

DEPARTMENT OF LAND AND NATURAL RESOURCES

Special Funds

DLNR Special Fund balances are significantly below ceilings in all special funds. On average the balance is about 50% lower than the ceiling – incoming revenues have dropped 35% in past two years, are continuing to drop, and will not increase until economy rebounds in two or more years.

Redirecting Special Land Development Fund to support other general funded operations or staff will result in laying off civil service staff.

- SLDF is source of payroll and operating costs for Land; OCCL; Dam Safety; 1 ADA Staff; 1 Fiscal Staff; 1 AG staff; lifeguard contract.
- Current annual revenue approximately \$5.5 million, sufficient only to cover payroll and basic operations. Current SLDF balance does not reflect current level of annual revenues – it contains small holdover balance.
- The small holdover balance is used for:
 - initial state payment required for federal reimbursement grants (firefighting; FEMA response);
 - payroll shortfall due to declining revenues (State Parks and DOBOR revenues currently insufficient to cover payroll);
 - essential purchases otherwise not possible due to budget cuts (DOCARE body armor expires next year and required to replace and Leg cut DOCARE “other” funds);
 - routine hazard removal from State land (recent erosion uncovering buried metal hazard on beach).

Redirecting the NARS fund will result in laying off civil service and contract staff, undoing carefully crafted agreement between multiple entities to maintain staff and programs and defaulting on contracts

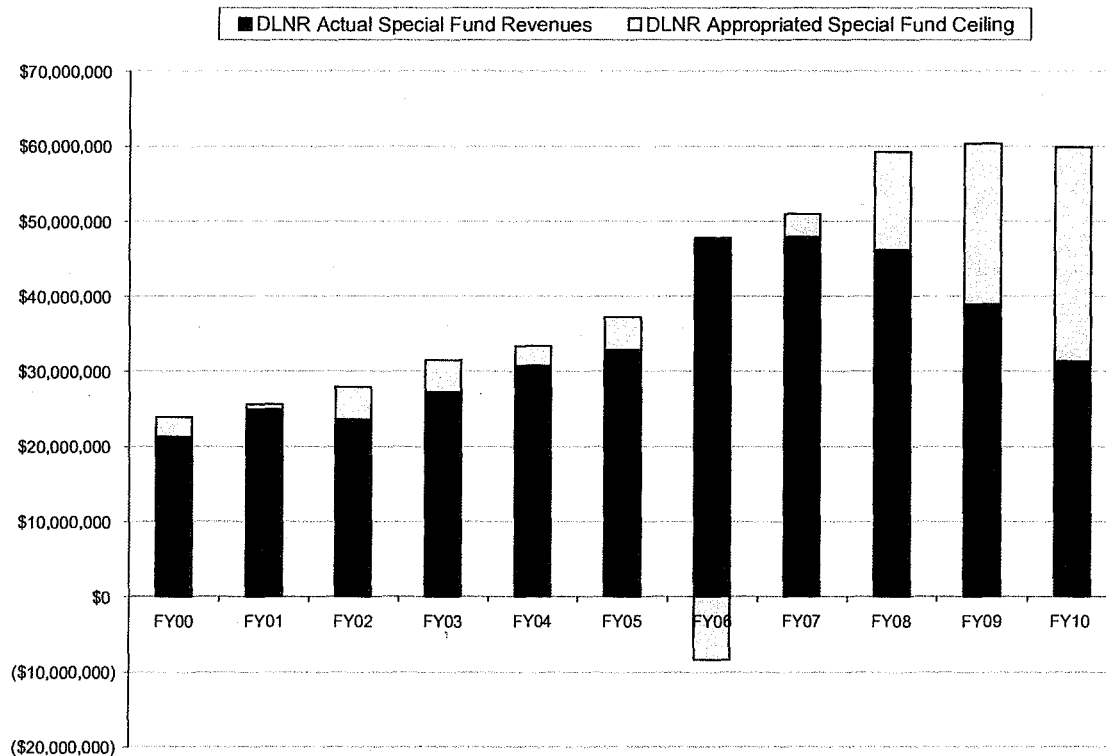
- Payroll for 42.5 civil service staff are supported by NARS fund;
- Payroll for 100-200 contract staff for County Invasive Species Committees, Hawaii Invasive Species Council, Watershed Partnerships, Endangered Species Recovery crews, Natural Area Reserves and Forest Reserves crews, YCC staff and interns are supported by NARS Fund.
- Hawaii Invasive Species Council (5 agencies), all County ISCs and outside partners worked together to collaboratively reduce expenses but retain maximum programs and save 29 Ag inspectors. Legislative redirection of NARS funds will undo collaborative agreement and have unintended consequences.
- State will default on multi-year contracts with private landowners for conservation stewardship agreements.

Redirecting Land Legacy Conservation fund will lay off 2 civil service staff

- Also forgo opportunity to acquire and protect natural resource lands being purchased this year or proposed for purchase in next 2-years.

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Fiscal Year	Budget Ceiling for Special Funds	Actual Special Fund Revenues	Difference
2000	\$23,919,370	\$21,262,975	(\$2,656,395)
2001	\$25,658,381	\$24,932,275	(\$726,106)
2002	\$27,938,920	\$23,601,540	(\$4,337,380)
2003	\$31,460,496	\$27,250,473	(\$4,210,023)
2004	\$33,400,661	\$30,695,687	(\$2,704,974)
2005	\$37,186,667	\$32,822,538	(\$4,364,129)
2006	\$39,023,894	\$47,767,283	\$8,743,389
2007	\$50,925,327	\$47,832,446	(\$3,092,881)
2008	\$59,163,502	\$46,122,101	(\$13,041,401)
2009	\$60,317,577	\$38,964,396	(\$21,353,181)
2010	\$59,807,532	\$31,311,757	(\$28,495,775)