

SB713

Temporarily transfers the office of planning from the department of business, economic development, and tourism to the office of the governor. Requires the director of the office of planning to conduct an annual review of the office of planning. Authorizes the office of planning to hire two temporary positions to be funded by the Honolulu authority for rapid transportation, if funds are available.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
JESSE K. SOUKI
Director, Office of Planning
Department of Business, Economic Development, and Tourism
before the

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, GOVERNMENT OPERATIONS AND HOUSING

Friday, February 1, 2013

3:00 PM

State Capitol, Conference Room 016

in consideration of

SB 713

RELATING TO THE OFFICE OF PLANNING.

Chair Dela Cruz, Vice Chair Slom, and Members of the Senate Committee on Economic Development, Government Operations and Housing.

The Office of Planning **opposes in part, supports in part,** and provides **comments on** Senate Bill 713 as discussed below. Based on the below discussion, the Office of Planning recommends the following to accomplish the bill's objective to provide transit-oriented development ("TOD") planning and coordination for the State: (1) that the legislature provides two generally funded planner positions to the Office; (2) that the legislature provides the Office with \$200,000 in general funds to develop a statewide TOD strategy; and (3) that the Office not be reorganized so that it can expeditiously continue its important work for the Governor and people of Hawaii, including TOD planning and support for State agencies.

- 1. The Office of Planning provides the following **comments** on Section 2, which adds another task to the Office's list of tasks under HRS § 225M-2—transit-oriented development ("TOD") planning.**

At the direction of the Governor, the Office has been designated as the TOD point-of-contact ("POC") for coordinating amongst agencies on the development of state lands related to transit. We have been and are working with various city and state, private and community

stakeholder representatives to discuss ways that state agencies can use TOD to preserve, protect and encourage the development of the lands in the State for those uses to which they are best suited for the public welfare.

As a first step, with the cooperation of Smart Growth America, we prepared the report entitled, *Leveraging State Agency Involvement in Transit-Oriented Development to Strengthen Hawaii's Economy*, dated December 12, 2012, available at <http://www.smartgrowthamerica.org/wp/wp-content/uploads/HI-State-TOD-Strategies-Final-Report-1.pdf>. The report's recommendations come after a series of meetings between state government officials, private sector leaders and non-profit representatives. The group of more than 40 participants identified the importance of TOD to Hawaii. The Office is continuing to meet with stakeholders to develop TOD strategies for state properties.

In addition to acting as TOD-POC, the Office is currently engaged in various statewide planning projects, which are identified in our annual report submitted to this legislature including planning related to food security, coastal hazards affecting small businesses, ocean planning, and alternative energy planning support. All this work is made possible by federal grants in light of reduced general funding support since the mid-1990s. See Attached Charts.

2. The Office of Planning provides the following comments on Section 3, which provides that “[t]he office of planning may establish two temporary positions,” and “funding for the positions shall be provided by the Honolulu authority for rapid transportation [HART].”

The Office of Planning **does not support** this proposal. First, personnel in the Office of Planning are currently over-employed. Reductions in force under previous administrations have caused professional and support staff to double and sometimes triple up on tasks. While two additional positions would enable us to do more statewide planning activities consistent with the Governor's priorities, the Office needs generally funded positions that are flexible and can carry out more than just TOD planning. The Office's duties and responsibilities include those listed in HRS Chapters 205, 205A, 225M, and 226.

Second, it is questionable whether HART will or can contribute rail transit funding or City and County of Honolulu general funds to pay for state TOD planners. The Office would prefer to have more reliable, unfettered funding provided by the state, provided that such funding

does not replace or adversely impact priorities as indicated in the Executive Budget. In the early 1990's, the Office had approximately \$4.3 million in general funding and almost 80 generally funded staff, today the Office has approximately half as much general funding and almost 7 times less staff. See Attached Charts. In the Administration's budget, the Governor has asked for an additional position for the Office. This position will assist with various planning tasks including TOD support to the state. Your support of this generally funded position would be greatly appreciated.

3. The Office of Planning opposes temporarily transferring the Office of Planning from the Department of Business, Economic Development, and Tourism ("DBEDT") to the Office of the Governor.

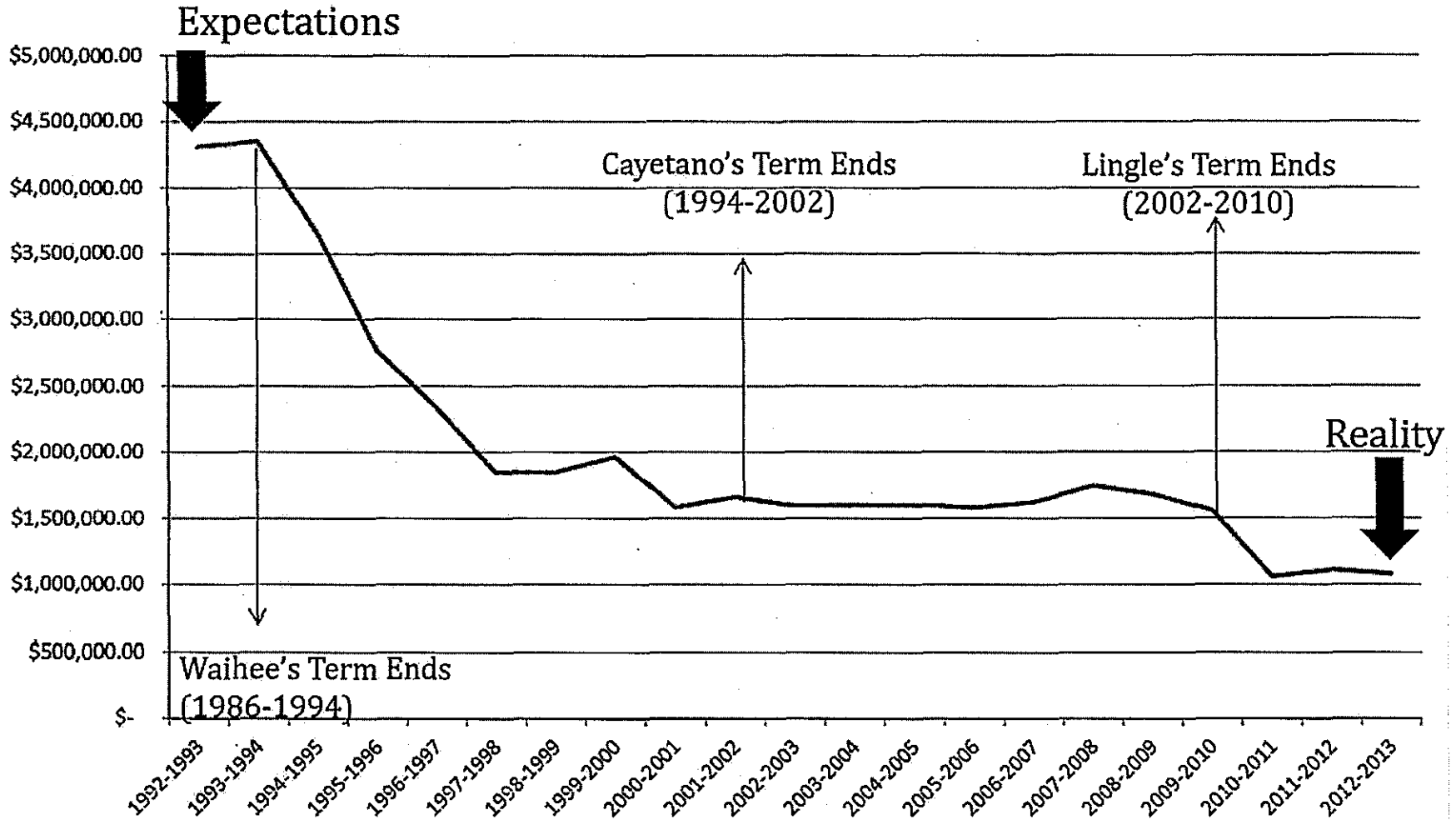
First, the Office of Planning and the Administration have not planned or considered reorganization. Although the Office was once within the Office of the Governor several administrations ago, the Office is already required to, and does take direction from, the Governor. Second, being connected to DBEDT helps the Office better coordinate with DBEDT on the Governor's economic related strategies in his New Day agenda. DBEDT provides the Office with fiscal, technology, and procurement support that the Office of the Governor does not have the capacity to provide. Third, placing an attached agency within the Office of the Governor may need to be reviewed for consistency with constitutional provisions regarding the organizational placement of executive branch agencies. Finally, the bill purports to make this transition "temporary," but does not define what "temporary" is.

4. The Office of Planning provides the following comment on Section 2 of the bill, which requires that "[t]he director shall conduct an annual comprehensive review of the office of planning to be submitted to the governor and legislature no later than twenty days prior to the convening of each regular session."

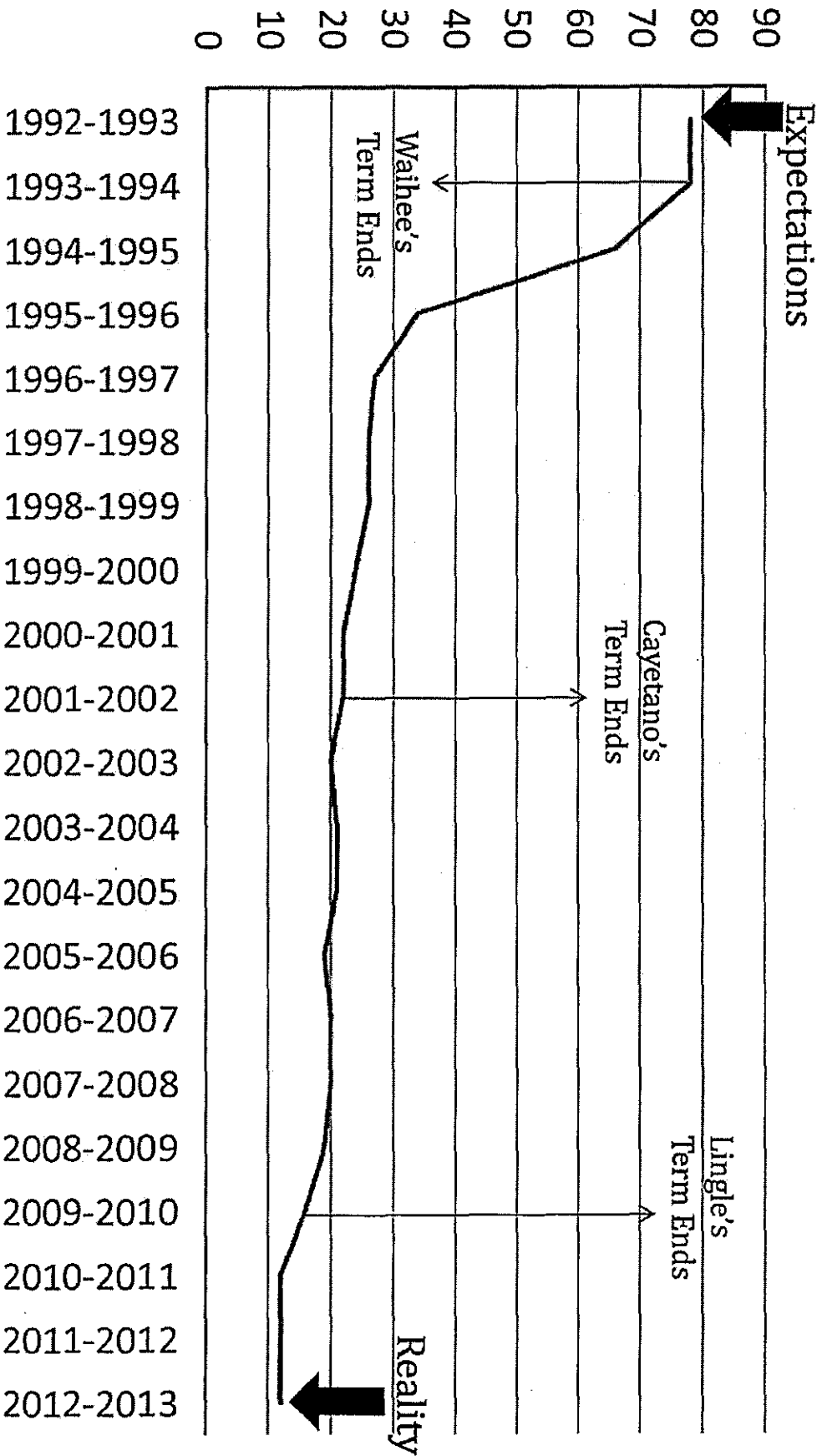
The Office of Planning already submits such a report to the Governor and the legislature.

Thank you for the opportunity to provide comments on this measure.

OP Historic Trends General Funds



OP Historic Trends General Funded Positions



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January 30, 2013

TESTIMONY TO THE
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, GOVERNMENT
OPERATIONS AND HOUSING

For Hearing on Friday, February 1, 2013
3:00 p.m., Conference Room 016

BY

BARBARA A. KRIEG
DIRECTOR

Senate Bill No. 713
Relating to the Office of Planning

WRITTEN TESTIMONY ONLY

TO CHAIRPERSON DONOVAN M. DELA CRUZ AND MEMBERS OF THE
COMMITTEE:

The purpose of S.B. No. 713 is to temporarily transfer the Office of Planning from the Department of Business, Economic Development and Tourism to the Office of the Governor; require the director of the Office of Planning to conduct an annual review of the Office of Planning; and authorize the Office of Planning to hire two temporary positions to be funded by the Honolulu Authority for Rapid Transportation, if funds are available.

The Department of Human Resources Development has **comments** on the proposed transfer. To protect the rights and benefits of the employees to be transferred, the language for the transfer of employees and officers from one agency to another in Section 5 should read:

“All rights, powers, functions, and duties of the department of business, economic development and tourism are transferred to the office of the governor. All employees who occupy civil service positions and whose functions are transferred to the office of the governor by this Act shall retain their civil service status, whether permanent or temporary. Employees shall be transferred without loss of salary, seniority (except as prescribed by applicable collective bargaining agreement), retention points, prior service credit, any vacation and sick leave credits previously earned, and other rights, benefits, and privileges, in accordance with state personnel laws and this Act, provided that the employees possess the minimum qualifications and public employment requirements for the class or position to which transferred or appointed, as applicable, provided further that subsequent changes in status may be made pursuant to applicable civil service and compensation laws.

Any employee who, prior to this Act, is exempt from civil service and is transferred as a consequence of this Act, may continue to retain the employee's exempt status, but shall not be appointed to a civil service position as a consequence of this Act. An exempt employee who is transferred by this Act shall not suffer any loss of prior service credit, vacation or sick leave credits previously earned, or other employee benefits or privileges as a consequence of this Act, provided that the employees possess legal and public employment requirements for the position to which transferred or appointed, as applicable; provided further that subsequent changes in status may be

made pursuant to applicable employment and compensation laws. The chief executive officer of the office of the governor may prescribe the duties and qualifications of such employees and fix their salaries without regard to chapter 76, Hawaii Revised Statutes."

Thank you for the opportunity to offer comments on this measure.