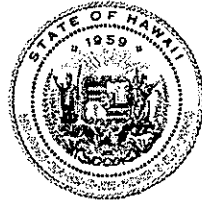


NEIL ABERCROMBIE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
WILLIAM J. AILA, JR.
Chairperson**

**Before the Senate Committee on
WATER, LAND, AND HOUSING**

**Thursday, February 3, 2011
1:15 PM
State Capitol, Conference Room 225**

**In consideration of
SENATE BILL 33
RELATING TO SPECIAL FUNDS**

Senate Bill 33 would create a special fund in the Department of Land and Natural Resources (Department) to be known as the special marine life conservation education fund, to amend the special land and development fund, and amend the penalty section in Chapter 190, Hawaii Revised Statutes (HRS), for the purpose of funding public education and outreach. The collection of fines for violations of Chapter 190, HRS, would be deposited into the special marine life conservation education fund. Further, moneys from the special land and development fund could also be expended towards public education and conservation and preservation activities in accordance with Chapter 171, HRS. The Department of Land and Natural Resources (Department) supports the intent of this bill as it relates to proposed changes to Chapter 190, HRS, and suggest changes, but opposes using the Special Land Development Fund (SLDF) to fund any financial shortfalls or redirecting fines collected and deposited in the SLDF to this new program..

The name special marine life conservation education fund should be changed to remove "education" and renamed the special marine life conservation fund. Fines, penalties, and settlements, both criminal and civil, are collected because of violations of state laws that occur on state submerged lands, both managed and unmanaged. A proposed special fund could be broadened to support activities that are non-education related as well. For example, the costs of assessments when violations result in physical damage to reef structures, or needed repairs or mitigation to damaged coral reefs, or added staff and enforcement costs, or the monitoring of short and long-term effects of the violations or on natural resources recovery, are needed almost immediately following some violations, and are not typically budgeted activities.

WILLIAM J. AILA, JR.
INTERIM CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI
FIRST DEPUTY

WILLIAM M. TAM
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

The SLDF is used to pay payroll, fringes and operating expenses for the Department's Land Division, the Office of Conservation and Coastal Lands, and most recently, the Dam Safety Program as mandated by the 2009 Legislature. Due in large part to numerous "special fund" raids by the Legislature, the SLDF's current revenue stream is now barely sufficient to maintain these operating expenses. It is imperative that the SLDF have an adequate cash balance not only to cover usual payroll, operations and maintenance programs of the Department, but also the mitigation of hazards on public lands, such as hazardous materials/wastes, unexploded ordinances, rockfall, flooding, falling trees, dams and reservoirs, in the interest of public safety.

Thank you for this opportunity to provide testimony.

TESTIMONY BY KALBERT K. YOUNG
INTERIM DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WATER, LAND, AND HOUSING
ON
SENATE BILL NO. 33

February 3, 2011

RELATING TO SPECIAL FUNDS

Senate Bill No. 33 establishes the Special Marine Life Conservation Education special fund to be used for public education and outreach regarding the existence of marine life conservation areas including prohibited activities and other matters. Senate Bill No. 33 also redirects moneys received from fines and fees collected for violation of marine conservation provisions which are currently being deposited into the Commercial Fisheries special fund to instead be deposited into the Special Marine Life Conservation Education special fund.

As a matter of general policy, the Department of Budget and Finance does not support the creation of any special fund which does not meet the requirements of Section 37-52.3 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to Senate Bill No. 33, it is difficult to determine whether there is a clear nexus between the benefits sought and the charges made upon the users or beneficiaries of the program and whether the fund will be self-sustaining.



Ocean Tourism Coalition

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timlyons@hawaiiantel.net

Testimony to the Senate WLH Committee
Thursday, February 3, 2011; 1:15 p.m.
Conference Room 225

Speaking in Support

RE: SB 33

Chair Senator Dela Cruz, Vice Chair Senator Solomon and Members of the
Water, Land, Housing Committee:

My name is James E. Coon, President of the Ocean Tourism Coalition.
The OTC represents over 300 small ocean tourism businesses state wide. We
appreciate the efforts being made by the Legislature in addressing the need for
more funding for our Marine Life Conservation Districts.

We believe this bill will go a long way in helping to maintain this very
important system of Marine Protected Areas.

Please pass this bill which will help with the ongoing maintenance and
management of our MLCD's.

Thank you for the opportunity to submit testimony. If you have any questions,
please contact me at 808-870-9115.

Sincerely,

James E. Coon, President