



The Nature Conservancy
Hawai'i Program
923 Nu'uuanu Avenue
Honolulu, HI 96817

tel (808) 537-4508
fax (808) 545-2019
www.nature.org/hawaii

Testimony of The Nature Conservancy of Hawai'i
Commenting on H.B. 200 Relating to the State Budget
House Committee on Finance
March 11, 2009, 11:00AM, Room 308

The Nature Conservancy requests that the Legislature not reduce conveyance tax revenue allocations to the DLNR's Natural Area Reserve (NAR) Fund.

We appreciate that these are unprecedented times for our State budget and that we must find ways to balance priorities and get our economy back on sound footing. While you may have to take action like moving accrued and future interest from special funds into the State general fund, we are hopeful that you can avoid drastic measures that will cripple, or even totally eliminate, the **watershed protection and invasive species control programs that are vital to the ecological, economic and public health of the state.**

The watershed protection and invasive species control programs that are supported by the NAR Fund are **already anticipating 50-60% cuts** in State funding—far more than anticipated by other State funded programs. These cuts are going to happen no matter what because the conveyance tax source of funding is drastically reduced with the down real estate market. The attached documents show declining conveyance tax revenues over the last few years, and the anticipated programmatic and staff cuts planned by NAR Fund beneficiaries.

The partnerships that receive money from the NAR Fund and manage our natural resources have already stopped filling open positions, are planning to lay off staff in the coming months, and have pulled back on protection efforts. Any further cuts taken in the State budget and the resulting loss of experienced staff will render many natural resource protection programs either inoperable or severely diminished, leaving our watersheds and communities vulnerable to threats which do not recognize recessions.

Significant belt tightening is necessary and occurring, but please don't cripple conservation in Hawai'i.

Attachments

BOARD OF TRUSTEES

S. Haunani Apoliona Peter D. Baldwin Christopher J. Benjamin Zadoc W. Brown, Jr. Carl A. Carlson, Jr. David C. Cole
Samuel A. Cooke Peter H. Ehrman Kenton T. Eldridge Guy Fujimura J. Stephen Goodfellow Thomas Gottlieb James J.C. Haynes
Ron Higgins Peter Ho Stanley Hong J. Douglas Ing Mark L. Johnson Dr. Kenneth Kaneshiro Bert A. Kobayashi, Jr.
Faye Watanabe Kurren Duncan MacNaughton Bonnie McCloskey Bill D. Mills Wayne Minami Michael T. Pfeffer H. Monty Richards
Jean E. Rolles Scott Rolles James Romig Crystal Rose Eric Yeaman

CONVEYANCE TAX COLLECTIONS & TRANSFERS FOR FY 2008

Month	Total Monthly Conveyance Tax Collections to General Fund - 100%	DLNR S-08-342-C NARS Trf In - 25%	DLNR S-08-317-C Land Conservation Trf In - 10%	HCDCH T-08-930-B Rental Housing Trust Trf In - 50%	TAXATION G-00-000-C General Fund Balance Remaining - 15%
July	\$2,213,212.44	\$553,303.11	\$221,321.25	\$1,106,606.22	\$331,981.86
August	\$3,025,234.70	\$756,308.68	\$302,523.47	\$1,512,617.35	\$453,785.20
September	\$4,492,022.48	\$1,123,005.62	\$449,202.25	\$2,246,011.24	\$673,803.37
October	\$3,573,776.52	\$893,444.13	\$357,377.65	\$1,786,888.26	\$536,066.48
November	\$2,959,259.75	\$739,814.94	\$295,925.98	\$1,479,629.88	\$443,888.95
December	\$3,079,131.57	\$769,782.89	\$307,913.16	\$1,539,565.79	\$461,869.73
January	\$3,478,274.45	\$869,568.61	\$347,827.45	\$1,739,137.23	\$521,741.16
February	\$1,871,282.33	\$467,820.58	\$187,128.23	\$935,641.17	\$280,692.35
March	\$2,952,992.29	\$738,248.07	\$295,299.23	\$1,476,496.15	\$442,948.84
April	\$4,051,020.17	\$1,012,755.04	\$405,102.02	\$2,025,510.09	\$607,653.02
May	\$2,860,587.29	\$715,146.82	\$286,058.73	\$1,430,293.65	\$429,088.09
June	\$3,851,227.53	\$962,806.88	\$385,122.75	\$1,925,613.77	\$577,684.13
Grand Totals	\$38,408,021.52	\$9,602,005.38	\$3,840,802.17	\$19,204,010.79	\$5,761,203.18

TOTAL CONVEYANCE TAX COLLECTIONS

FY07	\$48,328,508
FY06	\$56,646,115
FY05	\$24,318,038
FY04	\$18,432,214

CONVEYANCE TAX COLLECTIONS & TRANSFERS FOR FY 2009

Month	Total Monthly Conveyance Tax Collections to General Fund - 100%	DLNR S-09-342-C NARS Trf In - 25%	DLNR S-09-317-C Land Conservation Trf In - 10%	HCDCH T-09-930-B Rental Housing Trust Trf In - 30%	TAXATION G-00-000-C General Fund Balance Remaining - 35%
July	\$2,192,465.87	\$548,116.47	\$219,246.59	\$657,739.76	\$767,363.05
August	\$1,774,945.34	\$443,736.34	\$177,494.53	\$532,483.60	\$621,230.87
September	\$2,514,102.90	\$628,525.73	\$251,410.29	\$754,230.87	\$879,936.01
October	\$1,825,468.79	\$456,367.20	\$182,546.88	\$547,640.64	\$638,914.07
November	\$1,233,090.89	\$308,272.72	\$123,309.09	\$369,927.27	\$431,581.81
December					\$0.00
January					\$0.00
February					\$0.00
March					\$0.00
April					\$0.00
May					\$0.00
June					\$0.00
Grand Totals	\$9,540,073.79	\$2,385,018.46	\$954,007.38	\$2,862,022.14	\$3,339,025.81

TOTAL CONVEYANCE TAX COLLECTIONS

FY08	\$	38,408,022
FY07	\$	48,328,508
FY06	\$	56,646,115
FY05	\$	24,318,038
FY04	\$	18,432,214

Programs Supported by the DLNR Natural Area Reserve Fund	FY09 State Funding	FY10 Expected 60% Reduction in State Funds	Staff Funded with State Funds	Expected Layoffs
HAWAII ASSOCIATION OF WATERSHED PARTNERSHIPS				
Kauai Watershed Alliance	\$294,190	\$117,676	5	5
Koolau Mountains Watershed Partnership	\$227,514	\$91,006	6	3
East Molokai Watershed Partnership	\$124,740	\$49,896	8	1
Lanai Forest & Watershed Partnership	\$75,000	\$30,000	0.5	0
W. Maui Mountains Watershed Partnership	\$217,500	\$87,000	5	4
E. Maui Watershed Partnership	\$441,900	\$176,760	5	4
Leeward Haleakala Watershed Restoration Partnership	\$343,830	\$137,532	6	4
Kohala Watershed Partnership	\$235,500	\$94,200	2	0
Three Mountain Alliance	\$448,320	\$179,328	6	3
HAWP Subtotal	\$2,408,494	\$963,398	43.5	24
NATURAL AREA PARTNERSHIP PROGRAM				
Waikamoi Preserve	\$220,000	\$88,000	4.5	4
Kapunakea Preserve	\$125,000	\$50,000	2.5	2.5
Kanepuu Preserve	\$16,667	\$6,667	0.5	0.5
Kamakou Preserve	\$218,737	\$87,495	3	0
Pelekunu Preserve	\$96,289	\$38,516	0.5	0.5
Moomomi Preserve	\$52,455	\$20,982	0.5	0
Kau Preserve	\$119,910	\$47,964	2.5	1
Puu Kukui Preserve	\$281,216	\$112,486	5	3
NAPP Subtotal	\$1,130,274	\$452,110	19	11.5
NATURAL AREA RESERVES SYSTEM				
Hawaii Island NARS			12	5
Maui Nui NARS			12	6
Oahu NARS	\$4,590,000	\$1,836,000	7	1
Kauai NARS			3	0
Statewide Administration			5	1
NARS Subtotal	\$4,590,000	\$1,836,000	39	13
YOUTH CONSERVATION CORP	\$474,588	\$189,835	4	2
FORESTRY / FOREST STEWARDSHIP				
Forest Stewardship	\$453,516	\$181,406	0.5	0
Watershed Management in Forest Reserves	\$1,000,000	\$400,000	1	0
Conservation Reserve Enhancement Program	\$300,000	\$120,000	1	0
DLNR Invasive Species Program Operations	\$244,898	\$97,959	4	0
T&E Species Management	\$400,000	\$160,000	5.5	5.5
FORESTRY / FS Subtotal	\$2,398,414	\$959,366	12	5.5
INVASIVE SPECIES COMMITTEE				
Big Island Invasive Species Committee (BIISC)	\$375,094	\$150,038	9	5
Kauai Invasive Species Committee (KISC)	\$374,249	\$149,700	6	4
Maui Invasive Species Committee (MISC)	\$430,700	\$172,280	7	4
Oahu Invasive Species Committee (OISC)	\$437,200	\$174,880	7	6
ISCs Subtotal	\$1,617,243	\$646,897	29	19
HAWAII INVASIVE SPECIES COUNCIL				
AIS / Hull Fouling	\$579,800	\$231,920	11.5	4.5
DOA / USDA	\$129,200	\$51,680	3	3
Bishop Museum	\$160,000	\$64,000	1	1
Invasive Species Research Grants	\$330,000	\$132,000	10	0
HISC Support	\$135,000	\$54,000	1.5	0.5
Weed Risk Assessment	\$97,700	\$39,080	2	1
Invasive Species Outreach	\$97,700	\$39,080	4	1
West Nile Virus Detection & Suppression	\$307,300	\$122,920	2	2
HISC Subtotal	\$1,836,700	\$734,680	35	13
GRAND TOTAL	\$14,455,713	\$5,782,285	182	88

PROGRAM	OBJECTIVE	TOTAL # OF STAFF	STAFF SUPPORTED BY STATE FUNDS	RESULTS OF ANTICIPATED 60% REDUCTION IN STATE FUNDS IN FY10
WATERSHED PARTNERSHIPS	The Hawaii Association of Watershed Partnerships (HAWP) is comprised of nine Watershed Partnerships on six islands. Watershed Partnerships are voluntary alliances of landowners and other partners working collaboratively to protect more than 1 million acres of forested watersheds for water recharge, conservation, and other ecosystem services.	67	43	<ul style="list-style-type: none"> • Layoff 24 Staff • Reduced weed/ungulate control activity • Only maintain current fences • Gains of prior years severely eroded • Loss of species, habitat and water recharge capacity • Increased exposure to fire • Decreased outreach • Increased cost to repair environmental degradation downstream and on reefs
NATURAL AREA PARTNERSHIP PROGRAM	The Natural Area Partnership Program was established in 1991 to provide state funds on a two-for-one basis with private funds for the management of private lands that are dedicated to conservation. With over 30,000 acres enrolled, this innovative program complements the protection efforts on state lands - a partnership essential for the success of conservation in Hawaii.	28	19	<ul style="list-style-type: none"> • Layoff 11 staff • Reduce forest management activity by 60% • Lose investment in staff training and expertise • Increased future costs to control identified invasive species • Feral pig damage will increase significantly causing degradation to native ecosystems, rare plants and watershed • Invasive weeds will significantly displace native ecosystems • Lose ground gained by removing ungulates from newly fenced area
NATURAL AREA RESERVES SYSTEM	The Natural Area Reserves System (NARS) was established in 1970 to preserve in perpetuity Hawaii's most unique ecosystems. There are currently 19 reserves on five islands, encompassing more than 109,000 acres. The diverse areas found in the NARS range from marine and coastal environments to lava flows, tropical rainforests, and an alpine desert. The reserves also protect major watershed areas, which are vital sources of fresh water.	39	39	<ul style="list-style-type: none"> • Layoff 8-13 staff • No ability to conduct necessary archaeological/cultural surveys or design services necessary for effective management of resources within the NARS • Reduced ability to maintain existing fences and special mgmt units, control priority weeds/ungulates, or outplant rare plants • Significantly reduced ability to coordinate volunteers and outreach • Reduced support/funding for educational/outreach programs • No ability to provide consistent presence and reduced ability to accomplish management priorities at ORMP areas: Kaena Point NAR and Ahihi Kinau NAR • Reduced ability to maintain and repair infrastructure such as fences, trails, roads, boardwalks, helipads, and management shelters.
YOUTH CONSERVATION CORPS	The Youth Conservation Corps (YCC) is a hands-on summer learning experience aimed at educating Hawaii's youth on the many conservation issues that threaten Hawaii's unique environment. Students are mentored by and work alongside some of Hawaii's premiere conservation leaders. Nearly 170 local youth participated in the 2008 summer program.	8	4	<ul style="list-style-type: none"> • Layoff 2 staff • Summer program will be reduced from 120 students to 58 • Summer program leaders will remain at 24 as they are funded by federal dollars, but for half of the managers, duties will change from mentoring youth to working as an intern for 7 weeks • Natural resources will suffer from less human assistance to mitigate for ungulates, invasives and other impacts

PROGRAM	OBJECTIVE	TOTAL # OF STAFF	STAFF SUPPORTED BY STATE FUNDS	RESULTS OF ANTICIPATED 60% REDUCTION IN STATE FUNDS IN FY10
FORESTRY/ FOREST STEWARDSHIP PROGRAM	<p>The Forest Stewardship Program (FSP), administered by the Department of Land and Natural Resources, Division of Forestry and Wildlife (DLNR-DOFAW), provides technical and financial assistance to owners of nonindustrial private forest land that are interested in conservation, restoration, and/or timber production.</p> <p>The Forestry Program manages 55 forest reserves comprising more than 640,000 acres, or 16% of Hawaii's land area. The program also provides financial incentives to agricultural landowners to convert fallow or open land to trees, shrubs, and forest habitat, conducts control and monitoring efforts in each county for existing and incipient invasive species, and coordinates T&E species management.</p>	17	12	<ul style="list-style-type: none"> • Layoff 4-6 staff • Limited ability to maintain existing fences and special management units, control priority weeds, or control ungulates • Decreased ability to mitigate known threats to federally endangered species, interruption of restoration and data collection projects • No new FSP projects. Two projects in development to be placed on hold • Limited ability to continue multi-year fence construction projects • Unmitigated degradation of existing road, trail and fencing infrastructure • Possible loss of federal funds due to lack of matching, including loss of up to 2.5 FTE state funded staff supporting these projects; more positions may be lost if federal grants are lost due to lack of funding • Erosion of existing rare plant restoration/ research projects, further loss of Hawaii's natural heritage due to extinction
INVASIVE SPECIES COMMITTEES	<p>The Invasive Species Committees (ISCs) are island-based partnerships of government agencies, NGOs, and private businesses working to protect each island from the most threatening invasive pests. The ISCs address the need for rapid response and control work on new invasive pests that have the ability to severely impact our economy, ecosystem, watersheds, human health, and quality of life. A driving objective of the ISCs is to control the most threatening pests while populations are still relatively small and it is economically feasible to control or eliminate them.</p>	64	29	<ul style="list-style-type: none"> • Layoff 19 staff • Increased future costs to control identified invasive species (e.g., estimated cost impacts from delaying miconia work on Maui range from \$22M-\$34M) • Inability to respond to new coqui reports resulting in island-wide infestations • Inability to assist with HDOA nursery surveys to prevent spread of Little Fire Ant, nettle caterpillars, and coqui frogs
HAWAII INVASIVE SPECIES COUNCIL	<p>The Hawaii Invasive Species Council (HISC) was established to provide policy level direction, coordination, and planning among state departments, federal agencies, and international and local initiatives for the control and eradication of harmful invasive species infestations throughout the State, and to prevent the introduction of other invasive species that may be potentially harmful.</p>	35	35	<ul style="list-style-type: none"> • Layoff 13 staff • Cease operation of SuperSucker, and lose 5-year investment in technology/research • Reduced capacity to conduct risk assessments for new plants • Lose ballast water management data collection • Reduced ability to conduct vessel hull inspections • Reduced capacity to respond to new pest incursions • Reduced community outreach • 50% reduction in West Nile Virus sample collection (mosquito traps, dead birds, bird sera), testing and detection