

DAVID Y. IGE
GOVERNOR OF
HAWAII



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

POST OFFICE BOX 621
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**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the House Committee on
WATER, LAND, & HAWAIIAN AFFAIRS**

**Friday, February 1, 2019
9:00 A.M.
State Capitol, Conference Room 325**

**In consideration of
HOUSE BILL 886
RELATING TO SOIL AND WATER CONSERVATION DISTRICTS**

House Bill 886 proposes to establish the Soil and Water Conservation District Fund and subaccounts of the various districts, and require that each district's revenue be deposited in that district's subaccount and expended for district purpose. **The Department of Land and Natural Resources (Department) acknowledges the intent of this measure and offers the following comments.**

The purpose of the Soil and Water Conservation District (SWCD) Program is to educate, construct, maintain, and assist in the development of conservation plans to protect soil and water resources statewide, on both public and private lands.

The Department has concerns that the establishment of a new special fund may not be able to meet all statutory criteria, including: (1) serves a need, as demonstrated by the purpose of the program to be supported by the fund; scope of the program, including financial information on fees to be charged, sources of projected revenue, and costs; and reasons the program cannot be implemented successfully under the general fund appropriation process; (2) reflects a clear nexus between the benefits sought and charges made upon the program users or beneficiaries or a clear link between the program and the sources of revenue, as opposed to serving primarily as a means to provide the program or users with an automatic means of support that is removed from the normal budget and appropriation process; (3) provides an appropriate means of financing for the program or activity that is used only when essential to the successful operation of the program or activity; and (4) demonstrates the capacity to be financially self-sustaining.

The Department also has concerns that the establishment of a special funds with 16 subaccounts will require resources to oversee and manage.

Thank you for the opportunity to comment on this measure.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

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FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY RODERICK K. BECKER
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON WATER, LAND, AND HAWAIIAN AFFAIRS
ON
HOUSE BILL NO. 886

**February 1, 2019
9:00 a.m.
Room 325**

RELATING TO SOIL AND WATER CONSERVATION DISTRICTS

House Bill (H.B.) No. 886 establishes the Soil and Water Conservation Districts Special Fund (SWCDSF), and creates sub-accounts within the special fund for each district. The SWCDSF would generate revenues through contributions, moneys, and funds received by the conservation districts. The bill does not contain an expenditure ceiling for the special fund.

While the Department of Budget and Finance recognizes the importance of Soil and Water Conservation Districts, as a matter of general policy, the department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be

financially self-sustaining. In regards to H.B. No. 886, it is difficult to determine whether the proposed special fund would be self-sustaining, and it is also unclear who would administer the special fund.

Thank you for your consideration of our comments.

HB-886

Submitted on: 1/31/2019 1:22:10 PM

Testimony for WLH on 2/1/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Karen Ah Mai/HACD	HACD	Oppose	No

Comments:

HB-886

Submitted on: 1/31/2019 1:37:45 PM

Testimony for WLH on 2/1/2019 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Watkins	HACD	Support	No

Comments:

TESTIMONY

HB 886: Relating to Soil and Water Conservation Districts

House Committee on Water, Land and Hawaiian Affairs

February 1, 2019

9:00 AM

Room 325

LATE

Chair Yamane and Members of the Committee:

Maui Soil and Water Conservation Districts appreciate the support by the Legislature to carry out our regulatory mandate as required in HRS 180. We appreciate the effort by the Legislature to clarify a question that was raised by the districts but am concerned that as proposed, there may be unintended consequences.

The background of this measure stems from concerns raised about unexpended coffers at the end of the year in the district accounts. As written the language does states "funds" without articulation that it references funds received from the State.

"All contributions, moneys and funds received by any district shall be deposited to the credit of the State General Fund"

In an effort to increase services to protect soil and water resources in the State the Districts are interested in extramural fund raising efforts. These funds would be in addition to those received from the State to expand programs such as public education or purchase of demonstration equipment. Some projects will take time to build coffers and concern was raised of what would happen to the moneys at the end of the year. This is critical as we have increased immigrant populations not aware of Hawaii laws and the importance of conservation measures.

We do not believe it is the intent of the existing language that the Districts be required to deposit funds that they proactively raised or funds that are scheduled to be expended but have not yet been expended due to delays in processing.

We respectfully request amending the existing language to read:

"~~All contributions, moneys and State~~ funds received by any district, not expended according to the budget submitted to the Department of Land and Natural Resources shall be deposited to the credit of the State General Fund"

We respectfully request your support of this measure, replacing the current proposal to the suggested amendment above, to help the districts expand our services for the welfare of Hawaii's natural resources. We appreciate this opportunity to provide our opinion on this matter. If there are questions please contact Mae Nakahata at 2819716