth of the information industry and its potential to generate other avenues for State revenue, e.g. sales of computerized data, online subscription and purchase of certified copies.

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 Bureau's workload is significantly affected by economic conditions and legislation such as low mortgage interest rates, increases in real estate sales, lease to fee conversions, and timeshare activities. Recordings has decreased over the years, however, a scarcity of qualified eligible applicants has had a negative impact on staffing. This has resulted in large amounts of routine daily overtime to address the volume of recordings while attempting to minimize the backlog of transactions.

B. Program Change Recommendations To Remedy Problems

To remedy the problems and improve public access to recorded information, revenue from recording fees to support the operations of the program needs to continue.

The Bureau is working on enhancements and automation programs to facilitate the recording process. The changes will result in organizational realignments, changes in position descriptions, expanded technology, and increased partnerships with the private sector.

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

Act 178, SLH 2003, amended §502-8, HRS, such that all moneys in excess of \$500,000 in the Bureau of Conveyances Special Fund on June 30 each year shall lapse to the credit of the State General Fund. Should Hawaii experience a period of slow real estate sales and high interest rates, resulting in severe decreases in revenue, the Bureau's ability to maintain services will be jeopardized.

The Bureau is proceeding with implementation of the changes recommended by the working group that will provide better customer service and more efficient document recording and conveyance tax collection.

IV. Projected Expenditures for Fiscal Year 2007-2008

	<u>Appropriation Act 213/2007 FY 2007-08</u>	<u>Collective Bargaining</u>	<u>Transfer In Transfer (Out)</u>	<u>Governor's Restrictions</u>	<u>Estimated Total Expenditures</u>
(Pos. Count)	(60.00)				(60.00)
Personal Services	3,330,680	99,788	0	0	3,430,468
Current Expenses	766,390	0	0	0	766,390
Equipment	36,300	0	0	0	36,300
Motor Vehicles	0	0	0	0	0
<hr/>					
(Pos. Count)	(60.00)				(60.00)
Total Requirements	4,133,370	99,788	0	0	4,233,158
Less:					
(Pos. Count)	(60.00)				(60.00)
Special Funds	4,133,370	99,788	0	0	4,233,158
(Pos. Count)	(0.00)				(0.00)
Federal Funds	0	0	0	0	0
(Pos. Count)	(0.00)				(0.00)
General Funds	0	0	0	0	0

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 Request For FY 2008 - 2009**

	Appropriation Act 213/2007	Budget Adjustment	Supplemental Requests
	<u>FY 2008-09</u>	<u>FY 2008-2009</u>	<u>FY 2008- 2009</u>
(Pos. Count)	(60.00)	0	(60.00)
Personal Services	3,330,680	0	3,330,680
Current Expenses	709,190	500,000	1,209,190
Equipment		0	0
Motor Vehicles	0	0	0
<hr/>			
(Pos. Count)	(60.00)	-	(60.00)
Total Requirements	4,039,870	500,000	4,539,870
Less:			
(Pos. Count)	(60.00)		(60.00)
Special Funds	4,039,870	500,000	4,539,870
(Pos. Count)	(0.00)		(0.00)
Federal Funds	0	0	0
(Pos. Count)	(0.00)		(0.00)
General Funds	0	0	0

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)

The operating budget request includes \$500,000 to finance upgrades to existing BCIS hardware and software, implementation of automated recording processes (electronic filings) and related maintenance. Development of a secure on-line system for the filing of documents utilizing technology to ensure mandatory data is included, on-line payment processing resulting in "real time" data being made available through an improved networking platform.

The Bureau of Conveyances Special Fund will cover requested increase.

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

None

VI. Identify Restrictions Carried Over From FY 2006-2007 As Well As Additional Reductions Due To The Department Of Budget and Finance's Budget Ceiling For FY 2008-2009

None

VII. Capital Improvement Projects Requests For Fiscal Year 2008-2009

None

VIII. Proposed Lapses of Capital Improvement Program Projects

None

**SENATE COMMITTEE ON WATER AND LAND
BUDGET REQUEST FOR SUPPLEMENTAL BUDGET 2008-2009**

January 28, 2008

Program Structure Number 01 03 03

Program ID and Title: LNR 172 Forest Resource Management and Development

1. Introduction:

a. Summary of Program objectives:

Strengthen the State's economic opportunities through forest resource management to improve and assist in the sustainable production of forest products and services from Forest Reserves and other public and private lands. Promote resource restoration and conservation through outreach and education.

b. Description of Program objectives:

Primary Program objectives include: 1) Plan, research and implement reforestation and management of degraded and/or disturbed state lands for commercial forest resource production, native resource protection, watershed value enhancement, and other forest purposes. 2) Plan and administer commercial forest management activities on State land, which includes resource inventory and forest product sale administration. 3) Implement State and Federal technical forestry assistance and grant programs to provide support for forest management on public and private lands and to processors of forest products. 4) Support a sustainable forest industry that maintains and creates jobs while generating revenues for managing public resources. 5) Maintain and enhance forest reserve resources for cultural gathering and uses. 6) Provide continuous public education regarding the diversity and importance of forest products, ecosystem services and natural resource values. 7) Develop mechanisms by which the Division obtains revenue from ecotourism, camping, cabin fees, production of water, non-timber forest products and other ecosystem services. Enhance forest reserve infrastructure maintenance, hazard reduction and timber salvage opportunities through the commercial harvest permit system. 8) Operate the Central Tree Nursery in Kamuela and district nurseries for distribution of high quality tree seedlings for reforestation, special use plantings such as windbreaks and propagation of native plants for out planting. 9) Compile maps and statistics on the extent and condition of forests throughout the state. 10) Foster the development of professional forest management plans for public and private lands.

c. Explain how your Program intends to meet its objectives in the upcoming fiscal biennium:

Recent updates to Statutes and Administrative Rules and projected increases in

conveyance tax and forest products revenues will be used to enhance Program capacity for implementing and meeting stated objectives. Partnerships with Federal, State and County agencies, non-governmental organizations, community groups and individual landowners remain a key component to Program success. Such partnerships are implemented through cooperative agreements, grant programs and Program-issued licenses and permits.

2. Program Performance Results:

a. Discuss the performance results achieved by each program in FY 07.

In cooperation with the USDA Forest Service, the Department established a new Hawaii Experimental Tropical Forest, as provided by the Hawaii Tropical Forest Recovery Act and supported by the U.S. Secretary of Agriculture and Governor of Hawaii. This effort results in the first experimental forest in the United States comprised of tropical forest ecosystems, which will serve as a center for long-term research and a focal point for developing and transferring knowledge and expertise for the management of tropical forests.

Program efforts to expand the Forest Reserve System, which is of principal importance to water supply and quality among many other resource and cultural values, were continued. During this period, approximately 7,150 acres of expanded or new Forest Reserve lands were set aside by the Governor.

The Department conducted an RFP process for companies interested in milling saw timber resources in the Waiakea Timber Management Area (WTMA) on the island of Hawaii. The Department anticipates awarding and issuing a Timber Land License for this project that comprises approximately 1,100 acres of mature timber in an effort to support the startup of a mid-sized sawmill operation in Hawaii. Continuing efforts such as this item are in part intended to promote wood product and energy self-sufficiency for Hawaii.

The Department initiated a program to develop individual management plans for each public forest reserve in Hawaii. These plans will assist the Department in both resource management and budgetary planning efforts, and provide the public and our partners with the opportunity to provide input into the management of public forest resources.

In January 2007, the Upper Waiohuli fire in and adjacent to Kula Forest Reserve, Maui, burned approximately 2,300 acres of prime forested watershed. The Governor subsequently declared an emergency relating to the fire and its aftermath, which left significant portions of the upper watershed exposed to rainfall, soil erosion and other hazards. The Department responded by seeking and being awarded supplemental funding to mitigate the effects of the fire, including but not limited to fence

restoration, hazard tree removal, weed control and a large scale reforestation effort. Procurement processes relating to these efforts were made in FY 07, while principal field operations relating to the mitigation efforts will occur in FY 08.

In partnership with the Federal Forest Legacy Program (FLP) the Program was successful in securing funding and conservation easements or land titles for lands with important natural resource values. The Department was awarded \$2.0 million in FLP funds for a 4,000-acre conservation easement at Kealakekua Heritage Ranch - South Kona, Big Island.

Through State and Federal cooperation in the Forest Stewardship (FSP) and Urban and Community Forestry (UCF) grant programs, the Department continues to assist private landowners and community groups with various small and large-scale forest management and tree planting projects: 1) During this period two FSP contracts were approved and the program grew to 19,426 total acres of private forest land under responsible management for a multitude of public and private benefits; 2) The UCF program provided assistance to more than 35 groups from across the state with a wide variety of projects and activities. In FY 2007 more than \$146,674 was paid out to projects that in turn provided matching funds of \$468,473. Over 10,600 tree seedlings were raised for planting in project areas, and 1,604 volunteers donated 9,743 hours. The UCF program supported a wide variety of projects including technical assistance, demonstration tree plantings, a Hawaii Arbor Day tree-give-away, development of educational materials, and a school art contest. The UCF program also participated in hosting the 2007 International Society of Arboriculture conference in Hawaii. More than 1,500 arborists from across the world met in Honolulu from July 28 – August 1, 2007. The program also distributed a final report from the U.S. Forest Service's Center for Urban Forest Research on "City of Honolulu, Hawaii, Municipal Forest Resource Analysis" which details the inventory, benefits and ecosystem services that urban trees on Oahu provide to our society.

Additional performance accomplishments may be seen in the Division of Forestry and Wildlife annual report on its website and in the Forest Stewardship annual report to the Legislature.

- b. Explain how these results relate to the Program's objectives and department's mission.

These performance results serve to broaden the state's economic base by supporting, improving, and assisting in the production of high-quality forest products in sustained yield systems to create job opportunities in rural areas. In addition, these programs contribute to the improvement and sustained health of our forested watersheds and natural environment through: 1) Implementation of watershed and forest reserve protection and management efforts; 2) Support of invasive species prevention, control, research, and public outreach efforts; 3) Support of forest industry development in Hawaii to improve resource self-sufficiency of the State and provide

new sources of Program funding; 4) Provision of assistance and incentives to private landowners to improve forest habitat and water quality; 5) Securing titles or conservation easements for key land areas whose natural resources are under threat; and 6) By promoting cultural and educational aspects of natural resource management.

- 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 past two years.

Program effectiveness is currently measured by: 1) acreage reforested; 2) acreage receiving timber stand improvement; 3) the number of seedlings produced and distributed; 4) the number of landowners receiving technical forestry assistance; 5) the volume of timber harvested; 6) cash receipts of state forest products; and 7) processors of forest products assisted.

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

Performance improvements were attained through: 1) active management of current licenses and permits to ensure the greatest benefits for the public and Program; 2) continued successes in awards following Federal grant applications, resulting in acquisition of valuable titles or conservation easements for lands with natural resources under threat from various factors; 3) continued support of Hawaii's developing forest products industry and 4) development of new cooperative management agreements with federal and private conservation organizations to expand forest management and research activities on both public and private lands.

- e. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

Program effectiveness during the current biennium will be measured by: 1) the number of seedlings produced and distributed; 2) the acres of tree planting or reforestation; 3) the number of board feet of timber harvested; 4) the number of landowners, organizations or communities assisted; 5) the number of funds leveraged; 6) the number of acres acquired or secured for Forest Reserve or other conservation purposes; and 7) Departmental lands under commercial timber management.

These measures replace or modify former indices that were obsolete, redundant, or could not be effectively quantified during the course of each fiscal year. No further modifications are anticipated for FY 08 or the short-term future.

3. Problems and Issues:

a. Discussion of problems and issues encountered, if any.

The Upper Waiohuli fire in and adjacent to Kula Forest Reserve, Maui, burned approximately 2,300 acres of prime forested watershed exposing significant portions of the upper watershed to rainfall, soil erosion and other hazards. The Department initiated mitigative actions to repair fences, remove hazard trees, control weeds and replant a large forest area. The replanted areas will need to be maintained and areas restocked through 2011. The Department will need to be prepared and able to respond to the aftermath of the fire and mitigation plans such as providing public safety, removing downed trees, keeping roads and trails open, expanded weed control, and multiple restocking of grasses, shrubs and trees as weather conditions and plant survival dictate.

Because little sustainable management of valuable commercial koa resources is occurring, and increased koa theft is being experienced statewide, there is a need for both research and demonstration of appropriate koa management and silvicultural techniques to encourage the private and public sectors to plant and manage more koa for the future. The Department plans to advertise an RFP and award a Timber Land License in FY 08 relating to koa reforestation work that includes allowable salvage of dead or down koa resources in an effort to provide such demonstration.

A statewide review and upgrade of heavy equipment used to support the Program is needed. Field offices are relying on equipment that is in many cases several decades old and prone to breakdown and expensive maintenance. A significant upgrade of equipment inventory is required to continue current operational plans, support implementation of new management initiatives such as commercial forestry development, and enhance protection activities and preparedness for natural disasters.

Declines in traditional sources of Federal grant funding requires the Program to rely more on State and forest product revenue sources. The Development of a forest industry in the state will provide a market and opportunity for the sustainable sale of forest products from forest plantations planted on state lands for commercial harvest.

A new, moderate to large-scale integrated forest industry supplied by locally grown hardwoods is emerging in Hawaii. The industry is envisioned to include lumber, veneer and export wood chips for the world paper industry. A concern with the state's reliance on fossil fuels and a concurrent push to improve energy self-sufficiency has increased interest in investment in wood biomass and the by-product of solid wood processing as alternative fuels for electrical generation facilities. A number of wood biomass projects are under development statewide and development of biofuels is a priority nationwide.

b. Program change recommendations to remedy problems.

The program will focus a large effort to reforest the Kula Forest Reserve to prevent erosion, watershed and habitat loss and invasion of weeds. The program will seek to reforest degraded public forest and pasture areas managed by the Department with koa and other native forest species. Establishment of commercial koa forests on Departmental lands will provide important demonstration of sustainable management techniques for this native species. Commercial koa forests will also provide significant revenue that will both perpetuate the management practice and support widely enhanced forest reserve management.

The Department will upgrade essential heavy equipment inventory in order to support the basic ability of the Division to continue delivering both standard operational and emergency response capacity in areas such as fire protection, disaster management, watershed protection and management, reforestation and public recreation in a safe and professional manner statewide.

Declining Federal grant programs and funding sources impact the Program both operationally and from a staffing perspective. If this declining trend continues, important Program staff positions that are currently federally funded will be at risk. Evaluation of whether current State General Fund budgets for Program staffing meet existing payroll obligations, and avoidance of over-reliance on Special Funds to cover future payroll shortfalls is merited. In FY 07 the Department converted 1.0 FTE from Federal to Special Funding to reduce its reliance on declining Federal funding.

In Hawaii, public awareness of forestry is limited and needs to be more visible and well known among the mostly urban population. For private forest investors to invest in Hawaii, lands need to be available at a sufficient scale, development costs need to be reasonable, and environmental regulations need to provide for an ability to harvest the trees which are planted for commercial purposes. As current forest plantation acreage appears to be a primary limiting factor, the Program will seek to improve availability and utilization of both public and private lands for new forest plantations to supply an emerging forest products industry while simultaneously conducting public educational efforts and complying with environmental regulations.

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.

Limited state support for Program personnel, infrastructure, and operating expenses for forest reserve management including watershed management, restoration of rare and endangered species, control of invasive species and development of commercial forestry, is the single greatest obstacle to the continued success and expansion of these programs to meet increasing demands for resource conservation and fully utilize

available Federal and private funding opportunities for these programs. The short-term solution to this problem is that the Department is developing new sources of funding for these programs from revenue from the sale of forest products and increasing support from a share of the conveyance tax dedicated to this Program. The long-term solution is to develop new funding sources for cooperative conservation programs and establish a broad coalition of support and dedicated funding sources for conservation programs.

4. Expenditures for FY 08:

	Appropriation Act 213/2007 FY 2007-08	Collective Bargaining	Transfer In Transfer (Out)	Governor's Restrictions	Estimated Total Expenditures
(Pos. Count)	(22.00)				(22.00)
Personal Services	1,311,550	41,590	0	0	1,353,140
Current Expenses	5,641,299	0	33,245	0	5,674,544
Equipment	0	0	0	0	0
Motor Vehicles	36,000	0	0	0	36,000
(Pos. Count)	(22.00)				(22.00)
Total Requirements	6,988,849	41,590	33,245	0	7,063,684
Less:					
(Pos. Count)	(1.50)				(1.50)
Special Funds	5,784,970	14,009	0	0	5,798,979
(Pos. Count)	(1.50)				(2.50)
Federal Funds	390,276	1,979	33,245	0	425,500
(Pos. Count)	(19.00)				(19.00)
General Funds	813,603	25,602	0	0	839,205

- a. Explain all transfers within Program I.D. and its impact on the Program.

The federal funds ceiling was increased by \$33,245 to incorporate increased federal funding for Cooperative Forestry Assistance grants for the Forest Legacy, Forest Stewardship, and Urban and Community Forestry programs.

- b. Explain all transfers between Program I.D.'s and the impact on the Program.

None

c. Explain all restrictions and the impacts on the Program.

None.

5. Supplemental Budget Requests FY09:

	Appropriation Act 213/2007 FY 2008-09	Budget Adjustment FY 2008-2009	Supplemental Request FY 2008-2009
(Pos. Count)	(22.00)	(0.00)	(22.00)
Personal Services	1,403,182	0	1,403,182
Current Expenses	3,834,794	0	3,834,794
Equipment	0	0	0
Motor Vehicles	36,000	0	36,000
<hr/>			
(Pos. Count)	(22.00)	(0.00)	(22.00)
Total Requirements	5,273,976	0	5,273,976
Less:			
(Pos. Count)	(1.50)	(0.00)	(1.50)
Special Funds	4,069,970	0	4,069,970
(Pos. Count)	(1.50)	(0.00)	(1.50)
Federal Funds	390,276	0	390,276
(Pos. Count)	(19.00)	(0.00)	(19.00)
General Funds	813,730	0	813,730

a. Workload or Program request:

None

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

No reductions.

6. Program Restrictions:

None.

7. Capital Improvement Program (CIP) Requests for FY09:

None

8. Proposed Lapses of CIP Projects:

None.

**SENATE COMMITTEE ON WATER AND LAND
BUDGET REQUEST FOR SUPPLEMENTAL BUDGET 2008-2009**

January 28, 2008

Program Structure Number: 04 02 02

Program I.D. and Title: LNR 402 Native Resources and Fire Protection Program

1. Introduction

a. Summary of program objectives

- i. The LNR 402 program area of the Division of Forestry and Wildlife conducts programs, projects, and activities for native resources and fire protection. The Program presently implements more than 150 projects statewide that conduct actions needed to enhance Hawaii's unique natural and cultural resources for the benefit and enrichment of current and future generations. The Program provides leadership to responsibly manage and protect watersheds, native ecosystems, threatened and endangered species, and cultural resources through cooperative conservation programs based on community involvement, education, and broad partnerships.

b. Description of program objectives

- i. Manage habitats to protect, maintain, and enhance the biological integrity of native ecosystems.
- ii. Reduce the impacts of wildfires on native ecosystems and watersheds.
- iii. Prevent or reduce the impacts of invasive species on native resources.
- iv. Protect, maintain, and enhance native species populations, and recover threatened and endangered species.
- v. Promote outreach and foster cooperative conservation partnerships to improve public understanding, responsibility, and participation.
- vi. Conduct monitoring and evaluation to guide the development of recovery and management plans and to ensure cost effective adaptive management of implementation actions and tasks.

c. Explanation of how the program intends to meet its objectives within the upcoming supplemental year.

The threats to Hawaii's unique native species and habitats have never been greater. Conflicting land use interests as well the introduction of new invasive species and diseases and the continued spread of established invasive species continue to place unprecedented pressure on native ecosystems. Fortunately, the capacity of the Department to meet these challenges is rapidly increasing with new program developments. In recent years, the Department has significantly expanded cooperative conservation programs across the state to establish a broad collaborative network for the protection and management of native resources.

The program aggressively and successfully competes for federal and private grant funds to build capacity to enhance long term projects and develop new projects to expand the scope of natural resource and fire protection statewide. Overall planning and guidance for the program are provided by the Hawaii State Wildlife Action Plan. Habitat and species-level programs are overseen and conducted by specialized recovery teams, working groups, and implementation teams. The program draws extensively from cooperative efforts among multiple agencies, non-governmental organizations, landowners, and private citizens. The collaborative efforts provide the community with opportunities to participate in conservation, enhance the level of expertise through participation by highly skilled subject area experts, broaden the scope of targeted projects, and leverage limited funding by pooling resources, securing grant funds, and utilizing in-kind contributions.

2. Program Performance Results

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

i. Habitat Management

The Program supports more than 45 continuing projects focused on habitat management for the protection and restoration of native ecosystems. In FY07 the Division successfully secured more than \$5M in competitive grants that will be used for the acquisition of sensitive coastal and wetland habitats at Kilauea, Kauai and Nuu Makai, Maui. These purchases are in progress through collaboration with the public land trusts on those islands. Wetland habitat management and restoration projects are ongoing on Kauai, Oahu, Maui, and Hawaii to protect and restore wetland ecosystems and enhance habitat for native waterbirds. Notable achievements include ongoing work to restore native wetlands at Mana, Kawaiele, Kawainui, Hamakua, and Pouhala. Restoration work in these areas involves large-scale removal of invasive vegetation that destroys wetland integrity and is conducted by staff, private contractors, and an extensive network of community volunteers that dedicate their time to the protection and restoration of these unique habitats and their wildlife.

Protection and restoration of upland forest habitats is ongoing on Kauai, Oahu, Maui, Lanai, and Hawaii, and includes extensive areas protected by fences and removal of destructive herbivores. Notable successes include the removal of more than 300 feral pigs from the Puu Waaawaa Forest Bird Sanctuary (3,800 acres) and more than 100 mouflon sheep from the Puu Mali Palila mitigation habitat (5,000 acres). These areas are now protected by fences and eradication of feral ungulates is nearly complete. In addition, more than 20,000 mamane saplings have been planted at Puu Mali by staff and community volunteers dedicated to the restoration of this special dryland forest. Fence construction at Kahikinui, Maui continues for the protection of more than 9,000 acres within the Leeward Haleakala Watershed Restoration Partnership. Work will continue in these areas to remove alien species and restore the native forest through outplanting of native trees and shrubs. Many projects for habitat restoration

are also underway on private lands through the Landowner Incentive Program, which establishes cooperative habitat management programs with private landowners across the state. These projects bring government and landowners together to protect native habitat on a landscape scale.

Other projects include vegetation management of offshore island seabird habitats and predator control in coastal habitats such as Kaena Point Natural Area Reserve. An extensive revision of the wildlife sanctuaries rules (HAR 13-125) is in progress to ensure adequate protection for these areas.

ii. Wildfire Control

During 2007, the DOFAW Fire Management Program contracted a Firewise Coordinator to oversee the Firewise program, a program that assists communities at risk from wildfires. The Firewise program involves conducting workshops highlighting processes that communities can undertake to protect their homes from wildfire. Community leaders, county fire department personnel, and DOFAW work together in developing a community wildfire protection plan. Kohala By The Sea (a community in South Kohala) was again recognized as a Firewise Community, USA. We continue to work with rural communities at risk from wildfire through federal grants from the National Fire Plan.

The Department expects to continue to train federal, state, and county firefighters throughout the year. This aspect of the Fire Management Program is the nucleus that incorporates interagency training opportunities for all statewide fire management agencies. Last year, the Department trained 275 personnel statewide. Firefighter safety is the number one objective on any wildfire situation. Training in fire behavior, strategy and tactics, emergency management, chainsaw safety, and wildland firefighting in the wildland urban interface provides the skills needed for safety on the fireline. The Department continues to be in the forefront in wildland fire and other emergency management training for other state agencies.

Since July 1, 2007 the Division was involved in 14 wildfires – 3 on Kauai, 5 on Oahu, 2 on Maui, and 4 on Hawaii. These fires consumed 18,717 acres. The Waialua wildfire, the largest wildfire in Oahu's recent history at 6,700 acres, threatened the Waialua community and businesses, prompting mandatory evacuations and temporary closures of major thoroughfares. Ranches and farmers lost infrastructure and crops. It is anticipated that the Department will be reimbursed for 75% of all costs incurred on the Waialua wildfire through the Federal Emergency Management Agency (FEMA).

The Department's Firefighter Contingency Fund of \$300,000 was inadequate to financially support the suppression efforts of the DOFAW Fire Management program during this period. In August, the Department requested and received an additional \$300,000 only to be faced with a deficit due to additional wildfires. In September,

the Department requested and received an additional \$200,000. This will help sustain the program temporarily.

iii. Invasive Species

The creation of the Hawaii Invasive Species Council and the dedication of \$4,000,000 to the prevention, response and control, research and technology, and outreach projects have resulted in significant progress in protecting Hawaii from invasive species. With the funding restored to previous levels, the Research and Technology grant program was reinitiated and resulted in over \$2,000,000 being requested for projects to improve invasive species control statewide. A previously funded project that helped develop pheromone lures for stinging nettle caterpillar proved key to responding to two new outbreaks of this pest on Maui and Oahu. During 2007, the island-based Invasive Species Committees (ISCs) conducted comprehensive surveys for new invasive plants on all main islands and, with the HISC supported Weed Risk Assessment team, screened over 125 plants for their potential to become weeds. Lyon Arboretum and key landscape industry groups have adopted these assessments as the standard tool for identifying weeds. The ISCs made significant progress controlling targeted plant and animal species and key accomplishments include no calling frogs on Oahu and all known Australian tree ferns were controlled on Molokai. The eradication of coqui frogs is approaching completion on Kauai and Oahu with significant progress on Maui including the development of new tools and a strategy to control the remaining, large population at Maliko Gulch. The HISC funded work to create a statewide ant plan to address the prevention, detection and control strategies for this priority group of species. By using the HISC Working Groups and website (www.hawaiiinvasivespecies.org) as a forum for coordinating efforts and encouraging participation the success of the program has continued to grow.

Additionally, the Department of Land and Natural Resources – Division of Aquatic Resources used the ISC model to develop an innovative Aquatic Response Team and hired a Ballast Water Coordinator improving the State's response to aquatic invasive species. This team now has nine members that are pursuing experimental control methods to remove invasive algae and corals from our reefs. The ISCs demonstrated the ability to provide rapid response teams for unpredictable threats. The ISCs and partner organizations responded to credible snake sightings, reports of mongoose on Kauai, and numerous new coqui frog reports from across the state.

iv. Native Species

The Department conducts more than 50 projects across the state to monitor, protect, and enhance native and endangered species populations. Statewide surveys to monitor population status and trend for waterbirds, seabirds, and forest birds continued on all the main islands. The surveys contribute to long term data to understand population changes and to provide early detections of any potential threats to population stability. A relatively new project on Kauai has been developed to use modified marine radar to survey threatened and endangered seabirds that fly inland to nest at

night. The surveys are critical to a determination of the population status of these species that appear to have experienced a severe population decline over the last 10 years. Also notable was the discovery of what is perhaps the largest known breeding colony of the endangered Hawaiian Petrel on Lanai. This species was feared to have declined or been lost from Lanai until last year when the Department deployed crews to conduct extensive night surveys using radar. Monitoring continues for these endangered seabirds on these islands to gain the information needed to ensure their protection and recovery.

Full-time field teams are now deployed to coordinate and conduct special projects for select species and habitats. These include the Kauai Endangered Seabird Project, the Kauai Forest Bird Recovery Team, the Lanai Endangered Seabird Project, and the Maui Forest Bird Recovery Project. These teams carry out management needs for native birds that include predator control, population monitoring, assessment of threats, and reintroduction into new habitats to reestablish populations. Plans are now underway to establish a similar field unit for the recovery of the Alala, Hawaii's most critically endangered species. The Alala Recovery Team has completed a broad plan, has prioritized recovery tasks, and is prepared to begin an extensive community and landowner involvement program to lead the recovery of this species.

For many of Hawaii's most critically endangered species, captive propagation and reintroduction is the only viable recovery strategy. Captive propagation programs are continuing for these species, which include five forest bird species and hundreds of plant species. Notable long-term program successes involve many of Hawaii's most charismatic species and include 1) Nene-recovered from a population on the brink of extinction with fewer than 50 birds to more than 1,300 at present, 2) Alala - saved from extinction with a captive flock that has grown to 51, 3) Puaiohi - recovering from a population numbering only a few dozen to approximately 400 now, and 4) Palila - a new population has been established on the North slope of Mauna Kea. To date, more than 420 birds have been reintroduced into native habitats statewide. In addition, the Department continues an aggressive program for propagation and outplanting of native plants, maintaining hundreds of species, and outplanting more than 25,000 individuals in the last two years.

v. Outreach and Cooperative Conservation

The statewide program for cooperative conservation includes more than 20 projects for public information and education, community and volunteer collaboration, interagency coordination, and landowner and public-private partnerships to protect native resources. The Landowner Incentive Program is supporting landscape-scale habitat protection across the state and has continued construction of fencing and removal of ungulates in sensitive native habitats.

The Department has also continued to provide extensive support to private partnerships seeking Habitat Conservation Plans (HCP) and Safe Harbor Agreements (SHA). A statewide Safe Harbor Agreement is nearly complete for private

landowners participating in federal NRCS programs for the protection and restoration of wetland ecosystems. This SHA is expected to be highly effective in encouraging private landowners to participate in these programs.

The Department also continued an extensive outreach project on Kauai to involve the community in efforts to reduce the impacts of lighting and collision on endangered seabirds. In the last year, significant gains were made to reduce light intensity and hazards across the island. Hundreds of downed birds were picked up by concerned citizens and delivered to rehabilitation facilities where they were cared for and released back to sea. The Department held a community cultural event to launch the season that included a traditional Hawaiian blessing and celebration of the passion and dedication of all the concerned citizens that take the time to rescue downed seabirds and ensure that they are safely released. Many other volunteer projects continued in numerous areas across the state, contributing 1000's of hours to assist in conservation work, including forest, coastal, and wetland habitat protection and restoration. Interagency partnerships have continued a newly established collaboration for surveillance of migratory birds for the transport of avian influenza.

vi. Monitoring, Evaluation, and Planning

The Department recently completed a comprehensive wildlife conservation strategy that provides broad recommendations and priorities for conservation of native species in Hawaii. Work over the last year has focused on transitioning the strategy to a detailed implementation plan through the development of cooperative partnerships for conservation actions. The action plan provides a key element to the program's multi-level planning structure through a landscape-level, habitat-based approach that encompasses the full range of conservation needs for wildlife in Hawaii. The plan also incorporates an approach for monitoring and evaluation of program success to ensure that goals and objectives are met.

Species-specific planning includes the completion of a draft recovery plan for 21 species of Hawaiian forest birds, and completion of a draft recovery plan for Alala. The Department also continues to develop detailed, short-term implementation plans for target species. These five-year plans are highly successful in communicating tasks to partners and providing concrete milestones and benchmarks that can be evaluated periodically to ensure that the projects are on track or to adapt the program direction as appropriate. In addition, the Department continues to work with the watershed partnerships to collaborate to complete or update management plans. Monitoring and evaluation is conducted through the development of detailed, project-level annual reports. The reports provide an analysis of specific performance measures linked to the project objectives. The reports are communicated to partners and used by Department staff for the adaptive development of program improvements.

- b. Explanation of 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 native resources and fire protection. 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 performance is based on the development of projects and actions that are directly linked to one or more goals and objectives in accordance with the Department's and Division's mission. Performance is measured by the number of projects developed within this framework and the success of those projects. Project performance and progress toward benchmarks is evaluated annually through detailed reports. Project success is measured through evaluation of completion of stated goals and includes:

- i. The number of acres of habitat managed to protect, maintain, and enhance the biological integrity of native ecosystems.
 - ii. Capability to reduce the impacts of wildfires on native ecosystems and watersheds, as measured by prevention actions, response time and control effectiveness.
 - iii. The number of alien pests being managed to reduce the impacts of invasive species on native resources.
 - iv. The number of species being managed to protect, maintain, and enhance native species populations, and recover threatened and endangered species.
 - v. The number of education materials produced and distributed to target audiences, and the number of partnerships and individuals in collaboration to promote outreach and foster partnerships to improve public understanding, responsibility, and participation.
 - vi. Completion of annual program monitoring and evaluation to guide the development of recovery and management plans and to ensure cost effective adaptive management of implementation actions and tasks.
- d. Discussion of actions taken to improve performance results

The Program continues to expand effectiveness through the development of cooperative conservation partnerships. The program aggressively and successfully competes for federal and private grant funds to build capacity to enhance long term projects and

develop new projects to expand the scope of natural resource and fire protection statewide. Overall planning and guidance are provided by the Hawaii State Wildlife Action Plan. Habitat and species-level programs are overseen and conducted by specialized recovery teams, working groups, and implementation teams. The program draws extensively from cooperative efforts among multiple agencies, non-governmental organizations, landowners, and private citizens. The collaborative efforts provide the community with opportunities to participate in conservation, enhance the level of expertise through participation by highly skilled subject area experts, broaden the scope of targeted projects, and leverage limited funding by pooling resources, securing grant funds, and utilizing in-kind contributions.

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

Program staff conducted a complete review of the strategic planning framework of the LNR 402 program in FY06. This new framework has served well in FY07 and provides a strong foundation for accountability and adaptive management. Following the Department's and Division's vision and mission, the team refined and developed the Program's goals and objectives to more clearly reflect the Department's mandates and new directions that are being developed as the program expands and gains success. The process identified six core goals, each of which are supported by numerous objectives. The objectives, in turn, are supported by project-level actions for which specific performance measures are readily identifiable through annual reporting. The new set of performance measures provided in 2.c. above encompass the more than 150 projects and provide a full, project-level representation of the program goals.

3. Problems and Issues

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

- i. Invasive Species

Without a comprehensive program with dedicated funding for the development of new solutions to invasive species threats, the continuation of partnership projects such as the Invasive Species Committees (ISCs), and support of integrated reporting and accountability mechanisms such as the new statewide pest hotline (643-PEST), the introduction of invasive species will remain one of the greatest threats to Hawaii's environment, economy and way of life. The past reduction in funding to the HISC, as well as fragmenting funding to the species specific coqui frog program, reduces the ability of the state to develop effective, comprehensive prevention and control programs for invasive species. Piecemeal approaches, limited funding divided between agencies, and reactionary programs have historically not proven effective in reducing the impacts of invasive species in Hawaii.

Control of priority invasive species can be hindered by shifting limited resources to emergency response efforts for new outbreaks. Control of priority invasive species is also rendered less effective by inadequate control of inter and intra island movement

of priority invasive pests as well as ambiguity in the regulations relating to vertebrate pests spread via the horticulture industry. This is especially problematic for maintaining an effective response to coqui. Solutions to prevent the introduction of and to control these and other priority species are dependent on a comprehensive program to provide resources, improve legal authorities and response, and engage the public and multiple agencies. A comprehensive, consistently funded statewide invasive species program is a top priority.

ii. Endangered Species Recovery

Hawaii has more endangered species than any other state and has more than 30% of all the listed species in the U.S. Heroic efforts to save the last Po'ouli in FY06 failed and brought worldwide attention to Hawaii's extinction crisis. In the last 40 years, 10 species of forest birds found no where else in the world have become extinct – an astonishing rate of one every four years. Losses of plant species are higher yet.

Threats and management needs for endangered species have never been greater. While the Department has rapidly expanded cooperative conservation programs by increasing partnerships and program funding, the level of funding needed to prevent further extinctions and recover species still falls far short. At current levels of funding, the extinction crisis will continue and the unique plant and animal species that are integral to biological and cultural heritage of the islands will be lost forever. In addition, state matching funds required money for federal grants also fall far short, placing continuing, new, and future programs at risk. While significant state funds are available to support the program, most are earmarked for invasive species, watershed or acquisition projects, leaving nearly \$10M in federal funds for native species protection without dedicated operating funds to meet matching requirements. In part, this shortfall is made up by state salary contributions and in-kind support. However, the program remains under matched and the shortfalls presently limit further program development and threaten to result in the loss of federal grant funds. While progress has been made recently on all fronts, availability of a consistent and dedicated source of state funds remains the greatest obstacle to continued program development and expansion of the program through cooperative conservation partnerships.

iii. Fire and Emergency Response

With the new and increasing risks to public health, safety, and the environment that have become more frequent in the past few years, the capacity of the Department to prevent, monitor, and respond to natural emergencies has not kept up with the responsibilities. Emergent avian diseases such as avian influenza and West Nile virus pose an increasing threat to public health, the island economy, and native bird species. These diseases have rapidly spread in North America and Europe in recent years, and may become established in Hawaii through transport by migratory birds that visit the islands each winter. The Department has an obligation to cooperate with other agencies to maintain an extensive statewide early detection program to ensure that an effective response can be mounted in the event of the establishment of these

diseases in the islands. While the Department has secured federal grant funds to assist this work, no dedicated staff are available to provide the leadership and coordination role that is demanded by the complex issues that arise from these threats. Similarly, the Department has virtually no capacity to participate and respond to oil spills that may affect large numbers of native seabirds.

Over the last 10 years, the Division's fire budget has been chronically insufficient. While expenses to fight fires have averaged over \$400,000 annually, only \$300,000 has been available in the fire suppression budget. These annual shortfalls have been made up through emergency allocations from other agencies such as the Department of Health, or through the emergency redirection of other program funds. This budget shortfall and crisis-driven management of the fire program reduces program effectiveness and places strains on other programs.

Fires have not only affected watershed areas but have affected areas in the wildland/urban interface. These areas can best be defined as areas where homes and/or communities abut wildland areas or where these communities or homes are surrounded by brush or forested areas. The drought conditions that have affected the state over the past five years have exacerbated the wildland fire situation and place additional demands on already stretched fire fighting capabilities. Fires are more frequent, burn larger areas, and are more dangerous to the public and firefighters that fight them. This was especially true this year when fires on Oahu, Maui and west Hawaii put communities and the public at very high risk. These same phenomena are occurring throughout the country and world.

Although the Division has the training and technical expertise to suppress wildland fires, it is not a full-time firefighting agency, and does not have the resources to participate in all wildfire suppression activities outside its jurisdiction. As the only State firefighting agency, we have the responsibility to assist the State Civil Defense Agency when called upon. This impacts our other operational programs. An increase in the Division's fire suppression funding is needed to adequately provide for actual costs in fighting fires.

The Division of Forestry and Wildlife also assists fire-fighting efforts outside State lands by providing \$200,000 annually to the County fire departments through the federal Volunteer Fire Assistance (VFA) Grant Program. The VFA Program assists rural fire departments by providing cost-share grants for training, equipping, and organizing. The rural fire departments represent the first line of defense in coping with fires and other emergencies in rural areas and rural communities. The insular nature of our State and its counties requires the highest level of cooperation and teamwork from all levels of government. Maintaining cooperative mutual aid agreements with all County Fire Departments is essential to provide fire suppression in critical urban interface and wildland areas. The Department must have the capacity to respond and assist when requested to maintain the mutual-aid partnership.

b. Program change recommendations to remedy problems

Present funding levels are insufficient to ensure adequate protection for Hawaii's natural resources. New initiatives are needed to develop a stable and dedicated source of state funds to provide match for federal grants and facilitate enhancement of the programs to prevent and control invasive species, protect and recover native species and their habitats, and prevent and suppress wildfires.

The Hawaii Invasive Species Council budget has supported important innovations and success over the past four years. Currently the majority of funding for invasive species is from Department Special funds to State general funds will reduce the impact of this program on other priority Departmental programs. Funding invasive species programs by taking money from natural resource conservation programs will only slow recovery of endangered species and critical native ecosystems already imperiled by invasive species. Invasive species programs involve transportation, quarantine, agriculture, and health, as well as our land and natural resources.

Recognizing the scope of the projects and actively pursuing the potential funding sources identified by the 2002 Legislative Reference Bureau "Filling the Gaps in the Fight Against Invasive Species" is needed. Developing a mechanism such as a dedicated Emergency Response fund would improve the ability of HDOA and DLNR as well as partnership staff to respond to detections and outbreaks of new pests such as the nettle caterpillar, send staff to respond to snakes and diseases such as West Nile Virus. Currently, the unpredictable expenses associated with emergency responses reduce the ability of the invasive species program to maintain the control readiness and effort required to eradicate current priority target species.

A key element in the Hawaii State Wildlife Action Plan is the protection of native seabirds and forest birds from introduced predators such as cats, mongoose, rats and mice. The Department requires dedicated long-term resources to plan for and develop large-scale predator control to protect native birds. At this time, the tools such as predator proof fencing and aerial applications of rodenticide, and strategies to carry out watershed level control of predators exist and can be put into place if resources are made available.

The Department supports the HDOA initiative to increase the State's capacity to carry out biological control research. Many of the forest pests are widely established and can not be controlled mechanically. The introduction of very specific, well studied insects and diseases to suppress the worst forest weeds such as miconia, strawberry guava, and albizia is needed to prevent further loss of native forests.

- 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.

While progress has been made in all aspects of the Native Resources and Fire Protection program, availability of a consistent and dedicated source of state funds remains the greatest obstacle to continued program development and expansion of the program through cooperative conservation partnerships. The Department will continue to seek partnership funding and operational opportunities and new sources of match for critical native resource 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)	(62.50)				(62.50)
Personal Services	3,203,044	97,028	250,000	0	3,550,072
Current Expenses	11,053,555	0	14,876,165	0	25,929,720
Equipment	38,000	0	0	0	38,000
Motor Vehicles	257,500	0	0	0	257,500
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(Pos. Count)	(62.50)				(62.50)
Total Requirements	14,552,099	97,028	15,126,165	0	29,775,292
Less:					
(Pos. Count)	(0.00)				(0.00)
Special Funds	3,405,193	0	(347,500)	0	3,057,693
(Pos. Count)	(6.00)				(6.00)
Federal Funds	5,119,080	8,364	14,973,665	0	20,101,109
(Pos. Count)	(56.50)				(56.50)
General Funds	6,027,826	88,664	500,000	0	6,616,490

a. Explanation of all transfers within the program I.D. and its impact on the program

The federal funds ceiling was increased by \$14,973,665 in FY08 to carryover \$6,702,755 in multi-year and unfinished project funds and incorporate \$8,270,910 in new federal grant funds for the Endangered Species Act Section 6 Program and the National Coastal Wetlands Program.

\$500,000 in General Funds were transferred into the fire protection program to increase

the ceiling for the Fire fighters Contingency Fund [\$250,000 to Personal Services and \$250,000 to Current Expenses] to augment funding for fire suppression costs on the 14 wildfire that occurred throughout the State between July – December 2007 and to replenish the fund for fire suppression needs for the duration of fiscal year, January 2008 – June 2008.

\$347,500 in Special Funds was transferred to the Department of Health as part of the approved Hawaii Invasive Species Program budget to fund a portion of the Department of Health’s monitoring, response and outreach efforts for preventing West Nile Virus.

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

5. Supplemental budget request 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)	(63.50)	(0.00)	(63.50)
Personal Services	3,318,528	0	3,318,528
Current Expenses	10,217,556	0	10,217,556
Equipment	19,500	0	19,500
Motor Vehicles	125,000	0	125,000
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(Pos. Count)	(63.50)	(0.00)	(63.50)
Total Requirements	13,680,584	0	13,680,584
Less:			
(Pos. Count)	(0.00)	(0.00)	(0.00)
Special Funds	3,405,193	0	3,405,193
(Pos. Count)	(6.00)	(0.00)	(6.00)
Federal Funds	5,119,081	0	5,119,081
(Pos. Count)	(57.50)	(0.00)	(57.50)
General Funds	5,156,310	0	5,156,310

a. Workload Or Program Request

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

None.

- 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.

None.

6. Program Restrictions.

None

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

See Appendix A.

8. Proposed lapses of CIP projects

None

**SENATE COMMITTEE ON WATER AND LAND
BUDGET REQUEST FOR SUPPLEMENTAL BUDGET 2008-2009**

January 28, 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-Kinohi'o 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-Kinohi 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 statutes 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-Kinau 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 Kinau 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
(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 Adjustment FY 2008-2009	Supplemental Request 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
<hr/>			
(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

**SENATE COMMITTEE ON WATER AND LAND
BUDGET REQUEST FOR SUPPLEMENTAL BUDGET 2008-2009
January 28, 2008**

Program Structure Number: 08 01 05

Program I.D. and Title: LNR 802 - Historic Preservation

I. Introduction

A. Summary of Program Objectives

Develop and maintain a comprehensive program of historic preservation and to promote the use and conservation of historic properties for the education, inspiration, pleasure and enrichment of the citizens of Hawaii.

B. Description of Program Objectives

1. Plans, organizes and directs an ongoing program of historical, architectural and archaeological research and development, including surveys, excavations, scientific recording, interpretation, and publications on the State's historical and cultural resources.
2. Plans, organizes and directs a statewide survey and inventory to identify and document historic properties, including those owned by the State and its political subdivisions.
3. Regulates archaeological activities throughout the state.
4. Coordinates the protection and management of burial sites.
5. Provides technical and financial assistance to the political subdivisions of the State and public and private agencies involved in historic preservation activities.
6. Plans, organizes and prepares information for the Hawaii Register of Historic Places and for listing in the National Register of Historic Places.
7. Informs and educates the public with regards to Hawaii's heritage and historic preservation concerns.
8. Manages select historic properties.

C. How Program Intends to Meet Its Objectives Within the Upcoming Fiscal Year

The Division will continue to push staffing to the islands where the development project activities are the greatest. Historic Preservation division is seeking funds to provide permanent office space for the Hawaii island staff. The borrowed space at Honokohau Harbor was retaken by DOCARE in May 2007. The funding of the Hawaii island space will allow the division to have a permanent home on the neighbor island. The Neighbor Islands are still going through a period of rapid growth, and we will continue placing staff close to project areas. Being close to the development projects improves response time and increases service levels to our customers. Additionally, the division reallocates workloads to different island staff taking advantage of temporary downtime to increase throughput,

The Division will improve its management of the statewide inventory of historic and cultural sites by promoting the development of partnerships for the purpose of surveying major land areas of historic and cultural significance. Recently the Big Island's historic properties were re-surveyed and we will continue to updating the division's Hawaii and National Register of Historic Places, and additional funding was provided to Maui County to re-survey the all State and National Register properties for Maui, Lanai and Molokai. Condition assessments are being done that include cost estimates for repairing the historic property.

The Certified Local Government (CLG) program will be implemented in accordance with federal mandates, as will the federal tax incentive program. The Division will work with the National Park Service and the counties to identify strategies for improving the CLG program and to ensure grants are awarded competitively.

The Division will limit any expansion of the number of historic and cultural properties which the program currently manages, and instead focus on developing cooperative agreements with agencies better able to provide these services. The Division will work with communities to increase the number of nominations to the Hawaii Register of Historic Places and the National Register of Historic Places.

II. Program Performance Results

A. Discuss the Performance Results Achieved in FY 2007.

During FY 2006 and FY 2007 the program reviewed greater than 4,000 development projects and handled an estimated 150+ burial finds. During

FY 2007 approximately 400 new sites were identified and added to the statewide inventory of historic places. Public information projects included the production of a calendar as well as a number of public presentations. The Program also responded to numerous public and agency requests for information on historic properties and historic preservation issues.

B. Explain How These Results Relate to the Program's Objectives and the Department's Mission

The results directly correlate with the program objectives and priorities and focuses on sustaining natural and cultural resources for present and future generations.

C. Explain How the Effectiveness of the Program is Measured and Discuss the Performance Results Achieved During the Past Two Years

Despite fluctuations in the number and types of development reviews conducted, funding constraints, and high staff turnover, the program continued to provide basic services during FY 2007 and FY 2008 and to address increasing demands for those services. The Division sees the need for additional staff to manage the information flow.

The review of development projects remains a high program priority, and staff is presently working to make operational and procedural changes to ensure reviews are conducted consistently. Responding to the discovery of human skeletal remains and the proper treatment of these ancestral remains will also continue to be a high program priority. Internal procedures are being reviewed and modified to further expedite and track this process. The development of information on historic properties and the Program's activities continues to be accomplished, especially with expanded use of the State Historic Preservation Division's webpage. The Department continues to process nominations to the Hawaii and National Registers in a timely manner and plans to increase the diversity of historic property types nominated to the Register. Other program activities including the management of historic properties, support of the Main Street program and the overseeing of volunteer groups caring for historic properties are handled as best as possible, considering staff time and resource availability.

D. Discuss Actions Taken to Improve Performance Results

The professional staff has performance parameters to be met. These performance measurements have allowed proper reallocation of work to less busy staffers, but the division is constrained by work rules so complete work sharing is impossible. The network integration work done during FY 2006 - 2007 has paid off in speedy information flows, reduced errors, and better quality reviews.

E. Identify all Modifications to the Program's Performance Measures and Discuss the Rationale for these Modifications

Program performance measures were modified to effectively determine the outcomes of program activities. Rather than measuring the percent of nominations placed in the Hawaii Register, the Division will monitor program objectives by increasing the number of sites added to the National and State registers annually. The Division has also modified performance measures for the burial program to ensure program activities achieve the overall objective of minimizing inadvertent burial discoveries and ensuring disinterred human remains are reinterred in a timely manner. Currently, the Burial Programs' outcomes are measured solely through the timely response to inadvertent burials. The Division has also eliminated performance measures that focus on the percent of grant requests funded and the percent of non-state funds obtained as these activities do not reflect the Division's core mission. In addition, performance measures tied to the management of historic sites have been removed since the division generally does not manage historic sites and has instead pursued outside management.

III. Problems and Issues

A. Discussion of Problems and Issues Encountered

1. High staff turnover resulted in unforeseen vacancies which adversely affected the division's ability to meet performance measures. A vacancy in all three branches has resulted in a backlog of reviews.
2. The Division continues to address the recommendations of the Office of Auditor's 2002 report to improve the effectiveness and accountability of the program.
3. The need to develop preservation strategies for the protection of Hawaii's small towns and communities and their economic viability remains a concern, given the budgetary constraint.
4. The Division does not have a Hawaii Historic Preservation office on the island of Hawaii. The Division is asking for funding for leased space on Hawaii island to house our Hawaii staff, records, library and assorted supplies. An office on this island will solidify our presence on the island; provide our staff with a public meeting place.

B. Program Change Recommendations to Remedy Problem

1. The Division is in the process of redescribing vacant positions and will actively work to fill these positions with qualified staff. The

Division will seek emergency hires when appropriate to temporarily fill positions that are undergoing active recruitment.

2. The Program will also work to form cooperative agreements with other state and county agencies responsible for economic development as a means of rejuvenating the economic viability of Hawaii's small towns and communities.

IV. Projected Expenditures for Fiscal Year 2007-2008:

	Appropriation				Estimated
	Act	Collective	Transfer In	Governor's	Total
	<u>213/SLH2007</u>	<u>Bargaining</u>	<u>Transfer Out</u>	<u>Restrictions</u>	<u>Expenditure</u>
	<u>FY 2007-2008</u>				
(Pos. Count)	(13.00)				(13.00)
Personnel Services	1,351,905	40,335	0		1,392,240
Current Expenses	227,956	0	0	0	227,956
Equipment	0	0	0	0	0
Motor Vehicles	14,000	0	0	0	14,000
	(13.00)				(13.00)
TOTAL	1,593,861	40,335	0	0	1,634,196
Less:					
(Pos. Count)	(0.00)				(0.00)
Special Funds	142,295	3,664	0	0	145,959
(Pos. Count)	(0.00)				(0.00)
Federal Funds	496,629	4,959	0	0	501,588
(Pos. Count)	(13.00)				(13.00)
General Fund	954,937	31,712	0	0	986,649

A. Explain all Transfers Within the Program I.D. and its Impact on the Program:

None

B. Explain all Transfers Between the Program I.D.s and its Impact on the Program:

None

C. Explain all Governor's Restrictions and the Impact on the Program:

None

V. Supplemental Budget Requests FY 2008-2009

	<u>Budget Request FY2008-2009</u>	<u>Budget Adjustment FY2008-2009</u>	<u>Supplemental Request</u>
(Pos. Count)	(13.00)		(13.00)
Personnel Services	1,352,063	121,812	1,473,875
Current Expenses	227,956	130,000	357,956
Equipment	0	0	0
Motor Vehicles	14,000	0	14,000
TOTAL	1,594,019	251,812	1,845,831
Less:			
(Pos. Count)	(0.00)	(0.00)	(0.00)
Special Funds	142,295		142,295
(Pos. Count)	(0.00)	(0.00)	(0.00)
Federal Funds	496,629		496,629
(Pos. Count)	(13.00)	(0.00)	(13.00)
General Funds	955,095	251,812	1,206,907

A. Workload or Program Change Request

Requesting lease rent monies for FB 2008-2009 in the amount of \$60,000 per year. Hawaii island staff has lost the Kona office space and is in need of a permanent office for the 3 staff personnel. Additional money is requested in the amount of \$70,000 for reinternment of iwi in the State Inventory on all islands. Sets of remains need to be reinterred and the funding will allow the department to purchase burial vaults and to pay for labor to reinter the iwi. Librarian IV position to maintain the SHPD library on all islands. The library on each island was maintained by the island Archaeologist. A professional Librarian will provide consistent filing system for reports. The position funds are G funds and are in the amount of \$44,524 a SR-22 position rating.

Two Compliance Specialists will provide the division with staff that can do the project intake and classification for the professional staff and will provide a consistent data base inputting to insure projects are not lost and will provide timely response to public inquiries. The Division currently has two clerks for the whole division and most of their time is taken up with correspondence processing. Position funding are G funds and are in the amount of \$38,644 and have a SR-16 rating

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

None

VI. Restrictions/Reductions

None

VII. Capital Improvement Program Requests for FY 2008-2009

None

VIII. Proposed Lapses of Capital Improvement Program Projects

None

**SENATE COMMITTEE ON WATER AND LAND
BUDGET REQUEST FOR SUPPLEMENTAL BUDGET 2008-2009**

January 28, 2008

Program Structure Number: 08 02 01

Program I.D. and Title: LNR 804 Forest and Outdoor Recreation

1. Introduction

a. Summary of Program objectives

(1) To provide managed opportunities and facilities for the public to engage in multiple-use outdoor recreation activities (hiking, biking, equestrian riding, off-highway vehicle use, hunting, and camping) while also providing access for resource management. (2) To maintain, and enhance a public hunting program to provide a source of food and outdoor recreation for the public and as a means to control introduced game animals in watershed areas. (3) To inventory, document ownership and restore specific historic trails and non-vehicular old government roads for public use where it is feasible and culturally appropriate.

b. Description of Program objectives

- i. Evaluate, maintain and/or construct recreational trails and access roads
- ii. Maintain ancillary recreational facilities (campgrounds, hunter check-in stations, shelters, arboreta, picnic areas)
- iii. Install, monitor and maintain informational and warning signage
- iv. Inventory and conduct surveys of game birds and mammals.
- v. Evaluate hunter harvest and participation for setting seasons and establishing rules.
- vi. Enhance game habitat areas (fencing, planting, predator control management facilities)
- vii. Manage, regulate and monitor commercial trail and access road tour activity.
- viii. Research title to ancient and historic trails, determine feasibility of restoring for managed public use.
- ix. Develop new public hunting areas for management.
- x. Administer and manage citizen advisory and volunteer groups

c. Explanation of how the Program intends to meet its objectives within the upcoming fiscal biennium

i. The Statewide Trail and Access Program - Na Ala Hele (NAH)

1) The Department conducts routine trail and access road maintenance to insure that the condition of these features meet specific management standards for public safety, and that routes are maintained for: fire pre-suppression and combat, recreational and subsistence hunting, watershed management activities, public and commercial hiking, biking, equestrian & motorized

outdoor recreation. Program staff provide comments on development that may affect both recreational access and ancient – historic trails, or old government roads, and provide technical and developmental support to organizations or agencies to resolve public access disputes and facilitate public access to or across private lands. The Program continues to use a combination of existing field crew staff, community volunteers, commercial partnerships, and on Oahu - Department of Correction work-lines for essential trail maintenance. Current demand and future need for trail maintenance and recreational facilities is increasing. Because of limited staff and resources, development will most likely be limited to establishing and leasing areas suitable for authorized Off-Highway-Vehicle (OHV) trails for management by OHV non-profit organizations and, restoration of managed public use along specific ancient and historic trails, located primarily on the Big Island. The maintenance of ancillary recreational facilities such as campgrounds, hunter check-in stations, shelters, arboreta, and picnic areas will be accomplished using a variety of program staff and funds.

The installation, monitoring and maintenance of both informational and warning signage will increase in future years to meet the requirements and intent of Act 82, SLH 2003 (see the 2008 Annual Report to the Legislature on Public Land Liability for more information). The managing, regulating and monitoring of commercial trail and access road tour activity will continue as is in FY08.

Researching title to ancient and historic trails will continue at its current rate via Program staff, but restoring public use to 100% of these culturally sensitive historic features will be dependent on availability of staff and resources to manage new additions to the program. The participation of citizen advisory and volunteer groups is expected to remain sporadic due to fluctuating vacancies and interest in advisory councils and the inconsistent recruitment of additional community volunteers.

The NAH program will continue to rely on funding from the State Transient Accommodations Tax (via the Hawaii Tourism Authority), the Department of Transportation allocations of 0.3% of the State Fuel Tax, the Federal Recreational Trails Program (RTP), and fees collected from authorized commercial trail and access road tour operators. The federal RTP funds are the fiscal base of the NAH Program and provide the majority of operational funding for fieldwork. General funds are applied to staff salary and associated administrative cost in running the Program.

ii. The Statewide Game Management Program

The statewide game management program provides public opportunities to hunt pigs, deer, goats, and sheep and more than 15 species of game birds. The program will continue to rely on federal grant funds from the Pittman-Robertson Wildlife Conservation and Restoration Fund, and revenues

generated from the sales of hunting licenses, tags, stamps, and other fees and deposited into the Wildlife Revolving Fund.

The program will continue public hunting statewide with special hunts available for youth and disabled hunters. Department lands in which public hunting may be allowed by rule include game management areas, forest reserves, watersheds, designated sanctuaries, military training areas, unencumbered state lands, and other lands designated by the Board.

The Game Management program will continue statewide surveys and inventories of game birds and mammals using standardized aerial and ground count methods. Hunter participation and success will be monitored using manned or self-check stations. Data from surveys and check stations are analyzed to provide information on population trends and allow adjustments to seasons, days, and bag limits. In addition, projects will be conducted to enhance game populations through habitat management and predator control where appropriate.

The Department will also pursue opportunities to establish new hunting areas. Wherever possible, efforts will be undertaken to purchase or lease new lands, to set aside new areas for hunting, or to establish cooperative agreements with landowners to provide access to or through private lands for hunting. Special seasons and area hunts are added as required or appropriate.

2. Program Performance Results

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

i. The Na Ala Hele Program (NAH)

The Department has jurisdiction over approximately 309 miles of multi-use trails and approximately 367 miles of four-wheel drive access roads Statewide. The Program is currently capable, with the ancillary staff, partnerships and related federal and state funds, to manage only approximately 75 percent of this mileage at a standard of care that is consistent with management standards. The appurtenant facilities such as shelters, and picnic area arboreta are managed at approximately 80 percent of optimal standards or frequency. Rapidly growing vegetation and varying erosion along trails and inadequate staffing prevent systematic maintenance of 100 % of all trails statewide.

The Program continued evaluation on trail locations Statewide for the installation of signage warning of potential exposure to dangerous natural conditions. In FY07 the design of the warning signs was approved by the Board of Land Natural Resources for both DOAFW and State Park locations, and are now being produced and installed. In FY07 commercial trail and access road tour activity generated \$91,913 in revenue from fees collected from 17,870 visiting patrons of authorized commercial tour

providers. Due to current tourism projections, this trend should remain stable and consistent in FY08-09.

Title searches were conducted on 19 ancient and historic trails and staff determined that 6 all located on Hawaii were owned by the government and therefore public trust resources.

The NAH Program conducted monthly and quarterly Trail and Access Advisory Council (AC) meetings on the island of Maui, Oahu, and Hawaii. Advisory Councils on Kauai, Molokai and Lanai did not meet due to a lack of membership quorum. An annual Statewide Advisory Council meeting was conducted in August 2007 on the Big Island and various topics related to respective island activities, the NAH Budget and issues associated with recreational and historic trail and OHV initiatives. The following day a field trip was conducted to discuss the development of the trails in Hokulia.

In FY07, public access was restored to the Oahu Ewa Forest Reserve/Poamoho Trail on Oahu in collaboration with Dole Foods Hawaii and Castle and Cooke. Hunters and hikers are now able to obtain a NAH permit to drive across two miles of private agricultural land to the landlocked public land. With funding and support from the DLNR's Wildlife Program and Oahu Forestry Section staff, volunteer groups, and inmates from the Oahu Community Correction Center, NAH improved the access road and installed over two miles of new fencing, three heavy gates and information signs in order to fulfill the requirements of the MOA. Access was opened in July of 2007 and in the first three months, 23 hunter access permits (valid for one year) and 53 hiking permits (approximately five people per permit trip) were issued. Enforcement against unauthorized use is being conducted.

ii. The Statewide Game Management Program

The hunting program in FY 07 was supported by more than \$884,000 in federal grant funds and just under \$391,000 in revenues deposited into the Wildlife Revolving Fund (a total increase from FY 06 of 26%). The program continued to conduct surveys and collect check station data to monitor game population trends statewide to guide the establishment of hunting seasons, days, and bag limits. Work to develop a new game bird propagation facility continued in Hanapepe, Kauai. Efforts continued statewide to manage game bird habitat, including controlling predators and invasive plants, maintaining water units, and mowing to increase habitat suitability. Other activities included maintenance of roads for hunter access and to lease agreements for public hunting on Lanai, Maui, and Hawaii.

b. Explanation of how these performance results relate to Program's objectives and department's mission.

The program objectives and activities performed are consistent with the State public recreation policy goals as stipulated in the 2003 State Comprehensive Outdoor Recreation Plan to provide new opportunities for forest and outdoor recreation for residents and visitors and to encourage healthy habits and the enjoyment of the environment. Implementation of program activities also follows the general departmental policy of first ensuring resource protection and then allowing public use and commercial use, in that priority, if it does not adversely affect the resource.

- 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.

The Program utilizes the following criteria to measure a certain standard of effectiveness:

- i. Percent of trails and access roads maintained compared to total mileage,
- ii. Percent of recreational facilities maintained compared to total,
- iii. Number of signs installed and maintained,
- iv. Number of game animals harvested,
- v. Number of special hunting tags, permits and applications issued,
- vi. Percent of the acreage of vegetation maintained and fenced for habitat compared to total acreage,
- vii. Number of new public hunting areas developed,
- viii. Number of commercial trail tour patrons guided,
- ix. Number of volunteer hours, and
- x. Numbers of ancient and historic trail abstracts performed.

The Program attained just 80% of its goals for trail and road maintenance because of limited funding and staffing. Achieving 100 percent, maintenance and management of trails and roads under Program jurisdiction and the development of new recreational trails will require additional resources. Volunteer assistance can help meet these needs and are valuable community assets, but there is no assurance of a steady recruitment or availability of specialized skills.

- d. Discussion of actions taken to improve performance results

The NAH Program will seek additional grants through the Federal Highways Administration and continue to receive statutory allocations via the State Fuel Tax, collaborative funding via the Hawaii Tourism Authority (Transient Accommodations Tax), and authorized commercial trail tour revenue to support staffing and operational funding. The Program will attempt to maintain its use of community volunteers, Department of Corrections Worklines and occasional private sector business to conduct trail and access road maintenance activities.

To enhance opportunities for public hunting, the Department began preliminary scoping to develop a new game management plan and review the current program procedures and rules. The initial phase of this work will focus on the island of Hawaii to develop a pilot project and determine whether new planning efforts will

provide an effective framework to increase hunter opportunities, success, and satisfaction. The project is a collaborative effort between the Department, the University of Hawaii, hunting advisory groups, and private citizens.

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

The FY06, performance measures were adjusted to quantify current objectives that reflect funding sources, partnerships, shifts in recreational use over time, land use development, and shifts in management due to public safety and cultural and resource management. This change is reflected in the current Program objectives listed above.

3. Problems and Issues

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

- i. The Na Ala Hele Program

Public interest in off-highway vehicle (OHV) recreation is increasing and affecting both public and private landowners. This proliferation of OHV's and increasing consumer interest in land for development and management of OHV recreation will affect the use and distribution of a portion of RTP Program funding. A minimum of 30% of the RTP funds must be applied to Motorized recreation, pursuant to the federal grant requirements. While managing four-wheel drive access roads currently fulfills the RTP criteria, the federal intent is to provide opportunities for OHV recreation for OHV use that expands Program management and maintenance costs and using funds that previously have been going into maintenance of the existing forest road system. Managing OHV activity is new to the Program and staff and there are different expectations and potential conflicts between the different user groups on how to use program funds to manage traditional hiking trails versus OHV areas. This is creating tension among various LNR Program as well. Locating environmentally and socially acceptable private or public land areas for OHV use is essential to avoid damage to natural resources.

Accelerating land development, particularly in South Kona on Hawaii, is requiring increased Program support because of abstract data documenting public ownership and the subsequent growing demand for the public use of ancient and historic trails. As public ownership is confirmed on increasing sections of ancient and historic trails, there is a significant need to increase Program staff in order to adequately manage and protect these historic resources from public use and decay. A critical resolution will be to augment Hawaii Program staff in order to address these issues. This situation is further complicated by the designation of the Ala Kahakai National Historic Trail – a federal designation that will be overseen by the National Park Service. The resulting added publicity and public exposure to coastal sections of state owned historic trail has increased dramatically – and as of yet there is no final plan for the implementation and management of Ala Kahakai.

The Department has submitted CIP requests for Special Funds to construct composting toilets for the Mauna Kea Forest Reserve on Hawaii and to continue the Statewide sign assessment and production. Special Funds for both projects will require 400K if approved. However, implementation will rely on the program obtaining an increase in existing revenue sources or securing grants for these projects.

The NAH Program was supported by \$758, 079 in federal Recreational Trail Program (RTP) funds and \$91,913 in revenue collected from commercial trail tour fees. 3.5 positions are partially funded by \$230,328 allocated from the State Fuel Tax and 3.0 positions are supported by \$100,000 allocation from the Transient Accommodations Tax.

ii. The Statewide Game Management Program

The Department's land management policies must accommodate a wide range of user groups and activities while ensuring the protection of native resources. Increased demand for multiple use recreation activities such as hiking, camping, off-highway vehicle use, and the reservation and management of lands for conservation activities continue to reduce the amount of land available for public hunting.

Population growth, development and urbanization also place pressure on hunting land. As urban sprawl expands into forests and wildlife habitat, hunting decreases because of safety concerns and the proximity to residential housing, but game animals continue to use available habitat and may even move into adjacent residential areas looking for food. Without intervention, the number of conflicts between homeowners and game animals increases over time. This situation continued last year in portions of the urban Honolulu Watershed Forest Reserve and Manoa/Tantalus neighborhood where residents expressed growing concerns about the presence of game animals entering residential areas. Hunters are typically willing to help and if the community is willing to adjust their recreational uses of the area, the Department can create special hunting seasons and hunting methods to get hunters into the area, facilitate trap setting, and reduce numbers of problem animals. This issue is not unique to Honolulu and occurs throughout the state in areas where urbanization is adjacent to forested lands such as many areas of Honolulu.

b. Program change recommendations to remedy problems

i. The Na Ala Hele Program

The Program will continue to work with Off-Highway Vehicle (OHV) associations across the State to attempt to develop appropriate areas for OHV use. OHV riding areas have been developed on existing roads the Waiakea and Mauna Kea Forest Reserves on Hawaii. The Program is working with an OHV organization on Oahu to develop an OHV riding area at Sand Island and on Maui. This is requiring additional staff time to

coordinate, develop and manage OHV projects and takes away from other regular management and maintenance efforts by program managers. The department is requesting the conversion of 3 general laborer positions to Forestry and Wildlife Worker II positions to enable these positions to work more independently. This flexibility will help extend staff resources for the overall program when the field crew staff can work more independently and professional level staff can spend more time working on program development, administration and management.

The Program is working on the premise that responsible OHV use, in authorized locations that are managed for this activity, is a very positive element for public recreation and that it is critical that OHV use not be conducted in areas that are environmentally sensitive. The establishment of additional managed OHV areas will require the collaborative efforts of government land managers and the private sector – both the retailers who are selling OHV equipment and potential private landowners that may allow this use. State and private lands are not appropriate for this activity due to the environmental and potential social impacts associated with high sound levels and fugitive dust.

In Hōkulia, Hawaii, after years of litigation, a Settlement Agreement was reached that established state ownership of the two additional historic trails – (including the already established State owned Old Government Road) which comprise the Hōkulia Trail Complex. These three trails are now under the jurisdiction of the NAH Program and will be managed and maintained by Hōkulia under an agreement. The Program is fortunate that in this specific scenario, the adjacent landowner has the operating capital to manage these trails for the State. However, in several other locations on the Big Island where there are documented historic trails, this day-to-day management responsibility will fall to Program staff. Additional staffing and resources will be required over time to manage and protect these valuable historic resources.

ii. The Statewide Game Management Program

As urbanization and loss of hunting areas to other uses occurs, efforts are needed to develop new opportunities for public hunting. Solutions include development of new land use partnerships in which hunting becomes available on private lands, lease or purchase of new lands to set aside for hunting, and increased efforts to incorporate public hunting into ungulate control programs. The Department will continue to seek private and public funding to acquire more hunting areas or open access to landlocked areas.

Conflicts in the urban-game animal interface pose special challenges to develop solutions that will alleviate the conflicts while avoiding unnecessary killing or waste of game resources, and allowing for participation by the hunting community. The Department began a pilot project recently for the Manoa and Tantalus areas, which brought

government, communities, and hunters together to work toward solutions to the problems. While the project requires extensive outreach to facilitate the actions needed, the work has been successful and will continue in the present year. The methods developed by this pilot project are expected to provide a model for the development of similar projects as conflicts arise in other areas. Getting community buy-in for a hunting approach is critical.

As native resource conservation programs achieve their objectives to control and remove ungulates, opportunities for hunting will decrease in many areas. Work in the coming year will focus on a pilot project for the development of a game management plan for the Island of Hawaii, and updates and revisions to the Department's hunting rules.

iii. Facilities improvements.

The department is requesting CIP funding for construction of composting toilets on Mauna Kea and to construct and install additional informational and natural hazard warning signs on trails and roads statewide. These improvements will provide basic sanitation facilities for increasing demand for outdoor recreation on Mauna Kea. The informational and natural hazard warning signs will bring state trails and off-highway roads up to standard for adequate warnings and public safety.

- b. 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.

The requests for conversion of 3 positions to a higher class and two CIP projects if being made for Special funds. The request requires additional Special fund revenue which will be obtained from the commercial trails program for the position conversions, and grants or other sources of revenue will be sought for funding the CIP projects. If other grants are not obtained, it will not be possible to implement the improvements proposed for the CIP projects.

4. Expenditures for FY 08:

	Appropriation Act 213/2007 FY 2007-08	Collective Bargaining	Transfer In Transfer (Out)	Governor's Restrictions	Estimated Total Expenditures
(Pos. Count)	(42.00)				(42.00)
Personal Services	2,153,640	122,361	0	0	2,276,001
Current Expenses	1,011,023	0	1,065,013	0	2,076,036
Equipment	16,386	0	0	0	16,386

Motor Vehicles	25,500	0	0	0	25,500
(Pos. Count)	(42.00)				(42.00)
Total Requirements	3,206,549	122,361	0	0	4,393,923
Less:					
(Pos. Count)	(3.50)				(3.50)
Special Funds	554,877	10,786	0	0	565,663
(Pos. Count)	(3.50)				(3.50)
Federal Funds	541,066	4,957	1,065,013	0	1,611,036
(Pos. Count)	(35.00)				(35.00)
General Funds	1,504,967	44,772	0	0	1,549,739
(Pos. Count)	(0.00)				(0.00)
Revolving Funds	605,639	61,846	0	0	667,485

a. Explanation of all transfers within the Program I.D. and its impact on the Program

The Federal Fund ceiling was increased by \$1,065,013 to incorporate a steady increase in federal funding available for the Wildlife Restoration Program and from the Recreational Trails Program.

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

5. Supplemental Budget Requests for FY 2008 - 2009

	Appropriation Act 213/2007 FY 2008-09	Budget Adjustment FY 2008-2009	Supplemental Request FY 2008-2009
(Pos. Count)	(43.00)	(3.00)	(46.00)
Personal Services	2,191,483	22,458	2,213,941
Current Expenses	1,311,023	0	1,311,023
Equipment	16,386	0	16,386

Motor Vehicles	25,500	0	25,500
(Pos. Count)	(43.00)	(3.00)	(46.00)
Total Requirements	3,544,392	22,458	3,566,850
Less:			
(Pos. Count)	(3.50)	(3.00)	(6.50)
Special Funds	554,877	22,458	577,335
(Pos. Count)	(3.50)	(0.00)	(3.50)
Federal Funds	841,066	0	841,066
(Pos. Count)	(36.00)	(0.00)	(36.00)
General Funds	1,542,810	0	1,542,810
(Pos. Count)	(0.00)	(0.00)	(0.00)
Revolving Funds	605,639	0	605,639

a. Workload Or Program Request

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

Conversion of 3.0 Temporary budgeted General Laborers I's to 3.0 Permanent Forestry Worker II's is necessary to provide for the positions to work independently of supervision to increase program efficiency. General Laborer positions can only function as part of a field crew under direction of a crew supervisor. This conversion to a Forestry Worker II position enables the positions to work independently on trail assignment projects and increases the efficiency of the workforce. Converting positions from temporary to permanent at a higher level will help with retention of the workforce. Positions currently come in on a temporary basis and move to a permanent higher level job at first opportunity. Converting positions to permanent at a higher level will provide for greater continuity in the program and help retain trained, skilled and experienced workers in the trails program.

The source of funds for these positions is Special funds from Transit Accommodation Tax revenue. The Division current receives \$100,000 per year from this funding source to help maintain and enhance appearance and public safety on high-visitor use trails. The request requires additional funding of \$22,458. The current \$100,000 in TAT funds does not fully cover the salaries for these three positions and the difference in salaries will be obtained from other special fund revenue sources.

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

<u>Position</u>	<u>Status</u>	<u>Funding</u>	<u>MOF</u>
Redescribe (3) General Laborer I positions (Position Nos. 116967, 116968, 117719) to Forestry Worker II positions and convert from temporary to permanent status.	(3.00) (T) 3.00 (P)	\$22,458	B

iii. For all lump sum requests, provide a detailed breakout indicating specific purposes for all planned All Position Count Reductions, Please Specify Whether The Positions Were New, Filled Or Vacant

None

b. 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

6. Program Restrictions:

None

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

a. See Appendix A

8. Proposed lapses of CIP projects

None

**SENATE COMMITTEE ON WATER AND LAND
BUDGET REQUEST FOR SUPPLEMENTAL BUDGET 2008-2009**

January 28, 2008

Program Structure Number: 08 02 03

Program I.D. and Title: LNR 806 – Parks Administration and Operation

Page References in Multi-Year Program and Financial Plan:

I. Introduction:

A. Summary of Program Objectives

To enhance the park program for the public by providing statewide administrative services, formulating overall policies and plans, determining future needs for state parks and Federal Land and Water Conservation Fund supported activities, presenting interpretive programs that enhance appreciation of part heritage values, and managing the natural, cultural and recreational resources in the parks for future generations. To provide safe and enjoyable recreation opportunities for the public by developing and operating state parks.

B. Description of Program Objectives

The program is responsible for planning, construction, and management of all existing parks and protecting its resources. Its activities are to:

1. Carry out capital improvement projects
2. Protect and sustain the natural and cultural resources
3. Repair and maintain park facilities and historic sites
4. Operate camping, lodging, picnic and other recreational facilities
5. Issue park use permits
6. Provide public information
7. Administer grant-in-aids
8. Administer the Federal Land and Water Conservation Fund (LWCF) Grant Program and Statewide Recreational Plan

C. Explain How Your Program Intends to Meet Its Objectives In the Upcoming Supplemental Year.

The program is requesting additional general funds of \$47,304 to supplement lifeguard services at Kaena Point State Park on Oahu; special funds of \$300,000 for modifications to streamline the State Parks Reservation and Visitor Information System (SPRVIS) permit process to be online by 2010; increasing the special fund ceiling an additional \$1,800,000 to allow the expenditure of Transient Accommodation

Tax (TAT) funds from Hawaii Tourism Authority's (HTA) special fund; and CIP funds of \$5,250,000 for statewide park improvements (\$5,000,000) and energy efficiency and retrofit improvements (\$250,000). These requests will assist the program to meet its objectives, improve and expand its services to the public, and help prioritize and maximize its limited manpower and resources.

II. Program Performance Results:

A. Discuss the Performance Results Achieved in FY 2007.

The program continued to maintain its parks and facilities for use by the vast numbers of visitors and residents; planned and implemented numerous improvements to facilities and infrastructure systems that were deteriorating from natural factors and property damage; removed barriers and made improvements for ADA compliance and public safety.

The program has been utilizing The Hawaii Tourism Authority (HTA)'s "Natural Resources Assessment" study and Hawaii State Park Survey conducted in February 2004 to address park use and develop ways to increase visitor satisfaction with recreational opportunities and resource management.

B. Explain How These Results Relate to the Program's Objectives and Department's Mission.

The program has used its limited staff and resources to preserve and protect Hawaii's natural, cultural and scenic resources and to provide a clean, safe and enjoyable environment for park visitors.

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 performance measures represent the diversity of park activities. The increases in population and tourism have placed greater demands on recreational facilities and resources. While revenue is anticipated to increase due to the transfer of TAT funds, there will be reductions in other revenue sources due to the termination of restaurant concession contracts and unresolved recreational lease issues. CIP projects are being projected in the out years to continue much needed improvement to park facilities and infrastructures to meet current environmental and accessibility standards and ensure public health and safety.

D. Discuss the Actions Taken by the Program to Improve Its Performance Results.

Park improvements and repairs and maintenance continue to be a challenge due to the loss of positions and funds over the years. The program is requesting additional

general and special funds to improve and expand its services to the public by computerizing its permitting system for online access by 2010; providing lifeguard services at Kaena Point State Park; utilizing available TAT funds to improve park facilities and infrastructure statewide. The program is also requesting an additional \$5.25 million in CIP funds for park improvements and energy efficiency measures. The program has utilized HTA's past study and survey to provide guidance and direction in making numerous improvements to state parks.

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

The Measures of Effectiveness were revised to more accurately reflect relevant and consistent data. "Revenue Increases (%)" was added to show the gain or loss of income being derived from new and existing commercial concessions being permitted in the State Parks system. The Target Group was adjusted to show the numbers of visitors and residents in Hawaii. The Program Activities were expanded to include the "No. of Park Visitors", "No. of Improvement Projects Completed", "No. of Permits Issued Statewide", and "No. of Interpretive Devices Installed". These additions quantify some of the ongoing park activities and its impact on operations, facilities, and resources.

III. Problems and Issues:

A. Discussion of Problems and Issues Encountered, If Any

The program is responsible for 69 state parks and other areas of responsibility on five major islands. They encompass over 27,000 acres ranging from landscaped grounds with developed facilities to wildland areas with trails and primitive facilities. The abolishment of positions and loss of funds over the years have impacted the program's ability to properly service the parks year round, seven days a week; address repairs and maintenance (R & M), infrastructure improvements, ADA requirements, vandalism and illegal activities occurring after parks are closed; comply with federal and State laws relating to water and waste treatment systems; and meet increases in utility fees (water, sewage, electrical). The HTA survey revealed that an estimated 9.2 million visitors go to the various parks and while visitor satisfaction was high on natural resource attributes, it was lowest on facilities, particularly restrooms, availability of food concessions, and security.

The reduction in revenue due to termination of restaurant concession contracts and unresolved recreational lease issues has resulted in the inability to establish and fill special funded positions.

B. Program Change Recommendation to Remedy Problems

The program requires sufficient staffing to address daily repairs and maintenance at

the various parks, help remedy health and safety issues, and be able to service the public more efficiently. The budget request includes additional funds to supplement lifeguard services at Kaena Point State Park on Oahu; modify and streamline the State Parks permitting process to be online by 2010; increase the special fund ceiling to allow for the expenditure of TAT funds; and implement park improvements and energy efficient measures statewide.

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.

The lack of staffing and funds for repairs and maintenance has had a negative effect on efforts to improve park facilities and infrastructure. The supplemental budget funds being requested to improve park services, facilities and will help to improve park conditions and visitor satisfaction.

IV. Projected Expenditures for Fiscal Year 2007-2008

	<u>Appropriation Act 213/2007 FY 2007-08</u>	<u>Collective Bargaining</u>	<u>Transfer In Transfer (Out)</u>	<u>Governor's Restrictions</u>	<u>Estimated Total Expenditures</u>
(Pos. Count)	(131.00)				(131.00)
Personal Services	5,348,916	177,333	0	0	5,526,249
Current Expenses	7,324,207	0	0	0	7,324,207
Equipment	350,000	0	0	0	350,000
Motor Vehicles	285,000	0	0	0	285,000
(Pos. Count)	(131.00)				(131.00)
Total Requirements	13,308,123	177,333	0	0	13,485,456
Less:					
(Pos. Count)	(41.00)				(41.00)
Special Funds	5,534,701	77,136	0	0	5,611,837
(Pos. Count)	(0.00)				(0.00)
Federal Funds	1,218,456	-	0	0	1,218,456
(Pos. Count)	(90.00)				(90.00)
General Funds	6,554,966	100,197	0	0	6,655,163

A. Explain all Transfers Within the Program I.D. and the Impact on the Program.

None.

B. Explain all Transfers Between Program I.D.'s and the Impact to the Program.

None.

C. Explain Any Restrictions and the Impacts on the Program.

None.

V. Supplemental Budget Request FY 2008-2009

	<u>Appropriation Act 213/2007 FY 2008-09</u>	<u>Budget Adjustment FY 2008-2009</u>	<u>Supplemental Requests FY 2008-2009</u>
(Pos. Count)	(131.00)	-	(131.00)
Personal Services	5,349,414	-	5,349,414
Current Expenses	6,561,286	2,147,304	8,708,590
Equipment	350,000	-	350,000
Motor Vehicles	285,000	-	285,000
(Pos. Count) Total Requirements	(131.00) 12,545,700	- 2,147,304	(131.00) 14,693,004
Less:			
(Pos. Count) Special Funds	(41.00) 5,221,780	(0.00) 2,100,000	(41.00) 7,321,780
(Pos. Count) Federal Funds	(0.00) 1,218,456	(0.00) 0	(0.00) 1,218,456
(Pos. Count) General Funds	(90.00) 6,105,464	(0.00) 47,304	(90.00) 6,152,768

A. Workload or Program Request

- 1. A brief description of the request, the reasons for the request, and the desired outcomes or the objectives to be accomplished by the proposed program.**

This request includes \$300,000 in special funds to modify and streamline the State Parks permitting system to automatically interface with the department's fiscal and accounting programs, provide secure information online to DOCARE for enforcement purposes, and enable the public to access permits online by 2010; an additional \$47,304 in general funds to supplement lifeguard services at Kaena Point State Park on Oahu; a one-time increase in the State Parks Special Fund ceiling to allow the expenditure of \$1,800,000 in TAT funds from HTA's tourism special fund pursuant to Section 237D-6.5(b), HRS; and \$5.25 million in CIP funds for improvements to park facilities and infrastructure (\$5,000,000) and energy efficiency measures and facility retrofits in parks statewide (\$250,000). These requests will improve services to the public, park facilities and conditions, and visitor enjoyment and satisfaction.

- 2. A listing/description of the positions requested, and funding requirements by cost category and source of funding.**

None.

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

None.

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

Not applicable.

VI. Program Restrictions

Identify Restrictions Carried Over From FY 08 As Well As Additional Reductions Due to Department of Budget and Finance Budget Ceilings for FY 09.

None.

VII. Capital Improvement Requests for FY 09

See Appendix A.

VIII. Proposed Lapses of CIP Projects

None

**SENATE COMMITTEE ON WATER AND LAND
BUDGET REQUESTS FOR SUPPLEMENTAL BUDGET 2008-2009**

January 28, 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

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

**DEPARTMENT OF LAND AND NATURAL RESOURCES
DEPARTMENT-WIDE BUDGET SUMMARY INFORMATION**

CIP REQUESTS FOR SUPPLEMENTAL YEAR 2008-2009

1. Lump Sum CIP, Improvements to Harbor Facilities, Statewide

Scope of Work: DOBOR Harbor Facilities construction includes improvements to piers, docks, launch ramps, roads, parking, utilities and other related facilities.

Justification: DOBOR facilities were constructed over 30 years ago and have deteriorated to the extent that they pose public health and safety risks; and are beyond economic repair. The failure of these facilities will result in the loss of slips and income, which is needed to maintain this and other facilities statewide. In addition, many of its facilities are obsolete, unable to meet current program objectives, building codes and industry standards.

These improvements are needed to prevent continued pier and dock failures; provide adequate public service and facilities for residents and visitors; comply with Federal and State requirements in areas such as cesspool replacements and ADA barrier removal; maintain the State's responsibility for public health and safety; conform to current building codes and industry standards; support opportunities for ocean activities; and preserve Hawaii's natural and cultural resources.

1a.	<u>Program ID</u> LNR 801	<u>Project Title</u> Lahaina SBH Pier and Utility Improvements, Maui	<u>FY 2009 (in thousands)</u> Plans - Design - Constr. 2500 Total 2500C
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Project No. B46

Scope of Work: Construction includes the replacement of the existing marginal pier, support structure, utilities and related work.

Justification: This project will replace the existing wooden marginal pier, support structure and utilities, which are over 30-years old, have exceeded their usable life and are beyond economic repair. The marginal pier provides access to approximately 1/3 of the 99 vessels moored in the harbor, its closure would result in the displacement of slip holders and lost rental income.

Senate District: 5
House District: 10

1b.	<u>Program ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
	LNR 801	Honokohau SBH	Plans	-
		Improvements,	Design	-
		Hawaii	Constr	500
			Total	500C

Project No. B08

Scope of Work: Construction includes the replacement of the existing loading docks, utilities and related improvements.

Justification: This project will replace existing concrete loading docks, which are heavily used by the public. The loading docks, which are over 30-years old have exceeded their usable life and are beyond economic repair. Both docks are beginning to show signs of failure and will eventually become a safety hazard.

Senate District: 3
House District: 6

1c.	<u>Program ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
	LNR 801	Ala Wai SBH 700	Plans	-
		Row Improvements,	Design	-
		Oahu	Constr	2500
			Total	2500C

Project No. B71

Scope of Work: Construction includes the replacement of existing deteriorated concrete piers, utilities and related improvements.

Justification: This project will replace existing concrete piers, which are over 40-years old, have exceeded their usable life and are beyond economic repair. Over half of the docks are not in service due to safety concerns, resulting in the displacement of slip holders and lost rental income. This project would provide safe and usable piers for both boaters and visitors. Currently approximately 26% of the harbor's 724 slips have been condemned or will be out of service within the next 2 years.

Senate District: 12
House District: 23

1d.	<u>Program ID</u> LNR 801	<u>Project Title</u> Port Allen SBH Pier Improvements, Kauai	Plans Design Constr Total	<u>FY 2009 (in thousands)</u> - - 2000 2000C
	Project No.	B94		
	Scope of Work:	Construction includes the replacement of deteriorated concrete piers, docks, utilities and related work.		
	Justification:	This project will replace existing concrete piers, support structures and utilities which are approximately 30-years old and have been determined to be beyond economic repair. The recent failure of two (2) main pier sections has limited access to vessels moored on the pier. Additional failures of main and finger piers may prompt the closure of the pier, resulting in the displacement of slip holders and lost rental income.		
	Senate District:	7		
	House District:	16		
1e.	<u>Program ID</u> LNR 801	<u>Project Title</u> Haleiwa SBH Pier 200 Improvements, Oahu	Design Constr Total	<u>FY 2009 (in thousands)</u> - 2500 2500C
	Project No.	B76		
	Scope of Work:	Construction includes the replacement of deteriorated piers, docks, utilities and related appurtenances.		
	Justification:	The harbor is over 30 year old and many of the original piers and pier components have exceeded their useful life and must be replaced before they are deemed unsafe or unusable. The recent failure of two (2) main pier sections has limited access to vessels moored on the pier. Additional failures of main and finger piers may prompt the closure of the pier, resulting in the displacement of slip holders and lost rental income.		
	Senate District:	22		
	House District:	46		

2. State Parks Facility Improvements, Statewide

Scope of Work: Design and construction costs for State Parks projects statewide for improvements to water systems, park facilities, roadways, natural hazard mitigation and other related improvements.

Justification: Facilities in the State Parks system were constructed over 30 years ago and have deteriorated to the extent that they pose public health and safety risks and substantially increase maintenance and repair costs. In addition, natural hazard conditions, such as, erosion, rockfalls, floods and wave action have contributed to facility deterioration and safety hazards.

The improvements in these facilities are needed to prevent continued system failures in such areas as water systems; to provide adequate public service and facility resources for residents and visitors; to comply with Federal and State requirements in areas such as cesspool replacements and ADA barrier removal; and maintain the State's responsibility for public health and safety.

2a.	<u>Program ID</u> LNR 806	<u>Project Title</u> Kokee-Waimea Canyon State Parks, Kauai		<u>FY 2009 (in thousands)</u> - 800 1200 2000C
	Project No.	F46	Plans Design Constr Total	

Scope of Work: Design and construction of improvements to the water system serving the Kokee and Waimea Canyon State Parks and other users.

Justification: The Kokee/Waimea Canyon water system is a public water system and the primary source of water for State Park facilities, government and non-government facilities, and leasehold residents in the area. Deterioration, age and increased usage have resulted in frequent failures in the system. These failures have resulted in high repair and maintenance costs, loss of service to water users, and risks to public health and safety. Additional water sources or wells are needed to meet the water supply needs of system users. The completion of this project will ensure public health and safety, and reduce high repair and maintenance costs to the State. Also, an additional water source will be added to the system and the Governor's initiative for clean and safe park facilities will be implemented.

Senate District: 7
House District: 16

2b.	<u>Program ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
	LNR 806	Ka Iwi Scenic	Plans	-
		Shoreline, Oahu	Design	
			Constr	1500
			Total	1500C

Project No. H68

Scope of Work: Construction of improvements to the entry road/pathway of the Makapuu Lighthouse including roadway/pathway improvements, new lookout and rest stops, stairway improvements and improvements to the existing lookouts.

Justification: The increased usage of the entry road as a hiking trail and the lookouts and the deterioration of the roadway and lookouts from age, weathering and other natural conditions have resulted in unsafe and hazardous conditions. Park users comprise of all age groups and the current condition of the roadway/path pose increased risks to public safety. In addition, the roadway serves Federal maintenance staff for the Makapuu Lighthouse and continued deterioration of the roadway will prevent the efficient operation of this facility and affect national security policies. The State is required to keep passable access of this roadway for the U.S. Coast Guard.

Senate District: 25
House District: 17

2c.	<u>Program ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
	LNR 806	Natural Hazard	Plans	-
		Mitigation,	Design	100
		Statewide	Constr	900
			Total	1,000C

Project No. H46

Scope of Work: Design and construction of natural hazard mitigation measures and related improvements including: rock face scaling; slope and erosion stabilization; aboreal assessment and removal; weather-proofing roofing and other structural improvements; flood damage mitigation and drainage improvements; fire emergencies and other measures.

Justification: Recent severe weather trends have caused rockfalls, slope erosion, flood damage, structural deterioration, falling tree hazards, and dangerous drought conditions statewide. These events have severely strained limited maintenance funds and resources and required emergency services to address brushfires, road closures, and other events. Risks to public health and safety increase as severe natural hazards and facilitation from anthropogenic activities in natural areas lead to deterioration of park resources and facilities.

Senate District: Statewide
House District: Statewide

<u>2d.</u>	<u>Program ID</u>	<u>Project Title</u>	<u>FY 2009 (in thousands)</u>
	LNR 806	Wailua River	Plans -
		State Park,	Design -
		Kauai	Constr 500
			Total 500C

Project No. F54

Scope of Work: Construction of improvements to the Opaekaa Falls Lookout section of the park including: parking area improvements, such as repaving, restriping, bus parking designation, and accessibility compliance; and, lookout improvements, such as, pathway and railing improvements, accessible viewing area, and other related improvements.

Justification: The Opaekaa Falls Lookout is a popular visitor and resident attraction and increased usage has resulted in crowded conditions, parking and traffic congestion, deteriorated pathway and parking areas, and increased risk to public safety from narrow path corridors. In addition, the parking and lookout facilities are not compliant with accessibility requirements, which DLNR has legal mandates to address.

Senate District: 7
House District: 15

3. North Kona Water System Improvements, Hawaii

<u>Prog ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
LNR 141	North Kona	Plans	1,200
	Water System	Land	5
	Improvements,	Design	1,700
	Hawaii	Constr	-
		TOTAL	2,905 C

Project No. G21C

Scope of Work: Planning, land acquisition, design and construction funds for water system improvements, including studies, water sources, waterlines, pressure reducing valve stations, storage reservoirs and other related work, to support future State sponsored projects in North Kona.

Justification: There is a need to improve the water system in the North Kona area due to increased water demands generated from proposed State-sponsored projects and private development. The existing system is barely able to meet current water demands.

A) \$8.885M – Private development (Hiluhilu Developer) in the North Kona area, which has been dormant for several years, is anticipated to pick up substantially in the near future. There exists a unique opportunity to partner with private entities to cost share in some of the identified improvements, which would reduce costs to the State while meeting its water needs. This will involve oversizing transmission lines and reservoirs. State sponsored projects to benefit from this request include the Natural Energy Laboratory, University of Hawaii at West Hawaii, Queen Kaahumanu Highway widening, Keahole-Kona International Airport and Keahole Agricultural Park.
 B) \$5.52 M – To support DHHL and HCDCH development timeline for new sources (3 exploratory wells).

Senate District 3

House District 7

4. Waimea Wells, Hawaii

<u>Prog ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
LNR 141	Waimea	Plans	150
	Wells, Hawaii	Land	1
		Design	325
		Constr	1,500
		TOTAL	1,976 C

Project No. G76B

Scope of Work: Planning, land acquisition, design and construction funds for well exploration and development, including well drilling, casing installation, pump testing, pump, controls, control building, connecting pipeline and other related work.

Justification: Growth in the Waimea area has created a potable water shortage. Increasing costs and regulatory requirements for surface water treatment makes it desirable for the Waimea water system to switch to groundwater sources. Partial funding will be provided by the County of Hawaii Department of Water Supply. (Project is currently under design by the County DWS). If deferred or denied, State projects in the Waimea area, including the Waimea Civic Center/State Office Building 3, Waimea Elementary School 1st/2nd Increments, Waimea Intermediate School additions and DLNR Conservation Education Facility may be unable to get water service. (This will also include DHHL's projects in the Waimea area).

Senate District 3
House District 7

5. Kawai Nui Marsh Habitat Restoration Project, Oahu

<u>Prog ID</u>	<u>Project Title</u>	<u>FY 2009 (in thousands)</u>	
LNR 402	Kawai Nui Marsh Habitat Restoration Project, Oahu	Plans	0
		Land	0
		Design	0
		Construction	500
		Equipment	0
		TOTAL	500 C

Project No.

Scope of Work: Additional funding for state match for Army Corps of Engineers habitat restoration project to construct wildlife conservation facilities including: shallow ponds, water control structures, vegetation removal, boundary fencing, mowing, stream clearing and predator control. This project provides additional state matching funds to

complete construction of the \$6,759,000 Kawai Nui Marsh restoration project. The project is being jointly federally funded with the ACOE providing \$5,000,000 of the total project costs and the state providing \$1,759,000.

Justification: The project implements the wildlife habitat restoration component recommended in the 1994 Kawainui Marsh Master Plan and Hawaii Endangered Waterbird Recovery Plans. The project also becomes the foundation for other educational, environmental, cultural, recreational and ecotourism opportunities in the Marsh. Without the habitat restoration, the marsh will remain in the current state of degradation with little wildlife and community use values. If implemented, the project will help to restore 4 endangered waterbirds on Oahu and become the focus of community and volunteer efforts to restore the wildlife habitat in the marsh. The project will create scenic open space, reduce runoff to reef, increase populations of endangered Hawaiian stilt, moorhen, duck and coot, and remove invasive weeds from the marsh. The project implements the major environmental restoration action contemplated in Act 235, SLH 2007 and the transfer of City & County of Honolulu lands in Kawai Nui marsh to the State.

Senate District 24
House District 49

6. State Parks Efficiency and Conservation Improvements, Statewide

<u>Program ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
LNR 806	State Parks Energy	Plans	-
	Efficiency and	Design	250
	Conservation	Constr	-
	Improvements, Statewide	Total	250C

Project No. H55

Scope of Work: Design of energy efficiency improvements including retrofitting existing facilities and lighting fixtures with efficient replacements, utilizing solar water heating, where applicable, and water conservation measures.

Justification: Energy usage at Parks is largely from lighting, i.e., parking areas; camping pavilions and comfort stations; rental cabins; and Parks'

maintenance facilities including baseyards and caretakers' residences. These park facilities utilize outdated, inefficient lighting and heating fixtures and methods leading to higher maintenance costs and unavailability of replacement fixtures. These improvements are needed to facilitate the State of Hawaii's compliance with energy conservation and efficiency policies in facilitating energy sustainability.

Senate District: Statewide
 House District: Statewide

7. DOCARE Office, Honokohau Harbor, Hawaii

<u>Prog ID</u>	<u>Project Title</u>	<u>FY2009 (in thousands)</u>	
LNR 405	DOCARE Office	Plans	10
	Honokohau Harbor,	Design	30
	Hawaii	Constr	60
		TOTAL	100

Project No.

Scope of Work: Plan, design and construction of office and facility improvements including: cesspool closure, new septic system and leach field; demolition of existing Harbor Master Office; new office facility; replacement of perimeter fencing and secured gate, and related improvements.

Justification: The existing facility is owned by the State of Hawaii and provides a cost effective means to implement public safety and environmental protection responsibilities. The existing office structure is unsafe and deteriorated from termite damage, office space is limited, the existing fencing has deteriorated from age, and the sewer system is not in compliance with current standards.

Senate District 03
 House District 06

8. Warning and Information Signage at DOFAW Facilities, Statewide

<u>Program ID</u>	<u>Project Title</u>	<u>FY 2009 (in thousands)</u>	
LNR 804	Informational and	Plans	-
	Natural Hazard	Design	-
	Warning Signage,	Constr.	150
	Statewide	Total	150B

Project No.

Scope of Work: Construction of informational and natural hazard warning signage.

Justification: Informational, directional and natural hazard warning signage is needed to maximize public safety and enjoyment along managed trails and access roads that are frequented by the public and that may possess uncertain natural or environmental conditions. The signage will provide greater assurance and warning to the public related to directional and other resource related information, in addition to providing the legal safeguards for DLNR in incidents resulting in personal injury or property damage. The completion of this project will ensure public health and safety and the implement the Governor's initiative for safe recreational facilities.

Senate District 0

House District 0

9. Ahihi-Kinau Natural Area Reserve, Maui

<u>Program ID</u>	<u>Project Title</u>	<u>Financial Requirements</u>	
		<u>(in \$1,000s)</u>	
		<u>FY 2009 and MOF</u>	
LNR 407	Improvement public use facilities at Ahihi-Kinau Natural Area Reserve, Maui	Plans	0
		Land	0
		Design	20
		Const	80
		Equip	0
		Total	100 B

Project No.

Scope of Work: Plan, design, permit and construct 150' x 120' parking lot and 12' x 12' parking lot attendant booth.

Justification: Current parking lot is not level, rough and uneven with large rocks jutting out that can cause damage to vehicle undercarriages. This is the main parking area for Reserve visitors and where visitor use is expected to increase in future. Cars may continue to be damaged by unimproved parking lot, less vehicles will be able to park, management of parking area including possible fee collection will not be possible.

Senate District 5
House District 11

10. Public Lands Management, Statewide : Request to Change MOF from B to C

<u>Program ID</u>	<u>Project Title</u>		<u>FY 2009</u>
LNR 101	Dam Assessments	Plans	
	Maintenance &	Design	
	Remediation	Constr	2,270
	Statewide	Total	2,270 C

Project No.

Scope of Work: This project will perform assessments, maintenance and remediation work on the ten (10) regulated dams under the jurisdiction of the Department.

Justification: This project will address the needs of ten (10) regulated dams under the jurisdiction of the Department. Tasks include: assessments – hydraulic, stability/seepage and seismic analyses, and preparation of Emergency Action Plans (EAPs); initial annual maintenance of non-leased dams; and remediation – design and construction of required improvements, which may include new outlet and/or spillway structure, embankment modification, vegetation removal, spillway repairs or new catwalk. If deferred, public safety may be compromised. This project will correct deficiencies in the dams under DLNR jurisdiction and bring them up to current standards. Future annual maintenance costs will be sought within the operating budget. The breach of Kaloko Dam, with its consequent loss of lives and property damage, draws attention to the critical need for activities to address dam safety.

Senate District: 0
House District: 0

11. Mauna Kea Composting Toilets, Hawaii

<u>Program ID</u>	<u>Project Title</u>		<u>FY 2009 (in thousands)</u>
LNR 804	Plan, Design,	Plans	1
	Construction and	Design	2
	Equipment for	Constr.	47
	Mauna Kea	Equip.	200
	Composting toilets	Total	250B

Project No.

Scope of Work: Plans, Design, Construction and Equipment for the Installation of Composting (waterless) toilets at Mauna Kea Forest Reserve.

Justification: Due to increasing public recreational use and a lack of comfort stations, there is a need to install a series of composting toilets at Mauna Kea in order to provide infrastructure to collect human waste for the comfort of the general public and for the protection of the surrounding environment.

Senate District 1
House District 1

12. DOCARE Office and Baseyard, Oahu

<u>Prog ID</u>	<u>Project Title</u>	<u>FY2009 (in thousands)</u>	
LNR 405	DOCARE Office and Baseyard, Oahu	Plans	10
		Design	50
		Constr	440
		TOTAL	500

Project No.

Scope of Work: Plan, design and construction of improvements to the DOCARE office and baseyard facility in Pearl City, Oahu, including; roofing replacement and improvements including rain barriers; accessibility improvements including pathway, ramps and entry improvements, replacement of exteriors siding, construction of covered parking for patrol vehicles, storage security improvements and related improvements.

Justification: The existing wooden structures have incurred significant water damage from the lack of appropriate weather protection measures, and connecting ramp and pathways are not compliant with current accessibility requirements and regulations. Also, there is no adequate protection for patrol vehicles form exterior elements.

Senate District 16
House District 036

LINDA LINGLE
Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512

SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE K. OKAMOTO
Deputy to the Chairperson

TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON WATER AND LAND
JANUARY 28, 2008
2:45 p.m.
Room 414

SENATE BILL 2198
RELATING TO LAND CONSERVATION

Chair Hee, Vice-Chair Kokubun and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2198 that seeks to establish a tax credit to encourage the preservation and protection of certain donated or "bargain sale" lands in the State at less than fair market value, and in perpetuity. The Department of Agriculture supports the intent of this measure provided that it does not displace or adversely affect the priorities in the Executive Biennium Budget and offers one amendment that could help to protect more agricultural lands. We defer to the Department of Taxation regarding the tax credit and its implications on the State budget.

We recommend an amendment that will help to designate important agricultural lands and offer land owners of these lands access to incentives for important agricultural lands that will be developed and enacted by the legislature, provided they do not conflict with the provisions of this new section.

We would like to add the following amendment to be inserted on page 2, after line 3:

"The holder of the interest in agricultural lands protected or preserved pursuant to this section may petition the state land use commission for designation of the affected agricultural lands as important agricultural land, pursuant to section 205-45 and have access to incentives developed and enacted pursuant to Part III of chapter 205 that do not adversely affect the provisions of this section."

Testimony of The Nature Conservancy of Hawai'i
Supporting S.B. 2198 Relating to Land Conservation
Senate Committee on Water and Land
Monday, January 28, 2008, 2:45 PM, Room 414

The Nature Conservancy of Hawai'i is a private non-profit conservation organization dedicated to the preservation of Hawai'i's native plants, animals, and ecosystems. The Conservancy has helped to protect nearly 200,000 acres of natural lands for native species in Hawai'i. Today, we actively manage more than 32,000 acres in 11 nature preserves on O'ahu, Maui, Moloka'i, Lāna'i, Hawai'i and Kaua'i and also work closely with government agencies and private landowners on cooperative land management projects.

The Nature Conservancy of Hawai'i supports S.B. 2198 Relating to Land Conservation.

More than half the land in Hawai'i is in private ownership. Undeveloped private lands often provide significant benefits and services to the general public such as watersheds, erosion control, carbon sequestration, green space, recreational opportunities, and cultural preservation. However, landowners do not presently receive any remuneration for the ecosystem services their lands provide. While the public depends upon the provision of these services, society often treats them as essentially free.

For many private landowners, there is significant pressure to convert forests, ranch and agricultural lands, open spaces, and lands with historical or cultural features to uses that generate greater income to the landowner. However, such conversions often result in lost opportunity for future generations to enjoy precious land areas in the way that their parents and grandparents enjoyed them. To be attractive to landowners, conservation must be competitive with other existing or potential uses of the land – a goal that S.B. 2198 helps advance.

Like the Legacy Lands Act approved by the Legislature in 2005, S.B. 2198 can help provide opportunities and additional choices for land conservation in Hawai'i. A mix of existing government and private funding for conservation land purchases, as well tax incentives like those in S.B. 2198 can enable landowners a variety of options to suit their needs as well as help government to achieve a public benefit.

The tax incentives proposed in S.B. 2198 will be another tool like the Legacy Lands Act for government and private partners to achieve the important public policy goal of protecting and managing some of islands' treasured natural areas, agricultural lands, opens spaces, and historical sites. Indeed, tax incentives that allow landowners to retain ownership while committing to protection can help achieve public conservation priorities without requiring the government to expend many millions more to buy and manage the land itself.

Some additional questions and answers about conservation tax credits are attached.

Attachment

BOARD OF TRUSTEES

S. Haunani Apoliona Peter D. Baldwin Christopher J. Benjamin Zadoc W. Brown, Jr. Carl A. Carlson, Jr. David C. Cole
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Q&A Regarding Proposed Hawai'i State Conservation Tax Credit

Proposal

To enact legislation to provide State income tax credits for landowners who donate land, establish a conservation easement, or undertake conservation activities to protect habitat, open space, agricultural lands, and cultural and historic resources.

1. What are the key provisions of the proposed Hawai'i Conservation Tax Credit legislation?

The proposed bill would provide a State income tax credit to a landowner who:

- ✓ donates land (incl. a bargain sale) or a conservation easement; or
- ✓ voluntarily invests in management of their land

for a conservation purpose.

A conservation purpose includes preservation of natural, recreational, agricultural, open space, cultural and historic areas.

The landowner would receive a tax credit equal to 50% of the fair market value of the donation or 50% of the amount invested in conservation management of their land.

The conservation credit a taxpayer claims shall not exceed \$2,500,000 per donation regardless of the value of the land or donated interest in the land.

If the tax credit exceeds the taxpayer's income tax liability, the excess tax credit over liability may be used as a credit against tax liability in subsequent years until exhausted.

2. Why propose enactment of state tax credit legislation in Hawai'i?

Hawai'i has a very rich natural, cultural, and agricultural heritage. More than 90% of the plants and animals found in Hawai'i are found nowhere else on earth.

This island archipelago is faced with enormous conservation challenges including invasive species, incompatible land use, and conversion of natural and agricultural areas.

More than half the land in the state is in private ownership. There is tremendous financial pressure to convert forests, ranch and agricultural lands, and cultural and historic sites to uses that generate greater income to the landowner.

Enactment of state tax credit legislation in Hawai'i would provide choices for landowners. A mix of existing federal and proposed state tax credits may enable landowners to conserve their land rather than sell it for development. State tax credits would be voluntary and reward landowners who contribute to conservation.

3. Why provide tax benefits to landowners who donate land, conservation easements or otherwise manage their lands to promote preservation?

Landowners do not presently receive any benefits for the ecosystem services (*e.g.*, watersheds, carbon sequestration, open space) their lands provide, yet the public depends crucially upon the provision of these services.

To be attractive to landowners, conservation must be competitive with other existing or potential uses of the land – a goal that this proposal helps advance.

4. What is a conservation easement?

A conservation easement is a legally binding agreement between a landowner and a nonprofit conservation organization or government agency that limits the uses to which the land may be put in order to protect important conservation, agricultural or cultural values.

Under a conservation easement, a landowner conveys some rights in their land while retaining other rights.

Conservation easements “run with the land” and bind future landowners to the terms of the easement.

5. What federal tax benefits are currently available to landowners who donate land, conservation easements, or take conservation action on their lands?

Landowners may receive a federal income tax deduction for all or a portion of the value of donated land or a conservation easement. Easements must be perpetual to qualify for tax deductions.

Federal law allows the donor to apply the value of the donation as a deduction up to 50% (100% for farmers) of their adjusted gross income and can carry the deduction forward up to 15 years. Landowners may also receive federal tax credits for preservation of historic buildings.

6. What other benefits are available to landowners who donate land, conservation easements, or take conservation action on their lands?

Landowners who donate land or conservation easements can significantly lower their federal estate taxes, perhaps preventing their children from having to sell the land to pay the taxes.

Landowners with conservation easements may enjoy reduced property taxes for land under easement because of the reduced fair market value.

Landowners may also apply for a variety of federal and state grant programs to cost share land management and conservation projects on their land.

7. Do other states make tax credits available to landowners who donate land, conservation easements, or take conservation action on their lands?

Twelve (12) states provide such tax credits for landowners. Six other states are currently considering measures to establish these tax credits.

Each state determines how it will treat donations for income tax purposes. Most states limit the deduction to 25-50% of the fair market value of the donation and place some sort of limit on the maximum amount of the credit. Several states also have per year and per landowner limits.

Fifteen (15) states provide tax credits for landowners who take action to preserve habitat or agricultural lands.

Twenty-nine (29) states provide tax credits for landowners who take action to protect historic or cultural resources.

8. How do state tax credits affect state budgets?

States have reported minimal reductions to state revenues in the first five years after adopting conservation easement tax credits. States with similar requirements to the proposed Hawai'i bill issued an average of 10 tax credits per year for the first five years after enactment reducing revenues by less than \$400,000 per year.

The availability of conservation tax credits motivated preservation of an average of 11,000 acres per year at an average cost of three percent of the value of the land protected.

9. What are the strengths of the proposed Hawai'i State Tax Credit legislation?

The proposed bill is consistent with federal tax law and state tax law and policy.

The conservation goals of this legislation are to be achieved by cooperation among public entities, non-profit organizations and landowners, consistent with state statute and policy.

The proposed bill adopts federal Treasury Regulations to determine if donations qualify for state tax credits, making implementation consistent on the state and federal levels.

10. What makes a successful state tax incentive program for conservation investment?

Tax credits generous enough to motivate property owners to invest in conservation

Pre-certification of conservation investment by an appropriate state agency as being significant or important to guard against abuse

Simplicity of administration achieved by using established forms and criteria for land management agreements

Inclusive investment requirements favoring both small projects by lower-income taxpayers and large projects by higher income taxpayers

11. What makes unsuccessful state tax incentive programs for conservation investment?

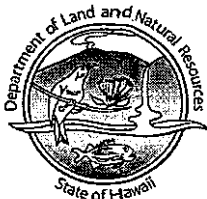
Insignificant tax credits that do not motivate conservation investment

Haphazard ad hoc administration of the program inviting abuse, including transferability of credits or retroactive application

Under-inclusive or over-inclusive requirements for acreage or minimum investment

Sunset clauses or linking tax credits to state budget surpluses

LINDA LINGLE
GOVERNOR OF HAWAII



LATE

Laura H. Thielen
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

Russell Y. Tsuji
FIRST DEPUTY

Ken C. Kawahara
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
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COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
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ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

TESTIMONY OF THE CHAIRPERSON
OF THE BOARD OF LAND AND NATURAL RESOURCES
on Senate Bill 2198 – RELATING TO LAND CONSERVATION

BEFORE THE SENATE COMMITTEE
ON
WATER AND LAND

January 28, 2008

Senate Bill 2198 provides a land conservation incentive tax credit to encourage the preservation and protection of land in the State. The Department of Land and Natural Resources (Department) supports the intent of this measure to provide incentives for landowners to preserve and protect their important mauka lands, but defers to the Department of Taxation on its feasibility and fiscal implications.

Over half of the lands in Hawai'i are privately owned and *mauka* lands, including intact forests, open woodlands, and pasture lands, and provide a significant amount of "ecosystem services," that support all of Hawaii's residents and visitors. These services include the delivery of clean drinking water, carbon sequestration that stabilizes the climate, cultural practices, opportunities for recreation, and many others. These lands also play a critical role in supporting Hawaii's unique native plants and animals. It is essential to provide solid stewardship incentives for private landowners to care for *mauka* lands that are critical in ecosystem service production.

The Department participated in a working group formed in response to House Concurrent Resolution (HCR) 200, 2006 Legislative Session, to conduct an analysis of local, national, and international incentive programs that promote landowner protection of important *mauka* lands and recognize the public benefits of the ecosystem services provided by those lands. The establishment of state tax credits for donated conservation easements and landowner-funded activities that promote conservation on private lands was one of the key recommendations in the working group report (<http://hawaii.gov/dlnr/reports/2008/division-of-forestry-wildlife/FW08-Important-Mauka-Lands-Report.pdf>).

Promoting conservation easements is a valuable conservation tool. Conservation easements are restrictions placed on land to enhance conservation values. They are either voluntarily sold or donated by a landowner. The Legacy Land Conservation Program (LLCP), Chapter 173A, Hawaii Revised Statutes, provides State funding for the acquisition of conservation easements on lands having value as a resource to the State. This measure would provide tax credits for landowners that donate or make a bargain sale of land or conservation easements or voluntarily

invest in conservation management. These credits would be added to Federal tax benefits for these actions. The combination of existing Federal tax benefits and proposed State tax credits will likely provide an immediate stimulation to expanded conservation actions and promote delivery of ecosystem services on *mauka* lands throughout the State with its public benefits.

Below are excerpts from the HCR 200 Report, Exhibit F. - *Overview of Conservation Easements and Related Tax-benefits*, with additional information on the benefits of State Tax Credits.

- **What are the benefits to a landowner of donating or selling a conservation easement over all or part of his or her land?**
 - Landowners may receive a federal income tax deduction for all or a portion of the value of a donated conservation easement
 - In 12 states, landowners may receive a state tax credit for all or a portion of the value of a donated conservation easement
 - Landowners who donate conservation easements can significantly lower their estate taxes
 - Landowners with conservation easements may enjoy reduced property taxes for land under easement

- **State Tax Credit Benefits**
 - In addition to federal income tax deductions, landowners who donate conservation easements may also be eligible for a state tax credit. Twelve states currently offer some form of state tax benefit based on the value of a donated easement, though there is no uniform model.
 - Most of these states adopt the eligibility criteria found in the federal Internal Revenue Code section 170(h).
 - The state tax credit may be for all or a portion of the fair market value of the easement, subject to an annual cap, and may allow any unused value be carried forward for a set period of years.
 - Some states make the credits tradable – meaning the tax credits may be sold to a third party for cash (usually at a reduced rate)
 - Some states also allow landowners to seek credits based on transaction costs from the easement donation (e.g. assessors fees) or for stewardship and other land management costs

HAWAII FARM BUREAU FEDERATION
2343 ROSE STREET
HONOLULU, HI 96819

LATE

JANUARY 28, 2008

HEARING BEFORE THE
SENATE COMMITTEE ON WATER AND LAND

TESTIMONY ON SB 2198
RELATING TO LAND CONSERVATION

Chair Hee and committee members:

My name is Alan Takemoto, Executive Director, of the Hawaii Farm Bureau Federation, which is the largest non-profit general agriculture organization representing approximately 1,600 farm and ranch family members statewide.

The Hawaii Farm Bureau Federation supports SB 2198 which provides a tax credit to encourage the preservation and protection of land in the State.

Similar to the Important Agricultural Lands legislation (Act 183) passed by the legislature in 2005 which provides the framework of establishing a menu of incentives to encourage farmers and landowners to dedicate their land as important agricultural lands. SB 2198 can also be included as part of these incentive measures for important agricultural lands.

The best lands to develop for urban development are also the best lands for our most productive agricultural lands in the State. While the State has a limited amount of funds, we encourage that these incentives could be used towards lands that are deemed as Important Agricultural Lands in Act 183.

The Hawaii Constitution, Article XI, section 3, recognizes the importance of our agricultural lands and, thus we urge the passage of this measure in conjunction with the implementation of Act 183.

Thank you.

From: Lehua Lopez-Mau [mailto:HILTHawaii@earthlink.net]

Sent: Monday, January 28, 2008 12:39 PM

To: testimony; Sen. Clayton Hee; Sen. Russell Kokubun; Sen. Carol Fukunaga; Sen. Jill Tokuda; Sen. Paul Whalen

Cc: Dr. Rick Bennett; Kaleo Kualii; Larry R. Baird; Mike Katz; Pat Fisher; Sharon Brown; Stephanie Amick

Subject: Support for SB 2198 Conservation Tax Credits

Aloha,

This message is for members of the Senate Water and Land Committee who are meeting today to consider SB 2198.

The Hawai'i Island Land Trust, a non-profit, tax-exempt land trust organization on Hawai'i Island, whose mission is to facilitate the preservation and protection of lands on Hawai'i Island with important agricultural, ranching, cultural, and environmental values, supports IN PRINCIPLE the intent of SB 2198 Relating to Land Conservation, a bill that creates tax incentives for landowners in the state to protect and manage their agricultural, ranching, environmentally-sensitive, and culturally-important lands for future generations. We urge the members

of the Senate Water and Land Committee to consider the positive benefits of this proposed legislation to landowners who may receive tax incentives to protect their lands and to the general public who will reap the conservation values of protected land.

Malama i ka 'aina,

Lehua Lopez-Mau, Executive Director

Hawai'i Island Land Trust

P.O. Box 976, Kealahou, HI 96750

Phone: 322-0066

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slaw

Testimony of Gretchen C. Daily
Supporting S.B. 2198 Relating to Land Conservation
Senate Committee on Water and Land
Monday, January 28, 2008, 2:45 PM, Room 414

*Gretchen C. Daily
Professor, Biology Department
Director, Center for Conservation Biology
Senior Fellow, Woods Institute for the Environment
Chair, The Natural Capital Project
Stanford University*

I write in support of S.B. 2198 Relating to Land Conservation.

I write as a conservation biologist to express my professional support for enacting tax credits for conservation in Hawaii. The proposed bill would immediately place the Hawaii legislature on the forefront of conservation policy nation-wide. It would provide private landowners with critical financial incentives for conserving ecosystem services that offer important benefits to all Hawaiian citizens. Hawaii is justly famous for the beauty of its natural heritage. That heritage also functions as valuable environmental infrastructure, an infrastructure that harvests rain, stores water, ensures water quality, sequesters carbon and protects communities from floods.

The act will also help Hawaiian landowners protect biodiversity, irreplaceable agricultural lands, cultural resources and recreational opportunities. Conserving these resources is not a subsidy: it is an investment in Hawaii's future.

At the Natural Capital Project, a joint venture to align economic forces with conservation, we work in China, in the United States, in Latin America, and in Africa. Many states and nations are moving towards creating comprehensive tax and financial incentives for private landowners to protect and manage land in a fashion that provides public benefits. The proposed tax credits for land conservation and conservation management would position Hawaii to lead the way in this global trend.

Thank you for your time and consideration.

LATE TESTIMONY



Hawai'i Office
212 Merchant St.
Suite 320
Honolulu, HI
96813
T 808-524-8560
F 808-524-8565
www.tpl.org

*Late - @ hearing
need to scan*

**THE TRUST FOR PUBLIC LAND'S TESTIMONY IN SUPPORT
SB 2198**

**Senate Committee on Water and Land
Monday, January 28, 2008, 2:45 p.m., Room 414
(25 Copies Needed) Fax to 586-6659**

Dear Chairperson Hee and Members of the Committee on Water and Land:

The Trust for Public Land (TPL) supports SB 2198 Relating to Land Conservation.

As development and urban sprawl increase, concern about the future of land use and its relation to Hawai'i's natural resources, economy and heritage have come to the forefront of community concern. Some of these concerns are protected and embodied in recent laws providing funding for the acquisition of private lands for public conservation purposes. The recent State Legacy Lands Act is but one example.

Funding from programs such as the Legacy Lands Conservation Program yield great benefits to the people of Hawai'i, but further incentives are necessary to provide alternatives to the tremendous financial pressures to convert needed agricultural or conservation land to other uses that generatate greater revenue. It is also impossible for the government to acquire and take care of all of these lands.

S.B. 2198 provides a voluntary incentive for private landowners to protect our precious lands and offers an alternative to acquisition and government management. It advances conservation by creating a competitive class of land use in an economy where conversion by private landowners to other uses are an attractive or economic necessity.

We urge you to support SB 2198.

Very truly yours,


Lea Hong
Hawaiian Islands Program Director

LATE TESTIMONY





Hawaii Office
212 Merchant St.
Suite 320
Honolulu, HI
96813
T: 808-524-8560
F: 808-524-8565
www.tpl.org

SB 2198

Senate Committee on Water and Land
Monday, January 28, 2008, 2:45 p.m., Room 414
(25 Copies Needed) Fax to 586-6659

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S.B. 2198 provides a voluntary incentive for private landowners to protect our precious lands and offers an alternative to acquisition and government management. It advances conservation by creating a competitive class of land use in an economy where conversion by private landowners to other uses are an attractive or economic necessity.

We urge you to support SB 2198.

Very truly yours,


Lea Hong
Hawaiian Islands Program Director

Testimony of Maui Land & Pineapple Company, Inc.
Supporting S.B. 2198 Relating to Land Conservation
Senate Committee on Water and Land
Monday, January 28, 2008, 2:45 PM, Room 414

Maui Land & Pineapple Company, Inc. supports S.B. 2198 Relating to Land Conservation.

More than half of Maui Land & Pineapple Company's land on West Maui is zoned conservation by the State of Hawai'i. These lands are part of the West Maui Mountains Watershed Partnership and consist of important watershed lands which provide about 70% of the potable water source for the entire population of the island of Maui. Undeveloped private lands often provide significant benefits and services to the general public such as watersheds, erosion control, carbon sequestration, green space, recreational opportunities, and cultural preservation. However, landowners do not presently receive any remuneration for the ecosystem services their lands provide. While the public depends upon the provision of these services, society often treats them as essentially free.

For many private landowners, there is significant pressure to convert forests, ranch and agricultural lands, open spaces, and lands with historical or cultural features to uses that generate greater income to the landowner. However, such conversions often result in lost opportunity for future generations to enjoy precious land areas in the way that their parents and grandparents enjoyed them. To be attractive to landowners, conservation must be competitive with other existing or potential uses of the land – a goal that S.B. 2198 helps advance.

Like the Legacy Lands Act approved by the Legislature in 2005, S.B. 2198 can help provide opportunities and additional choices for land conservation in Hawai'i. A mix of existing government and private funding for conservation land purchases, as well tax incentives like those in S.B. 2198 can enable landowners a variety of options to suit their needs as well as help government to achieve a public benefit.

The tax incentives proposed in S.B. 2198 will be another tool like the Legacy Lands Act for government and private partners to achieve the important public policy goal of protecting and managing some of islands' treasured natural areas, agricultural lands, open spaces, and historical sites. Indeed, tax incentives that allow landowners to retain ownership while committing to protection can help achieve public conservation priorities without requiring the government to expend many millions more to buy and manage the land itself.

LATE TESTIMONY

From: Lehua Lopez-Mau [mailto:HILTHawaii@earthlink.net]

Sent: Monday, January 28, 2008 12:39 PM

To: testimony; Sen. Clayton Hee; Sen. Russell Kokubun; Sen. Carol Fukunaga; Sen. Jill Tokuda; Sen. Paul Whalen

Cc: Dr. Rick Bennett; Kaleo Kualii; Larry R. Baird; Mike Katz; Pat Fisher; Sharon Brown; Stephanie Amick

Subject: Support for SB 2198 Conservation Tax Credits

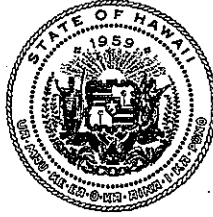
Aloha,

This message is for members of the Senate Water and Land Committee who are meeting today to consider SB 2198.

The Hawai'i Island Land Trust, a non-profit, tax-exempt land trust organization on Hawai'i Island, whose mission is to facilitate the preservation and protection of lands on Hawai'i Island with important agricultural, ranching, cultural, and environmental values, supports IN PRINCIPLE the intent of SB 2198 Relating to Land Conservation, a bill that creates tax incentives for landowners in the state to protect and manage their agricultural, ranching, environmentally-sensitive, and culturally-important lands for future generations. We urge the members of the Senate Water and Land Committee to consider the positive benefits of this proposed legislation to landowners who may receive tax incentives to protect their lands and to the general public who will reap the conservation values of protected land.

Malama i ka 'aina,
Lehua López-Mau, Executive Director
Hawai'i Island Land Trust
P.O. Box 976, Kealahou, HI 96750
Phone: 322-0066

LINDA LINGLE
GOVERNOR OF HAWAII



LATE

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
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KEN C. KAWAHARA
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
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KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

TESTIMONY OF THE CHAIRPERSON
OF THE BOARD OF LAND AND NATURAL RESOURCES

ON

Senate Bill 2405 – RELATING TO TAXATION

BEFORE THE SENATE COMMITTEE

on

WATER AND LAND

January 28, 2008

Senate Bill 2405 proposes to provide tax credits for donations of hazard-prone property to a public entity, or private non-profit land trust, for permanent non-developmental purpose that is related to public use. The Department of Land and Natural Resources (Department) defers to the Department of Taxation on the tax consequences of this measure, but offers the following comments on acquiring hazard-prone properties.

The Department has often discouraged the acquisition of hazardous-prone properties, especially when the associated liabilities outweigh the public benefits. The State's acceptance of the liability for what would otherwise be a privately owned hazard-prone property is inconsistent with prudent land management practice, and could be viewed as contrary to the public trust and our fiduciary obligations.

Whereas "hazardous-prone property" as defined by this bill includes property that "after consideration of all facts and circumstances cannot be meaningfully developed", the nature of these properties in itself should preclude actual development.

LATE TESTIMONY

Caren Diamond
Post Office Box 536
Hanalei, Hi, 96714

2:45 p.m.

Conference Room 414

State Capitol

415 South Beretania Street

January 28, 2008

COMMITTEE ON WATER AND LAND

Senator Clayton Hee, Chair

Senator Russell S. Kokubun, Vice Chair

Aloha Committee Chair Hee, and Vice Chair Kokobun and Members of Water and Land,
Subject: Strong Support for SB 2405 RELATING TO TAXATION.

This is an excellent solution that provides benefits to the property owner as well as the public. Providing an enhanced tax credit for owners who donate their hazard-prone property to a public entity, or private non-profit land trust, for a permanent non-developmental purpose that is related to a public use is a win win situation for all. This will help prevent development in places where coastal hazards would be too great to accommodate building, or where a seawall and loss of the beach would be necessary for construction to occur.

With rising sea levels on already eroding coastal areas, many lots are too close for safe development, this enhanced tax credit will help those landowners mitigate the loss, while providing for the public trust. Mahalo for your support, Caren Diamond

LATE TESTIMONY

From: Judy Dalton [mailto:dalton@aloha.net]
Sent: Monday, January 28, 2008 12:41 AM
To: testimony
Subject: Testimony: WTL, EDT, WAM SB2405 - 1/28 at 2:45pm

DATE: January 28, 2008
TIME: 2:45 p.m.
PLACE: Conference Room 414

Re: SB 2405 RELATING TO TAXATION.

Provides an enhanced tax credit for owners who donate their hazard-prone property to a public entity, or private non-profit land trust, for a permanent non-developmental purpose that is related to a public use.

Aloha Committee on Water and Land Chair Senator Hee and Vice Chair Kokubun,

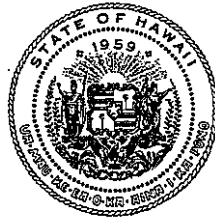
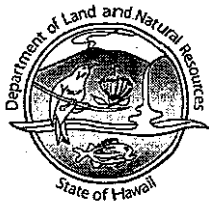
Amending Hawaii Revised Statute Chapter 235 to allow tax credit for hazard-prone property is a win/win as it will benefit both property owners and the public. It offers a very effective means of providing access to lands that would otherwise be denied from public use.

I hope that you will support this bill.

Thank you,

Judy Dalton
4330 Kauai Beach Drive
Lihue, HI 96766
tel. 808-246-9067

LINDA LINGLE
GOVERNOR OF HAWAII



LATE

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

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DEPARTMENT OF LAND AND NATURAL RESOURCES
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**TESTIMONY OF THE CHAIRPERSON
OF THE BOARD OF LAND AND NATURAL RESOURCES**

On Senate Bill 2528 – Relating To State Parks On Kauai

**BEFORE THE SENATE COMMITTEE ON
WATER AND LAND**

January 28, 2008

Senate Bill 2528 will establish a sub-account under the State Parks Special Fund into which 100% of the proceeds collected from the various fees at Kokee State Park and Waimea Canyon State Park, less any net amounts due to the Office of Hawaiian Affairs, will be deposited and used to cover the cost of repair, maintenance, and operation at the Kokee State Park and Waimea Canyon State Park. The Department of Land and Natural Resources (Department) does not support Senate Bill 2528 because it would seriously impact the ability of the Department to maintain Hawaii's State Parks.

Currently there is insufficient revenue in the State Park Special Fund to pay for all the positions, repair and maintenance, and lifeguard services intended to be covered by the fund. Restricting the use of funds generated in a park will impact maintenance in others as a few parks generate most of the revenue for the State Parks, and some parks generate no revenue, and have little potential to ever generate revenue. The State has an obligation to provide access and park services to all our residents, regardless of whether they live in urban areas, rural communities, or near parks with high visitor traffic. Accordingly, the Department needs the ability to use funds from the few parks which generate revenue to support our operations statewide.

In order to make the most efficient use of limited resources, and to maximize flexibility, the Department is making a request for a lump sum CIP appropriation of \$5,000,000 for facility reconstruction and replacement improvements to State Parks. The benefit of lump sum appropriations is to allow us to redeploy cost savings from one project to complete other repair and maintenance projects. Creating sub-accounts defeats this sort of flexibility within the operating budget, and has the unfortunate unintended consequence of making parks statewide less efficient and in poorer condition. A measure passed last session which creates a sub-account for Diamond Head State Monument has already had the effect of hampering statewide operations.

The State Parks Special Fund expenditures in Fiscal Year (FY) 2007 amounted to \$3,502,809. Estimated revenue for FY 2008 is \$2,057,815, with Kokee and Waimea Canyon projected to generate about \$300,000. This is expected to increase in future years with the issuance of new

leases for cabins and concessions, and will help make up the shortfall. If deposited into a sub-account the shortfall will be exacerbated.

While we understand the reasoning behind intent of this measure, the Department does not support Senate Bill 2528 as it would seriously impact the ability of the Department to operate, maintain, and repair its parks statewide.

LATE TESTIMONY

Senator Clayton Hee
Senator Russell Kokubun

Aloha - I am writing in favor of SB 2528, which establishes a sub-account for the purpose of directing funds collected at Koke'e and Waimea Canyon State Parks be used for the purpose of repair, maintenance and operation of these parks.

I am a 33 year resident of Kaua'i and have had the pleasure of experiencing the wonders of the forest on many occasions through use of friends cabins, several hikes with Dave Boynton and attending several festivals in the Meadow but no visit to the mountains has had a more profound effect on me than my most recent.

The last part of 2007 was very busy for me and my work with three off Island trips and several holiday work assignments with quick turn a rounds. And I really felt the stress, enough so that a visit to the E.R. was necessary. A few days later we were blessed to spend five days and four nights at a friends cabin in the mountains and my body and spirit went through a dramatic transition, largely because of the peace, serenity and calmness of Koke'e. We walked around the Meadow several times, fed the chickens, visited the Museum and ate at the Lodge. But mostly sat in the cabin, read, talked and light the fire. Simple activities that meant so much.

The Parks of Koke'e and Waimea are very, very special and need to be preserved and maintained with minimal commercial activity.

Senate Bill 2528, allocating funds collected in the Parks to stay in the Parks will help preserve this jewel of the Hawaiian Islands for generations to come as a place of peace and healing.

Sincerely,
Robert A. Zelkovsky

LATE TESTIMONY

COMMITTEE ON WATER AND LAND

Senator Clayton Hee, Chair
Senator Russell S. Kokubun, Vice Chair

NOTICE OF HEARING

DATE: Monday, January 28, 2008
TIME: 2:45 p.m.
PLACE: Conference Room 414
State Capitol
415 South Beretania Street

DATE: January 28, 2008
TIME: 2:45 p.m.
PLACE: Conference Room 414

SB 2528

Testimony

RELATING TO STATE PARKS ON KAUAL.

Establishes a sub-account under the state parks special fund into which 100% of the proceeds collected from the various fees collected at the Kokee state park and Waimea canyon state park, less any net amounts due to OHA, will be deposited and used to cover the cost of repair, maintenance, and operation at the Kokee state park and Waimea canyon state park.

Aloha Chair Senator Hee and Vice Chair Kokubun and Water and Land Committee members,

People on Kaua'i turned out in large numbers at the DLNR meetings here to ask that Koke'e State Park and Waimea Canyon State Park be preserved in their natural state and to keep the parks from becoming commercialized. Supporting SB 2528 would achieve our island residents' goal of maintaining this pristine wilderness by covering costs related to that effort.

Please pass SB 2528 to protect and preserve the most beautiful and unique park in the state for all to enjoy as a place of natural wilderness.

Thank you,

Judy Dalton
4330 Kauai Beach Drive
Lihue, HI 96766
tel. 808-246-9067

From: Ulu Perreira [mailto:uperreira@yahoo.com]
Sent: Monday, January 28, 2008 12:28 PM
To: testimony
Subject: Support of S.B. 2528

January 28, 2008

To: Senator Clayton Hee, Chair
Senator Russell S. Kokubun, Vice Chair
Committee on Water and Land
c/o testimony@capitol.hawaii.gov

From: Ululani Perreira

Re: Support of S.B. 2528

Aloha,

This testimony is submitted in **support of S.B. 2528** which establishes a sub-account for the purpose of directing that funds collected at Koke'e and Waimea Canyon State Parks be used for the purpose of repair, maintenance and operation of these parks.

Born and raised on our beautiful 'Garden Island' of Kauai prompts me to write this letter in support of S.B. 2528. Our family and friends visit these parks regularly and the maintenance of it is necessary to the public use. It is obvious that funds generated by these parks remain in an account for repair, maintenance and operation.

Our precious Koke'e depend on community servants such as yourself to protect it! We as a community are also doing our best to take care of it and protect it. Please join us.

Mahalo...

LATE TESTIMONY

to: Legislature's Public Access Room

DATE: Monday, January 28, 2008

TIME: 2:45 p.m.

PLACE: Conference Room 414 State Capitol
415 South Beretania St.

To: Senator Clayton Hee,
Chair

Senator Russell S.
Kokubun, Vice Chair
Committee on Water
and Land

c/o

testimony@capitol.hawaii.gov

We submit this email in SUPPORT of SB2528.

Thank you for accepting this email as our testimony in support of SB2528.

Sincerely,
Stephen D. and Margaret E. Cull
P O BOX 743
WAIMEA, HI 96796-0743
808 338 1373

January 28, 2008

To: Senator Clayton Hee, Chair
Senator Russell S. Kokubun, Vice Chair
Committee on Water and Land
c/o testimony@capitol.hawaii.gov

From: Nancy J. Budd
Law Offices of Nancy J. Budd

Re: Support of S.B. 2528

This testimony is submitted in **support of S.B. 2528** which establishes a sub-account for the purpose of directing that funds collected at Koke`e and Waimea Canyon State Parks be used for the purpose of repair, maintenance and operation of these parks.

During the past several years, the State has become increasingly interested in identifying certain state parks as moneymakers for the entire state park system. We have worked closely with the DLNR and have spent hundreds of hours analyzing the proposals contained in a proposed master plan for the Koke`e and Waimea Canyon State Parks that may be adopted in the next few months.

There is no question but that DLNR sees Koke`e and Waimea Canyon as a place to commercialize to support DLNR activities throughout the state. Proposals contained in the proposed master plan include an entry gate, concessions at the lookouts, tearing down the existing historic buildings at the Kanaloahuluhulu Meadow and replacing them with a visitor center and other facilities, identifying the entire area as a "revenue generation center."

Koke`e and Waimea Canyon State Parks are fragile and contain unique native ecosystems, trails and historic-cultural qualities that are in danger of being compromised by commercialization and overuse. These parks have not been adequately maintained throughout the years and are in need of basic repair and maintenance. The parks' trails, facilities and infrastructure are in need quality restoration and ongoing maintenance and the parks' natural attributes need exceptional and vigilant protection.

Allocating the monies generated within these parks to their repair, maintenance and protection will serve both to maintain these precious places in their natural state for future generations and remove the incentive and pressure for the state to overdevelop and commercialize the parks for the purpose of generating revenue. Future funding of state park operations should not be dependent upon promoting commercial activities within the parks; these are our last remaining protected natural areas and should remain our gift to our children's children.

LATE TESTIMONY

COMMITTEE ON WATER AND LAND

Senator Clayton Hee, Chair
Senator Russell S. Kokubun, Vice Chair

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TO: Chair Finance Committee and Committee Members

ATTN: Senator Clayton Hee and Senator Russell Kokubun

January 28, 2008

FROM: Brian F. Funai
45-019 Ka Hanahou Circle
Kaneohe, Hawaii 96744

RE: SB2747 scheduled to be heard by WL on Monday, 1/28/08 at 2:45 pm in Senate conference room 414.

My name is Brian F. Funai and I am testifying in opposition to SB2747.

I believe that the present administrative rule making process was put in place by the Legislature to afford the public a transparent and open process that allows participation by the public. As it is, I believe there have been cases where some have called into question whether the Department of Land and Natural Resources has followed this process fully as required by law. Passing this bill will further erode the transparency and public involvement that was intended by the Legislature and will deny the public's right to participate in the management of our resources.

I oppose this bill for these reasons.

Please stand up or continue to stand up and not allow a few to have control over our ocean resources that belong to all of us! Thank you and please kill SB 2747!

Thank you for your time and allowing me to testify.

Brian F. Funai
45-019 Ka Hanahou Circle
Kaneohe, HI 96744

Senator Clayton Hee, Chairman
Senator Russell S. Kokubun, Vice Chairman
Committee on Water and Land
Monday, January 28, 2008
Conference Room 414

Opposition to S.B. 2747 Relating to Hunting

I am Roy Morioka of Honolulu, Hawaii and in strong opposition to S.B. 2747 as it attempts to circumvent the Chapter 91 process established by the legislature to subordinate the rulemaking process to the various state departments to facilitate timely action by not having to wait for the next legislative session.

This bill further erodes transparency by eliminating the public hearing process as has been attempted on occasion, by this department over the course of the last several years.

Additionally, if there are emergencies, Section 91-3(b) provides:

“ (b) Notwithstanding the foregoing, if an agency finds that an imminent peril to the public health, safety, or morals, or to livestock and poultry health, requires adoption, amendment, or repeal of a rule upon less than thirty days' notice of hearing, and states in writing its reasons for such finding, it may proceed without prior notice or hearing or upon such abbreviated notice and hearing, including posting the abbreviated notice and hearing on the Internet as provided in section 91-2.6, as it finds practicable to adopt an emergency rule to be effective for a period of not longer than one hundred twenty days without renewal. “

This department continues to seek legislative remedies to facilitate rule changes without properly engaging the public, resulting in much frustration and dissatisfaction. I again urge you to kill this bill as it serves to further alienate the public from its role in the rulemaking process and consider rescinding Chapter 91 authority as several department's have of late attempted to prostitute its intent. Thank you for your consideration.

Sincerely,
Roy N. Morioka

LATE

January 26, 2008

To: Water, Land Committee, Senate

Sen. Clayton Hee; Chairman, & Sen. Russell Kokubun; Vice
Chairman

From: MIKE SAKAMOTO, Fisherman, Hilo

Re: Measure Number: SB2747

Hearing: Monday, Jan. 28, 2008, 2:45pm, Conf. Room #414

-

To Senators Hee & Kokubun:

My name is Mike Sakamoto and I strongly OPPOSE SB 2747 and hope that you kill this bill immediately.

SB 2747 will eliminate the "public hearing process" in the Administrative Rule process and this is UNACCEPTABLE. The people should always have a say in new, proposed or amended rules that will govern and affect their cultures, way of life, and families. We do make our voices heard by using the public hearing process. Do not take away that right of the people.

If you allow SB 2747 to pass, it opens the door to all kinds of abuse of the laws and of the People themselves.

You were elected by the People to take care of the People and make sure that we are governed by good and just laws. This bill is not good, nor just.

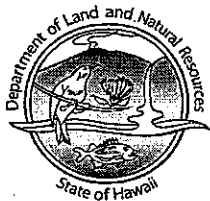
Please kill this bill.

Concerned,

Mike Sakamoto, Fisherman 331 Lu Hau Pl Hilo, HI 96720

Ph. No. 808-959-4190

LINDA LINGLE
GOVERNOR OF HAWAII



LATE

**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
FIRST DEPUTY

KEN C. KAWAHARA
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**TESTIMONY OF THE CHAIRPERSON
OF THE BOARD OF LAND AND NATURAL RESOURCES**

on Senate Bill 2747 – RELATING TO HUNTING

BEFORE THE SENATE COMMITTEE ON WATER AND LAND

January 28, 2008

The Department of Land and Natural Resources (Department) strongly supports passage of Senate Bill (S.B.) 2747, which amends the powers and duties of the department under Section 183D-2, Hawaii Revised Statutes, to give the Board of Land and Natural Resources (Board) the flexibility to set size and bag limits, hunting days, open and closed seasons, hunting gear to be used, and special conditions for hunting without going through the rulemaking process.

Adjustments to the conditions set for hunting each year, and frequently during the year, are necessary and routine and serve to enhance hunting opportunities based on changing environmental conditions, and allow for the flexibility to increase hunting pressure in cases where animal numbers are high. The overall goal of the public hunting program is to maximize hunting opportunities where appropriate through proper management of the game resources. The Department conducts numerous game surveys throughout the year in order to assess the status of the game populations and uses that information to establish open seasons, bag limits, hunting days and conditions to hunt and therefore the amount of the game harvest. This process gives the Department the ability to provide more hunting opportunity when conditions warrant.

Similarly, game animal numbers occasionally become undesirably high in some areas and adjustments are needed to open areas and increase hunting pressure to allow for an increase in harvest. A recent example of this was seen last year when frequent complaints of pigs in the Manoa area of urban Honolulu were reported. The Department was able to quickly establish special hunts to increase hunting pressure and harvest. Giving the Board the authority to set these conditions will provide the needed flexibility for adjustments and responses that will help control game and enhance hunting opportunities. It is not feasible to go through an administrative rule process every time a localized adjustment is needed in hunting bag limits, season or conditions. Under this measure, the changes that would be made in hunting conditions

would be done by the Board at its duly noticed and regular meetings, and provide the public with an opportunity to provide input.

Lastly, the Department of the Attorney General has brought to the attention of the Department that the introductory paragraph in SECTION 1 of this measure was inadvertently worded incorrectly. The Department respectfully requests that this paragraph be amended to read:

SECTION 1. *In Tanaka v. State of Hawaii, Department of Land and Natural Resources*, 2007 WL 4572956. (Haw.App. 2007), the Intermediate Court of Appeals reversed a decision of the circuit court and thereby indicated that the board of land and natural resources and the department of land and natural resources do not have flexibility and authority to take certain actions relating to hunting except through the rule making process.

carl

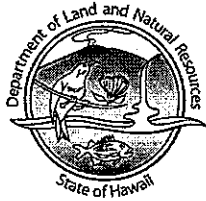
From: "carl" <mjellings@hawaii.rr.com>
To: "carl" <mjellings@hawaii.rr.com>
Sent: Monday, January 28, 2008 10:44 AM
Subject: Re:

LATE TESTIMONY

*Aloha Senate Commity on Water Land Aloha Chair Clayton
Hee My name Is Carl Paoo Jellings from Nanakuli Born and
raised in Hawaii and half Hawaiian I would like to oppose
SB 2747 for the presidence it will set for the chapter 91 rule
making proccess I believe Hunter gatherers as well as fishermen
have much to offer in the law making process for hunting as
well fishing many of us subsidize our incomes to gather food for
our families for me fishing is for subsistance as well as my
livelihood I am a full time fishermen,the chapter 91 process
allows fishers and hunters to be a part of the process especially
off islanders who may not afford a trip to honolulu to testify at
the land board, Thank You for allowing me to testify,,, on
behalf of myself and my Ohana May all of You have a
Productive 2008 Legislative Session.*

Mahalo and Much Aloha Carl P Jellings

LINDA LINGLE
GOVERNOR OF HAWAII



LATE

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

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LAND
STATE PARKS

**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**TESTIMONY OF THE CHAIRPERSON
OF THE BOARD OF LAND AND NATURAL RESOURCES**

ON

Senate Bill 2249- RELATING TO STREAM MAINTENANCE

BEFORE THE SENATE COMMITTEE

on

WATER AND LAND

January 28, 2008

Senate Bill 2249 proposes to make an appropriation to the Department of Land and Natural Resources (Department) for the purchase of \$287,500 equipment to be used to maintain the Pokiwai Stream located in Hauula on the Island of Oahu. The Department supports the intent of the bill as it seeks to assist in the maintenance of Pokiwai Stream, however, the Department notes that it does not have any land management involvement in Pokiwai Stream.

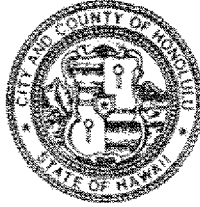
It is the Department's understanding that it is mostly privately-owned except for an easement near Kamehameha Highway in favor of the City and County of Honolulu and the Kamehameha Highway rights-of-way under the jurisdiction of the State Department of Transportation, Highways Division (DOT). As such, this bill might be more appropriately directed to DOT. Should this measure pass, the Department would be more than willing to collaborate with DOT.

DEPARTMENT OF FACILITY MAINTENANCE
CITY AND COUNTY OF HONOLULU

1000 Uluouia Street, Suite 215, Kapaolei, Hawaii 96707
Phone: (808) 768-3343 • Fax: (808) 768-3381
Website: www.honolulu.gov

LATE TESTIMONY

MUFI HANNEMANN
MAYOR



CRAIG I. NISHIMURA, P.E.
ACTING DIRECTOR AND CHIEF ENGINEER

GEORGE "KEOKI" MIYAMOTO
DEPUTY DIRECTOR

IN REPLY REFER TO:

January 28, 2008

The Honorable Clayton Hee
Chair, Water and Land Committee
State Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chair Hee and Members:

The Department of Facility Maintenance, City & County of Honolulu, supports SB2249 that appropriates funds from the general revenues of the State of Hawaii in the amount of \$287,500 to the State Department of Land and Natural Resources to purchase equipment for the purpose of clearing and maintaining streams to include the Pokiwai Stream in Hauula, Oahu. The purchase of the equipment to clear and maintain streams would allow the State to perform the necessary maintenance of the State owned streams in accordance with HRS Section 46-11.5.

Thank you for the opportunity to offer testimony in favor of Senate Bill 2249.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig I. Nishimura".

Craig I. Nishimura, P. E.
Acting Director and Chief Engineer