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GOVERNOR OF
HAWAII



DEPT. COMM. NO. 19

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KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

December 2, 2020

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Relating To The Forest Stewardship Program report, as required by Section 195F-6, Hawaii Revised Statutes (HRS). In accordance with Section 93-16, HRS, a copy of this report has been transmitted to the Legislative Reference Bureau and the report may be viewed electronically at <https://files.hawaii.gov/dlnr/reports-to-the-legislature/2021/FW21-Forest-Stewardship-Rpt-FY20.pdf>.

Sincerely,

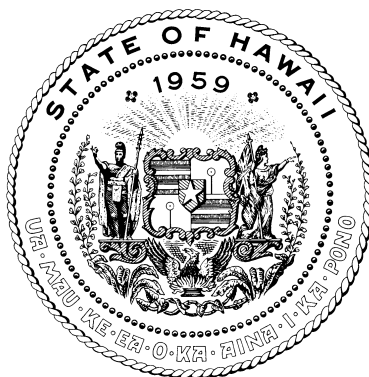
A handwritten signature in black ink that reads "Suzanne D. Case".

SUZANNE D. CASE
Chairperson

Enclosure

**REPORT TO THE THIRTY-FIRST LEGISLATURE
STATE OF HAWAI‘I
2021 REGULAR SESSION**

RELATING TO THE FOREST STEWARDSHIP PROGRAM



Prepared by

THE STATE OF HAWAI‘I
DEPARTMENT OF LAND AND NATURAL RESOURCES
DIVISION OF FORESTRY AND WILDLIFE

In response to Section 195F-6, Hawa‘ii Revised Statutes

Honolulu, Hawai‘i
December 2020

RELATING TO THE FOREST STEWARDSHIP PROGRAM

PURPOSE

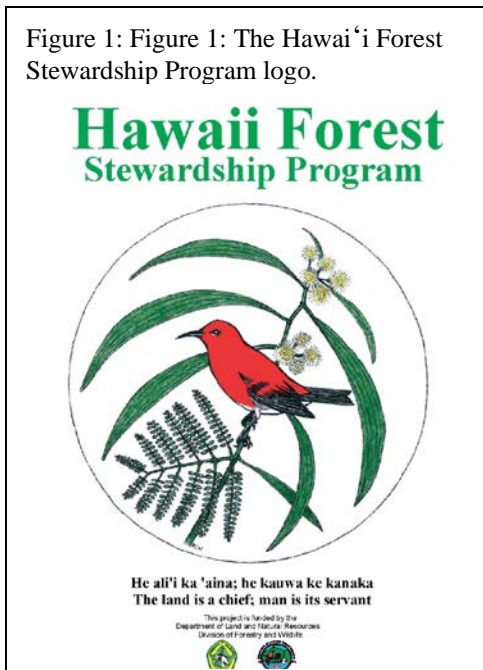
This report complies with Section 195F-6, Hawai‘i Revised Statutes (HRS), and covers specific topics relating to private forestland management through the Forest Stewardship Program and associated programs; management within the Forest Reserve System; and the status of the Forest Stewardship Special Fund within the Department of Land and Natural Resources (Department). The purpose of Section 195F, HRS, is to assist private landowners, including long-term leaseholders, in managing, protecting, and restoring important watersheds, native vegetation, timber resources, fish and wildlife habitats, isolated populations of rare and endangered plants, and promote forestry activities on forested or formerly forested lands throughout the State. Further, Section 195F-4, HRS, provides the Department the ability to collect fees for forest products, seedling sales, imposition of fines or penalties, and other products and services derived from forest reserves to support the management of the Forest Reserve System. This report includes actions taken during the period from July 1, 2019 to June 30, 2020, as required to implement the statutory provisions of this Section.

BACKGROUND OF THE HAWAI‘I FOREST STEWARDSHIP PROGRAM

The Forest Stewardship Program (FSP) became effective in July 1991 through the passage of Act 327, Session Laws of Hawai‘i (SLH) 1991. The Act authorized the Department to provide state funds to assist, technically and financially, private landowners and managers in protecting, managing, and restoring important forest resources on their forested and formerly forested properties. Act 195, SLH 1993, and Act 152, SLH 2001, established a dedicated funding source for FSP as a percentage of annual Conveyance Tax revenues that were deposited into the Natural Area Reserve Fund then disbursed by the Department to the Forest Stewardship Fund pursuant to Section 247-7, HRS. Act 084, Session Laws of Hawaii 2015 removed this dedicated funding

source, but provides for general fund allocations to support the program. The Department’s Division of Forestry and Wildlife (Division) implements the FSP with the oversight of the Forest Stewardship Advisory Committee (FSAC), a diverse group of 13 natural resource and forestry experts.

Figure 1: Figure 1: The Hawai‘i Forest Stewardship Program logo.



The FSP enables private landowners or long-term leaseholders to restore, conserve, and responsibly manage important forest resources that provide vital public and private socioeconomic and environmental benefits. The majority of Hawaii’s forests (66% or 1,155,000 acres of Hawaii’s 1,748,000 acres of forestland) is privately owned and managed. By establishing and maintaining the FSP, the State recognizes that public-private partnerships are essential to the present and future health of Hawaii's forests and to the public benefits that they provide.

The FSP encourages conservation of existing native forest, reforestation of degraded lands, and provides support for

establishing forest production systems. With the change and/or withdrawal of much of Hawaii's agricultural industries, including sugarcane and pineapple, FSP serves to stimulate investment in forestry to provide an economically viable agricultural land-use alternative and to encourage agricultural diversification. The FSP provides options for landowners to keep their land in production while supplying Hawaii's rural communities with a source of income, providing locally grown products and energy, reducing Hawaii's dependence on imported goods, and contributing to environmental benefits, such as clean water and habitat for Hawaii's native wildlife.

The primary goals of FSP:



- Watershed protection;
- Native forest restoration and conservation;
- Forest product development, including non-timber forest products and high-value commercial timber;
- Threatened and endangered species recovery;
- Environmental education and community outreach;
- Restoration of formerly fallow and/or degraded agricultural lands; and
- Establishment of agroforestry systems.

The Forest Stewardship Fund, Section 195F-4, HRS, collects moneys from the sale of products or services on State of Hawai'i Forest Reserve System (FRS) lands, per Act 144 SLH 1999 and Act 174 SLH 2006. The Fund supports the management of the public forest reserves and state timber management areas, as well as environmental education and training programs pertaining to sustainable forestry management. Under Act 084, SLH 2015, the Forest Stewardship Fund continues to serve as the repository of forest product revenue, but no longer provides technical or financial support for participants of the FSP.

FOREST STEWARDSHIP PROGRAM ACTIVITIES

Since 1990, the FSP has helped **65 private landowners** sustainably manage **35,234 acres** of forested lands. The program provides cost-share assistance for the development of Forest Stewardship management plans and implementation of management practices over a 10-year period. Some landowners commit to maintaining their projects for up to 20 additional years at no cost to the State. Management practices include tree planting, fencing, weed control, wildfire protection and other activities to benefit establishment and/or protection of watershed forests. **Exhibit A** provides a summary of all FSP projects to date. Currently, 32 projects are in the post 10-year maintenance phase; 15 projects are actively engaged in the cost-share agreement implementing their management plans; and 18 projects have approved management plans, with four of those seeking cost-share support from FSP for implementation, and the others implementing plans using other funding sources.

Private landowners with approved Forest Stewardship management plans can also seek financial assistance to implement their plans from other federal and state assistance programs. In many cases, Forest Stewardship projects use a variety of programs to help implement their management plans targeting each program for its specific objectives and goals (e.g. U.S. Fish and Wildlife Service Partners Program helps landowners manage endangered species habitat). Cost-share

assistance from FSP, however, is critical as it is the most comprehensive and Hawaii-specific assistance program available.

A FSP Project: Kapoaula Koa Forest Stewardship Project will reforest 543 acres near Waimea, Hawai‘i to convert pasture back to a semblance of the native koa-‘ōhi‘a forest that once covered the entire flank of Mauna Kea. The forest will provide a long-term, sustainable source of koa timber for guitars, ukuleles and other wood products while diversifying the state’s economy, providing jobs and building Hawaii’s forest industry. Project benefits also include increased groundwater recharge, reduction in soil erosion, wildlife habitat, and carbon sequestration. Cattle grazing will be gradually reduced starting in 2020 as areas are fenced, and koa and other native species will be planted.

Figure 2: Kapoaula Koa Forest Stewardship Project



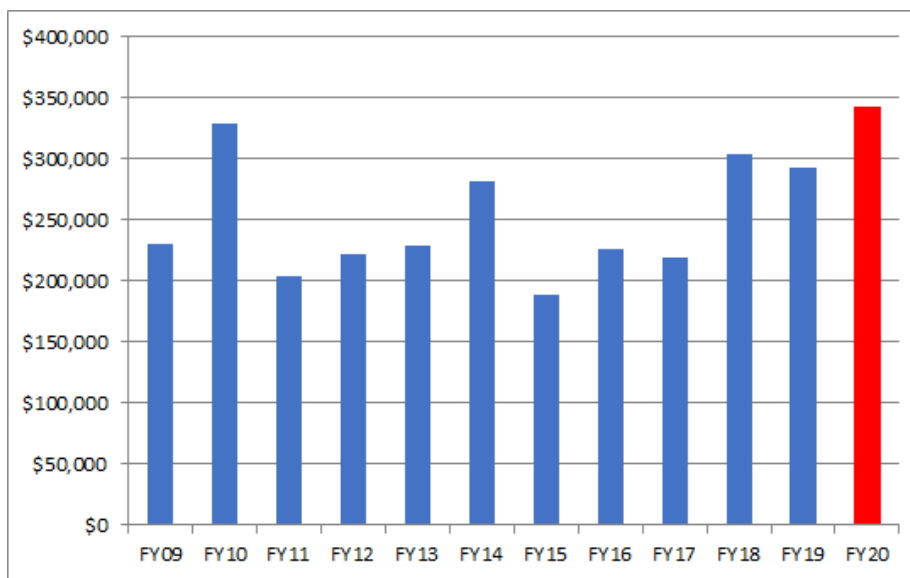
FSP funds have contributed to the completion of sound **sustainable forest management on 35,234 acres** across the State of Hawai‘i, or approximately **3% of Hawaii’s private forestland**. This is significant, given the relatively small budget and staff resources for the program (65% FTE federally supported employee and 1 FTE state funded employee). The U.S. Forest Service recently conducted a survey of private forest landowners in Hawaii and 40% of privately-owned forests are parcels of 1,000 acres or less. These small landowners are the prime target audience for FSP. The Department is striving to reach and engage with landowners, including **reaching approximately 36 different landowners** and/or communities during Fiscal Year 2019 through workshops, field visits, public events, and presentations with community groups.

The Department has used **\$5,551,995** in state funds for conducting forest management activities under FSP agreements spanning 10 or more years (fiscal year 2019 equals \$264,195). In the last ten years, the FSP has leveraged **\$1,296,850 in U.S. Forest Service** federal funding to support the program, and, since 1990, this program has **leveraged a total of \$7,665,908 in private funds** as a direct match spent on sustainable forest management (1.61:1 ratio of federal & private funds to State funds). The total cost to the State for this program is equal to **\$158 per acre for 10 or more**

years of sustainable forest management – making the FSP one of the best investments in forestland management in Hawai‘i.

The below figure illustrates FSP funds encumbered since Fiscal Year 2009. **Currently 135 landowners** or landowner representatives are on the FSP email list of people interested in participating in the program. With extremely high interest from landowners, there is significant room to increase the management of these important private forestlands, given additional funding.

Table 1: Encumbered Funds for Forest Stewardship Projects by Fiscal Year.



Most participants in the FSP would not have been able to pursue their sustainable and often innovative land-use objectives without the technical and financial assistance made available through this program. With recent cross-sector initiatives, such as the commitment to freshwater security, watershed protection, carbon neutrality, biosecurity, invasive species control, and native species restoration, the program continues to remain relevant through sustainable forest management actions and partnerships. For example, the FSP has engaged with five private landowners within the State of Hawai‘i Watershed Partnership Program to develop Forest Stewardship management plans that complement the partnership’s landscape management plan and encourages the active participation and management of those private lands within the partnerships. The FSP allows these landowners to contribute to the larger scale watershed initiatives through the site-specific management of their natural resources.

Forest Legacy Program

The FSP interacts with various federally supported Department programs to provide technical assistance to forest landowners interested in restoration, conservation, and/or forest production. The FSP also supports the development of forest management plans associated with conservation easement and fee acquisitions through the Hawai‘i Forest Legacy Program. The Department currently monitors six conservation easement projects under the Forest Legacy Program as well as one fee-title acquisition project at Wao Kele O Puna Forest Reserve stewarded by the Office of

Hawaiian Affairs. Federal funding through the FSP also supports the development of a multi-resource management plan for Helemano Wilderness Area that was acquired by the Department in October 2018. The planning process for this area has included consultation and outreach with the community and stakeholders to develop a management vision for the varied natural, cultural, and recreational resources in this new addition to the Forest Reserve System. In December 2019, with support from the Trust for Public Land and the U.S. Fish and Wildlife Service, the Department completed the acquisition of the 3,716-acre Waimea Native Forest property on the North Shore of O‘ahu. The Department intends to add this land to the Forest Reserve System as a new section of the Pūpūkea Forest Reserve.

The Department is also actively working with two new conservation easement projects both located in the South Kona District of Hawai‘i County, and one fee title acquisition project for addition to public lands, including:

- Ho‘omau Forest Conservation Easement, South Kona, Hawai‘i
- Haloa ‘Āina - Royal Hawaiian Sandalwood Conservation Easement, South Kona, Hawai‘i
- Kamehamenui Forest Fee Acquisition, Kula, Maui (closed August 2020; CIP funded)

Figure 3: Helemano Celebration (February 2020) - Governor David Ige, DLNR Chair Suzanne Case and funding partners celebrated the acquisition of over 2,800 acres for forestry, native species, watershed protection and recreation.



Community Forest and Open Space Conservation Program

The Department assisted with the development of the proposal from a non-profit organization “The Friends of Amy Greenwell Botanical Garden,” which received USDA Forest Service program funding. In September 2019 the organization purchased the property with plans to manage it for the benefit of the community. This Forest Service program offers a unique opportunity for communities to acquire and conserve forests that provide public access and recreational opportunities, protect vital water supplies and wildlife habitat, serve as demonstration sites for private forest landowners, and provide economic benefits from timber and non-timber products.

Conservation Reserve Enhancement Program

The U.S. Secretary of Agriculture and Hawaii’s Governor authorized the Hawaii Conservation Reserve Enhancement Program (CREP) on January 15, 2009, as an initiative under the FSP to

expand the available financial assistance to landowners for restoration of degraded agricultural lands and protection of sensitive habitats. Hawai'i CREP assists landowners and leaseholders in restoring watershed health on degraded agricultural lands.

Participants receive financial assistance from the USDA and the State for conservation practices on their land. Act 174, Session Laws of Hawai'i 2006 provided additional financial resources to support the Hawai'i CREP implementation. Hawai'i CREP Funds support landowners in managing, protecting, and restoring important natural resources on forested and formerly forested lands. To date, **25 project agreements** have been executed covering **over 1,277 acres**, representing a significant increase in native forest cover and reduction in soil erosion. During Fiscal Year 2019, a total of **\$62,591 of Federal USDA funds** were matched by **\$33,710 of state funds**, a 1.9:1 ratio of federal to state dollars expended in support of the program.

The Division and USDA terminated the CREP agreement in January 2020 due to changes to the 2018 farm bill which made the program requirements more restrictive and reduced financial incentives for landowners to participate in the program. Additionally, the program has not met the overall goals of the agreement due to low enrollment.

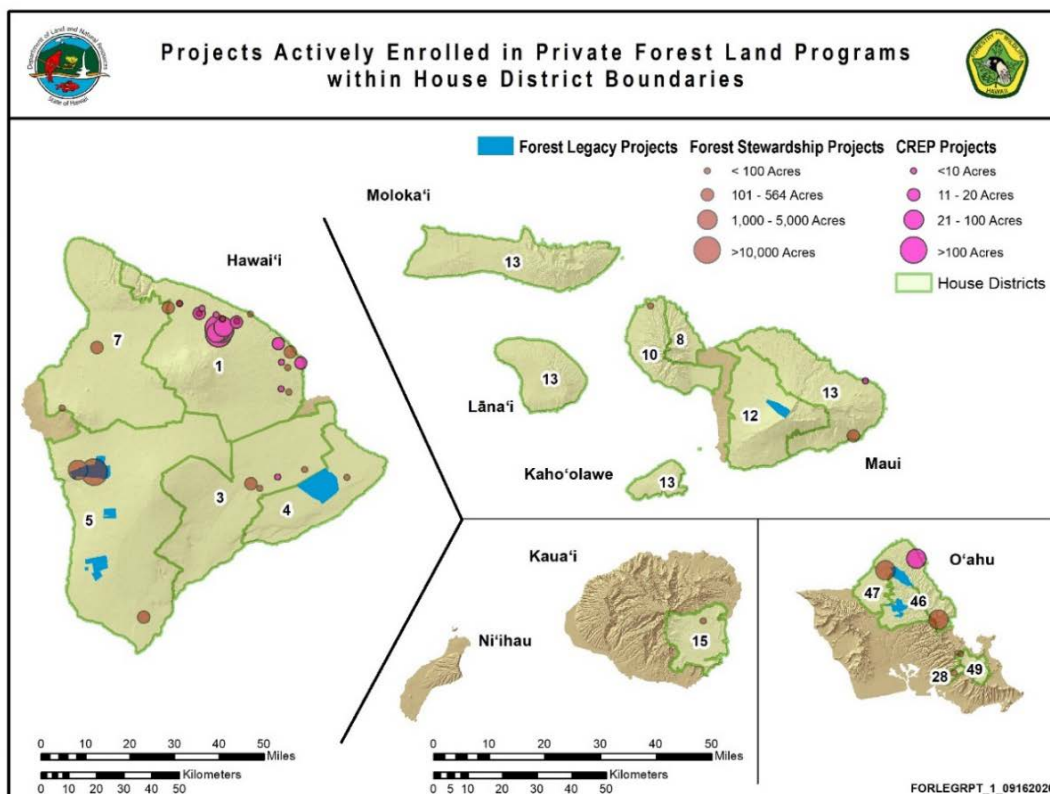
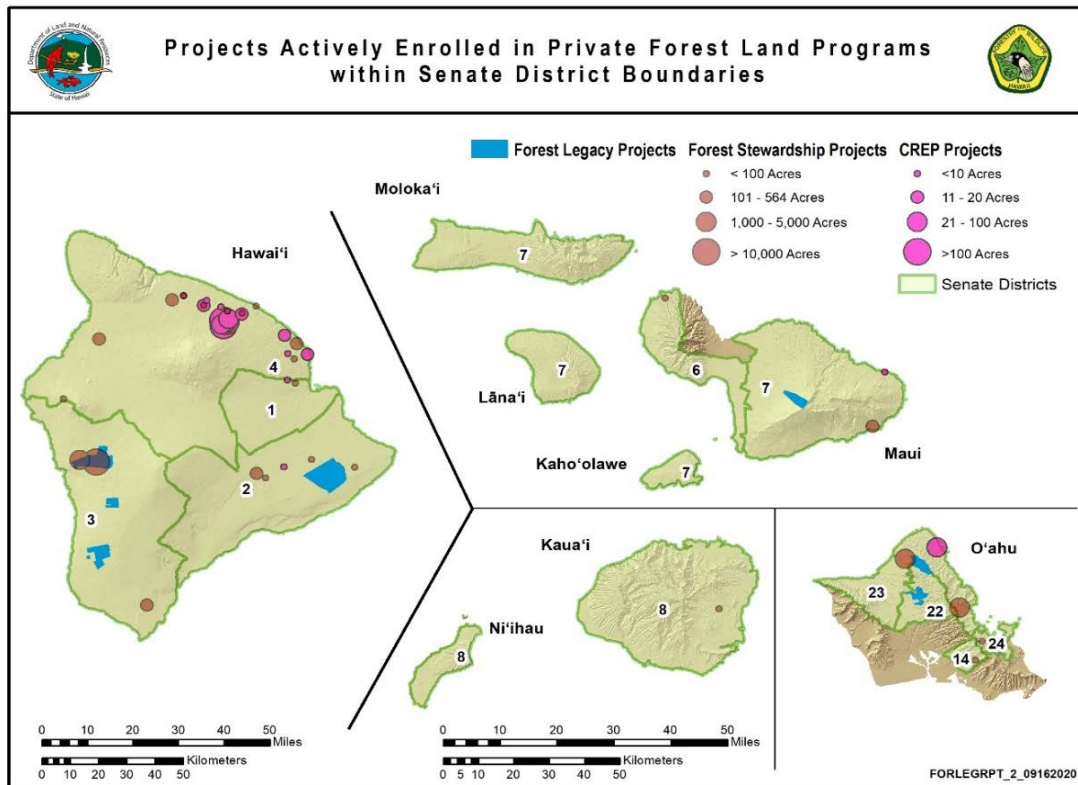
FOREST STEWARDSHIP PLANNING, MANAGEMENT, AND ACTIONS

The Department continues to identify adaptive methods to address the needs of landowners and the public, while maintaining accountability and furthering long-term objectives. The FSP Handbook, and links to important forest informational resources and partner programs are accessible from FSP's web page: <http://dlnr.hawaii.gov/forestry/lap/fsp/>

In 2016, the Department, in partnership with the U.S. Forest Service, completed the most recent update for the **State of Hawai'i Forest Action Plan**, which incorporates the State's landscape level forestry priorities and strategies, and identifies priority areas, resources, threats, and issues specific to Hawai'i. **Approximately 70% of all FSP projects fall in priority forestlands** and address six out of the nine issues identified in the Forest Action Plan. The Forest Action Plan also opens a unique source of funding through the U.S. Forest Service's Landscape Scale Restoration competitive grant program, in which the Department successfully competes annually, region-wide, for these competitive funds. The Forest Action Plan includes accomplishments as well as identifies strategies for addressing natural resource threats and management concerns in the Hawaiian Islands. The Forest Action Plan is available on the Department's web page: <http://dlnr.hawaii.gov/forestry/info/fap/>

In February 2020, the Department finalized a Memorandum of Agreement (MOU) "Toward Shared Stewardship across Landscapes: An Outcome-Based Investment Strategy," with the U.S. Forest Service and the Natural Resources Conservation Service (NRCS). This strategy will identify and support joint efforts to implement landscape-scale priorities identified in the Forest Action Plan and Interagency Biosecurity Plan to achieve the greatest benefits. The MOU outlines commitments to increase the scope and scale of critical forest treatments that protect communities, create and sustain jobs, and improve forest health and resiliency.

Figure 4: Statewide Forest Stewardship, Hawai'i CREP and Forest Legacy Projects by Senate and House Districts



STATE FOREST RESERVE SYSTEM REVENUES

Act 144 (SLH 1999) and Act 174 (SLH 2006) in accordance with Section 183-16, HRS, provides that revenue generated or accrued from any forest reserve be deposited into the Forest Stewardship Fund. Revenue generated from the Forest Reserve System (FRS) ranges from camping fees, nursery sales, permits, leases, commercial timber, and sale of forest products, among others. As detailed in Table 1, approximately **\$427,412.28** was deposited into the Forest Stewardship Fund from revenue generated from the FRS during the period from July 1, 2019 to June 30, 2020.

Table 2. Deposits of Revenue into the Forest Stewardship Fund by District

Location	Amount
Administrative Office	\$42,782.75
O‘ahu	\$277,918.14
Kauai	\$16,267.78
Maui	\$1,563.65
Hawai‘i	\$88,879.96
Total	\$427,412.28

The primary sources of revenue were leases and permits (\$179,125.11), plant nursery sales (\$46,318.50), camping fees (\$39,804.40), and forest product sales (\$7,813.43). The FRS was able to collect a similar level of revenue in fiscal year 2020 compared to previous, thanks to the majority of revenue being collected in the first three quarters of the fiscal year (i.e.: prior to COVID-19 related restrictions and closures). Additionally, FRS revenue is mostly from annual lease and permit revenue that are fairly consistent between fiscal years. The Division anticipates declines in revenue from camping permits, nursery, and forest product sales in fiscal year 2021. The Division is exploring opportunities to increase revenue in fiscal year 2021 and 2022 to support the management of the FRS in anticipation of reductions in state general fund allocations and reduction in special fund revenue to the program.

Future forest reserve revenue opportunities include ecosystem-services markets (such as for carbon sequestration), timber sales/commercial forest production, and other compatible commercial land-use agreements. The Department experienced a project delay due to COVID-19 restrictions but is continuing to move forward with its carbon offset project at the Kahikinui Forest Reserve and Nakula Natural Area Reserve. Carbon sequestered at this site could be sold to individuals, businesses, or organizations that are looking to offset their carbon footprint via a voluntary carbon market. As trees grow, they sequester carbon dioxide from the atmosphere and store it in their trunks, leaves, roots, and the surrounding soil. Trees are one of the most effective tools in capturing and storing carbon dioxide, and thus play an important role in mitigating climate change. The Department has been working with partners over the past five-plus years to reforest the slopes of leeward Haleakala. Now that the forest is recovering, it may also be a means to help the State meet its carbon neutrality goals.

During this fiscal year, the Forest Stewardship Funds were used to support a portion of the management of the FRS, including maintenance of camping facilities, tree planting, watershed protection, invasive plant and animal control, threatened and endangered species habitat protection, and nursery and seed storage improvements and operations. However, with over

680,000 acres within the FRS, the revenue generated is not sufficient to completely fund any of these management activities alone.

Hawai'i Wood Utilization Team

The Hawai'i Wood Utilization Team (HWUT) is a group of experts from various wood-related industries. The team has initiated innovative, cross-sector ideas and projects that expand wood product markets in Hawai'i. Team member's industry associations include Forestry, Architecture, Design, Engineering, Wood Products, Construction, Finance, Marketing, and Cultural Practice. The HWUT is currently undertaking a demonstration project to design and build an Accessory Dwelling Unit (ADU) that meets the City and County of Honolulu's permitting requirements and utilizes locally-grown and processed wood materials from the Division's timber management areas. This project is federally funded under the U.S. Forest Service's Wood Innovation grant to increase market awareness of Hawaii's forest resources.

Figure 5: ADU Demonstration Project



The ADU materials have been harvested from the Koke'e Timber Management Area on Kaua'i and are currently being processed for the ADU demonstration. The HWUT is hoping to display the ADU in a location that would be able to celebrate and highlight the opportunities to sustainably utilize resources in Hawai'i

with a large section of the public and decision-makers. We are targeting a Honolulu location that gets foot and vehicle traffic to showcase the potential for building with local materials. The longer-term vision is to scale up the project promoting utilization of high-priority plantation species - with the added benefits of stimulating the local economy, expanding workforce development, improving forest ecosystem health, and seeing these beautiful materials in our buildings and homes in Hawai'i.

State of Hawaii Tree Nurseries and Seed Storage Development

The Department is also continuing development of seed storage capacities. The capacity to store seeds and then produce seedlings is a key strategy for the Department to mitigate damage to Hawaii's forests from wildfire or other disaster events. Over the past fiscal year, the Division was able to collect and store over one million additional seeds from 39 different accessions. Further, the Department maintains the statewide and district nurseries to support state reforestation projects and to provide plant seedlings for sale to public landowners interested in reforesting their lands. All seedlings produced and distributed through the Department nurseries are screened by the Hawai'i-Pacific Weed Risk Assessment to determine their potential to be invasive.

A total of **87,175 seedlings** were produced by the state nurseries between July 1, 2019 to June 30, 2020, with the majority of the plants produced for state reforestation efforts; details by nursery are listed below:

The Waimea-Kamuela State Tree Nursery produced a total of **75,556** seedlings; 85% were native species and 15% were non-native species.

The Maui Branch Nursery produced **545** seedlings, 91% were native species and 9% were non-native species.

The Oahu Branch Nursery produced **8,898** seedlings 100% were native.

The Kauai Branch Nursery produced **2,176** seedlings 96% were native species and 4% were non-native.

All the state nurseries, except for the Maui District nursery, have dedicated staff. The Maui Resource Forester is responsible for the management of the Maui nursery, and the forestry crew works within the nursery as their schedule allows. The lack of staff and degraded condition of the Maui nursery has resulted in a significant decline in seedlings produced by the Maui District. The Division is seeking Capital Improvement Program support for the construction of a new Maui District nursery facility to support restoration projects throughout the region.



Figure 6: Native plant seedlings at the Oahu Branch Nursery.

Additionally, [1] FTE nursery worker at the Kamuela-Waimea State Tree Nursery, Hawai'i Island, was cut during the 2018 legislative session and [1] FTE nursery worker at the Kauai District Nursery was cut during the 2019 legislative session. With the increasing requests and need for reliable and affordable seedlings for restoration and reforestation projects (such as for carbon sequestration projects and tree planting initiatives), the Department is seeking to build nursery capacity statewide and the restoration of the lost nursery positions in order to meet this demand.

The Division was also able to support the production of 3,089 seedlings and distribute 5,294 plants to individuals and communities to increase canopy cover in our rural and urban forests, thanks to the partnerships developed by Kaulunani Urban and Community Forestry Program. These urban and community partners contributed \$205,977 of cash and in-kind leverage to the Kaulunani program in fiscal year 2020.

RECOMMENDED CHANGES

Forest Stewardship Program:

1. To identify conflicting program policies that discourage or prohibit private forestlands from participating in forestry programs, the Forest Stewardship Advisory Committee has identified several changes to Chapter 195F, HRS, to better integrate the goals of the Joint Forestry MOU. Cost-share reimbursements for the development of the Forest Stewardship management plans

should be increased to encourage landowners to engage in informed and sustainable forest management. Hawaii's forests are essential to sustaining life in the islands, and there should not be a financial barrier for land managers to get access to natural resource experts that can improve how they manage these important resources that have broad societal benefits.

2. Section 195F, HRS, excludes landowners from participating in FSP if their land was cleared of native forest after 1991. Regardless of previous land use practices, enrolling in FSP would ultimately improve sustainable management of existing private forestland. The Department has submitted a bill relating to forest stewardship as part of the Department's legislative package for the 2021 regular session to update eligibility requirements for the Forest Stewardship Program, as well as increase allowance for cost-share support of Forest Stewardship management plans.

Forest Reserve System:

1. The Department is proposing to amend Section 183-5(c), Hawai'i Revised Statute (HRS), regarding general administrative penalties for violation of Section 183-17, HRS, to update the fine amounts for destroying or harvesting trees or plants on state forest reserve lands. The current market value of many of Hawaii's forest products, such as koa and 'iliahi, far exceeds the dollar amount of the current established fines and is thus not an effective deterrent for resource theft or destruction of the public's resources. Amending fines for destroying or harvesting trees would (1) deter illegal harvesting and destruction of natural resources within forest reserves; and (2) make these penalties consistent with those established by other states. The existing, authorized fines under the statute are over 15 years old and do not equal or are, in some cases, less than the market value of our various natural resources. Similar to theft issues with other agricultural products, theft of forest products is an ongoing and growing problem, especially as market prices continue to increase. This measure would provide a sufficient deterrent and better protection of the public's natural resources.

Currently, Part II (Forest Reserves) of Chapter 183, HRS, does not allow for criminal penalties, except for timber trespass offenses. There are other types of offenses, including violations of administrative rules, that warrant the imposition of a stricter penalty. Establishing statutory authority for a criminal penalty to apply to any violation of Forest Reserves, or any rules adopted pursuant thereto, would strengthen the Department's enforcement capabilities, and allow for greater protection of the State's natural resources. This bill ensures a mechanism for pursuing enforcement actions when warranted, as well as providing a stronger deterrent for unauthorized and illegal use of public resources.

Pursue to the above, the Legislature has been engaged in an ongoing effort to make resolution of minor criminal offenses, including traffic violations, as simple as possible for the average citizen and to ensure that police, prosecutor, and judicial resources are focused on the most serious criminal offenses. This measure thus seeks to clarify penalties for traffic infractions within forest reserves so that they are comparable with the penalties for similar infractions established for the State Park System and sets the fine amounts for violations.

Section 183-4, HRS, authorizes general (civil) penalties for violations of Chapters 183 to 185, HRS; however, civil penalties are already provided in Section 183-5, HRS, and Section 184-5.5, HRS. Further while Chapter 185, HRS, pertaining to land fire protection, does not include a civil

penalty, it does provide for criminal penalties under Section 185-7, HRS. Due to the serious risk of harm to people, the environment, wildlife, and habitat, the Department feels that violations of Chapter 185, HRS, should carry only criminal penalties - given the above, Section 183-4, HRS, is proposed for repeal.

2. The Department is in the process of finalizing an update to the Hawai'i Administrative Rules (HAR) governing the Forest Reserve System, Chapter 13-104, HAR. The Hawai'i forest reserve management regulations were first established in 1943 and were last comprehensively updated in 1993. The Department identified a need to update the rules, and the proposed changes will streamline and clarify existing rules, improve enforceability, and update allowed uses and activities in public forest reserves based on conditions facing the forests and people of Hawaii today. The proposed rule changes include establishment of a fee schedule for all services provided by the Department (e.g. cabin rental fees, camping permits fees, commercial use fees, etc.). The Board of Land and Natural Resources approved the new rules at their meeting on January 20, 2020, and they are now awaiting final approval by the Office of the Governor. To help explain the proposed changes, the Department developed a user-friendly guide to the proposed rule changes, which was favorably received; examples of the guide and supporting material for the public hearing is found on the Department's website: <https://dlnr.hawaii.gov/forestry/frs/rulechange/>.

EXHIBIT A: Hawai'i Forest Stewardship Program Enrollment

State Forest Stewardship Program Agreements

Active State Cost-share Agreements/First 10 Years

Name of Project/ Landowner	Date Enrolled	State Contract Total	Funded to Date	Match to Date	Location	Size Acres	Management Practices
Paniolo Tonewoods	3/3/2020	\$749,523	\$0	\$0	Hamakua, Hawaii	552.8	Koa timber, native forest restoration
Masters project	9/13/2019	\$56,525	\$1,500	\$1,500	Puna, Hawaii	5	Native forest, seed orchard
Kaalaea Farm	3/12/2019	\$123,004	\$34,135	\$34,135	Kaneohe, Oahu	12.5	Native forest restoration, agroforestry
Shlacter	3/7/2019	\$60,411	\$35,782	\$35,782	Puna, Hawaii	8.25	Native forest restoration/management
MDHE LLC	5/24/2019	\$55,324	\$7,189	\$7,189	Kailua, Oahu	6	Native forest restoration, agroforestry
Hoku Nui	9/18/2018	\$146,465	\$4,222	\$6,247	Makawao, Maui	13.49	Agroforestry
Kona Hema	9/18/2018	\$736,500	\$112,359	\$112,359	South Kona, Hawaii	8073	Native forest restoration, timber
Tripavata, LLC	7/30/2018	\$152,063	\$58,211	\$58,211	North Kona, Hawaii	60	Native forest restoration/production
Ukulele Native Forest	3/21/2017	\$199,975	\$37,798	\$37,798	Kula Maui	100	Native forest restoration/management
Ahualoa Homesteads/Everson	5/1/2016	\$28,990	\$22,405	\$23,850	Hamakua, Hawaii	18	Native forest restoration/management
Waimea Valley/Hiipaka, LLC	9/1/2015	\$422,639	\$150,078	\$476,712	Waimea, Oahu	1875	Native forest restoration/management
Kaupakuea Orchards, LLC	4/1/2014	\$77,945	\$16,157	\$16,157	Hamakua, Hawaii	23	Timber production, native forest buffer
Saiva Siddhanta Church	4/1/2014	\$127,862	\$98,424	\$98,424	Kalepa, Kauai	80	Timber/native forest production
Lundburg	3/1/2014	\$44,260	\$45,510	\$42,792	Hamakua, Hawaii	41	Native forest restoration, agroforestry
Hui Ku Maoli Ola, LLC	5/1/2012	\$408,150	\$327,750	\$363,750	Haiku Valley, Oahu	20	Native forest restoration/management
	Total	\$3,389,636	\$951,521	\$1,314,907		10,888	

Forest Stewardship Projects with Approved Plans

Approved Plans Eligible for State Cost-Share Agreements

Name of Project/ Landowner	Plan Approved	State Contract Total Requested	Funded to Date*	Match to Date	Location	Size Acres	Management Practices
Dana Lyons	2/28/2020	\$144,465	\$3,200	\$3,200	Puna, Hawaii	19	Native forest restoration
Waiawa Waiamano Watershed	1/25/2019	\$686,073	\$5,000	\$5,000	Central Oahu	1050	Native forest restoration/conservation
Kaala Ranch	4/12/2019	\$750,000	\$4,350	\$4,350	Waialua, Oahu	172.8	Native forest, silvopasture, agroforestry
Discovery Forest Restoration	5/29/2015	\$245,504	\$2,500	\$2,500	Kau, Hawaii	120.7	Native forest restoration/management
			\$15,050	\$15,050	1362.5		

Approved Plans Not Entering Into State Cost-Share Agreements

Name of Project/Landowner	Plan Approved	Location	Acres	State Funds*	Management Objectives
Black Rhino Foundation	5/29/2015	South Point, Hawaii	190	\$2,100	Agroforestry, native forest restoration/production
Pace Demonstration Forest	9/18/2015	South Kona	389	\$4,000	Native forest restoration/production
Duren Native Forest Restoration	4/27/2018	North Kona, Hawaii	23	\$1,500	Native forest restoration/management
Kahulu Lio	12/14/2018	Kaneohe, Oahu	5.1	\$2,500	Native forest restoration, agroforestry
Kahanu Gardens	1/20/2017	Hana, Maui	128	\$4,446	Coastal forest restoration
Mana Gardens	9/1/2016	Puna, Hawaii	89	\$0	Native forest conservation
Kaawaloa Forest	5/14/2014	Kealahou, Hawaii	1,375	\$0	Native forest production/recreation
Ohulehule Forest Conservancy	10/29/2012	Waikane, Oahu	1,000	\$5,000	Native forest restoration/management
Alii Pauahi Hawaiian Civic Club	9/24/2013	North Hilo, Hawaii	15	\$1,750	Agroforest - maile
Kealahou Heritage Ranch	5/10/2013	Kealahou, Hawaii	8,455	\$0	Native forest production
Dalton	1/21/2012	Hamakua, Hawaii	89	\$781	Native forest restoration/production
Brooke	2/15/2013	North Hilo, Hawaii	9	\$1,000	Native forest restoration
Nierode	3/19/2010	Mt. View, Hawaii	40	\$2,550	Native forest restoration/conservation
Ahu Lani Sanctuary	6/20/2008	Hamakua, Hawaii	21	\$3,000	Native forest restoration/conservation
			11,828	\$28,628	

**State funds are cost-share assistance provided for development of forest management plans.*

State Forest Stewardship Program Agreements
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In Post 10 Year Maintenance Period

Name of Project/ Landowner	Date Enrolled	State Contract Total Funded	Match	Size Acres	Location	Management Practices
Waikoloa Dry Forest	8/9/2020	\$465,382	\$581,741	275	Waikaloa, Hawaii	Dry Forest Restoration, Fire control
Conant	2/9/2020	\$6,833	\$6,426	7	Volcano, Hawaii	Native forest restoration, pig control
Honolua Wao Kele/Maui Land & Pineapple Co., Inc.	11/8/2020	\$371,880	\$376,706	30	Kapalua, Maui	Native forest restoration/erosion control
Koa Aina/Kokua Kalihi Valley	2/8/2020	\$355,520	\$367,776	30	Kalihi, Oahu	Nature park/native forest restoration, cultural
Ola Honua/Neaulani Inc.	8/5/2020	\$492,990	\$712,640	121	Kipahulu, Maui	Native forest restoration, watershed, timber
Honouliuli/TNC	10/2/2020	\$152,325	\$214,149	3692	Waianae, Oahu	Native forest/habitat restoration
Ookala Community Forest/Laupahoehoe Train Museum	9/2/2020	\$76,554	\$93,864	21	Laupahoehoe, Hawaii	Community demonstration timber
Ku Ohia Laka	6/1/2020	\$57,192	\$97,064	39	Mt. View, Hawaii	Native forest restoration and educational trails
Castle & Cooke Resorts, LLC	5/25/2001	\$608,919	\$801,531	3,588	Lanai	Native forest and watershed restoration
Green & Russo	1/2/2020	\$25,647	\$32,054	17	Papaaloa, Hawaii	High-value hardwood production
Dougherty	7/1/2020	\$9,006	\$9,109	17	Ninole, Hawaii	High-value hardwood production
Linda & Michael Larish	5/1/2020	\$11,166	\$11,788	20	Kurtistown, Hawaii	Hardwood production & native forest restoration
Hamakua Hardwoods/Giardina	5/1/2020	\$25,359	\$25,359	17	Papaaloa, Hawaii	Dryland forest restoration Hawaiian forest products
Kainalu Ranch/Dunbar	1/1/2020	\$241,707	\$307,653	141	Kainalu, Molokai	Hardwood production & understory crops
Walter & Kathy Mendes	2/1/2000	\$19,538	\$21,134	18	Hoolehua, Molokai	Acacia koa timber production
Allan Batesole	2/1/2000	\$15,018	\$24,932	7	Anahola, Kauai	Hardwood production
H&G Koa Enterprises, Inc./Hill	6/1/1998	\$33,193	\$39,444	14	Paaui, Hawaii	Hardwood production

Kapaka Road Partnership	3/1/1998	\$41,720	\$54,384	25	Princeville, Kauai	Hardwood production & native forest restoration
Hawaiian Mahogany, Inc.	1/1/1998	\$698,237	\$1,204,183	954	Koloa, Kauai	Acacia koa timber & native forest restoration
Maikai Ranch/Twigg-Smith	7/1/1996	\$7,531	\$8,493	321	Holualoa, Hawaii	Silvopasture/agroforestry
Umikoa Ranch/Matsuura	2/1/1996	\$433,373	\$866,750	850	Kaala, Hawaii	Hardwood production & native forest restoration
Jack Zimmerman	7/1/1995	\$43,203	\$46,170	42	Honokaa, Hawaii	Hardwood production & native forest restoration
Mark Kimball	12/1/1995	\$83,417	\$92,794	156	Holualoa, Hawaii	Native forest restoration & silvopasture
Sam & Tanya Paltin	5/1/1994	\$6,407	\$6,407	12	Wood Valley, Hawaii	Native forest restoration & education trails
Kalopi Reforestation/Hancock	5/1/1994	\$38,020	\$38,020	65	Kawaihae Uka, Hawaii	High-value hardwood production
Rex Provisor	3/1/1994	\$31,185	\$35,615	18	Papa, Hawaii	Hardwood production & native forest restoration
Stephen Oldfather	12/1/1993	\$4,767	\$4,767	15	North Hilo, Hawaii	Hardwood production & native forest restoration
Michael & Kili Matsui	8/1/1993	\$5,935	\$5,923	40	Wood Valley, Hawaii	Watershed restoration & erosion control
Wood Valley Community	7/1/1993	\$21,550	\$21,550	34	Wood Valley, Hawaii	Native forest restoration
Molokai Ranch	7/1/1992	\$75,723	\$75,723	425	Puu Nana, Molokai	Nene habitat restoration
Kaloko Mauka Cloud Forest	1990	\$87,500	\$128,450	95	Kaloko Mauka, Hawaii	Native forest restoration
W.H. Shipman Nene	1990	\$10,000	\$10,000	50	South Hilo, Hawaii	Native forest restoration
<i>* Project terminated at year 4 (2007)</i>		\$4,556,796	\$6,322,599	11,156		