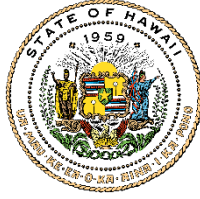
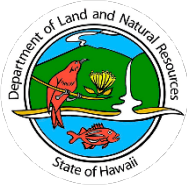


JOSH GREEN, M.D.
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STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

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Testimony of
DAWN N. S. CHANG
Chairperson

Before the House Committee on
WATER & LAND
and
ENERGY & ENVIRONMENTAL PROTECTION

Tuesday, February 6, 2024
9:05 AM
State Capitol, Conference Room 325

In consideration of
HOUSE BILL 1552
RELATING TO THE STATE PARKS SPECIAL FUND

House Bill 1552 (HB1552) proposes to allow the Department of Land and Natural Resources (Department) to expend the moneys from the State Parks Special Fund for programs aimed at environmental protection. **The Department opposes this measure.**

The Division of State Parks (DSP) and its program I.D. - LNR806, is in the State Budget bracket entitled "Culture and Recreation". The program is mandated to: *Enrich the lives of people of all ages by providing and preserving opportunities and facilities for cultural and recreational activities.* DSP's core objective is to implement this overarching mandate for the enjoyment and safety of the public and in doing so manages access and facilities that are in iconic natural and cultural resources and features across the State.

There are other Department programs that do have a key role and mandate to conduct environmental protection, and there are a variety of federal funds available to support their respective program mandates. Across the U.S., state parks are generally expected to partially rely on user fees and concessions to offset operating costs.

Due to a series of budget reductions over decades, the DSP's operating budget was inadequate to provide the needed quality maintenance and management of aging facilities and infrastructure, of which many were constructed in the 1960's and early 1970's. Subsequently, over the years DSP has relied upon capital improvement project (CIP) funding to execute what should have been repair and maintenance

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LAND
STATE PARKS

(R&M) in the operational expenditure plans. From the years 2010 to 2021, the DSP budget only increased by 7 million dollars (from 8 million to 15 million dollars) staying just a little ahead of inflation. Concurrently, public interest in outdoor recreation increased along with Hawai'i's visitor numbers. In 2010 there were 7,083,663 visitors and in 2019, the pre-pandemic high, Hawai'i hosted 10,424,995 visitors. ***DSP features are a key element of visitor industry activity.***

Concurrently, DSP staffing was reduced from approximately 200 in the 1990's to a low of 128 in 2010 – the least amount of park staff in the U.S. State Park System. Thankfully, with legislative support, DSP is now rebuilding its staff base, currently at 155 positions. These factors, combined with the creation of additional State Park units, has resulted in the poor condition of many features and facilities due to overuse, underfunding and understaffing.

To correct this, during the pandemic closure in 2020, DSP initiated a camping, lodging, parking, and entry fee increase. DSP rates are now commensurate with comparable features across the country, even though our facilities are in many cases below the quality of other U.S. state park standards. In 2021, with the robust return of the visitor industry and much needed support from the Legislature converting 48 positions from special funds to general funds, the DSP budget hit the highest amount since the inception of the Hawai'i State Park system: 31 million dollars. Out-of-state visitors generate most of this income, and the messaging is that their fee is being specifically reinvested into the Hawai'i State Park System.

It is the goal of DSP to achieve self-funding for addressing deferred repair and maintenance, initiating value-added park improvements, such as a statewide upgrade of our camping and lodging facilities, and managing operating costs, while sustaining a base budget of general funds for staff salaries and utilities. As a new initiative to address deferred and re-occurring maintenance, the Department is now in the process of establishing a Preferred Contractor Contract (PCC) process that will award and manage a multiple and indefinite quantity of contracts to perform a full range of repair and maintenance projects. The Department is currently in the RFP process to establish a qualified pool of General A &/or B contractors who will then be invited to bid on repair and maintenance projects statewide. Once the pool is selected, project bids are anticipated to begin in or around April or May 2024. The PCC is currently slated for 5 years and will be a significant new method for DSP to address deferred R&M while concurrently establishing an asset management program to calculate future R&M. DSP is planning to pivot future CIP requests to new park unit development or for significant rehabilitation costs of park features. This initiative is dependent on the DSP special fund revenue.

For these reasons, the Department opposes HB1552, that allows for the diversion of this carefully crafted and calculated new income generating capacity to fund projects that are not part of the core program function of the Division of State Parks.

Mahalo for the opportunity to provide testimony opposing this measure.

HB-1552

Submitted on: 1/31/2024 7:18:54 PM

Testimony for WAL on 2/6/2024 9:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Justin Silva	Individual	Oppose	Written Testimony Only

Comments:

Allows the Department of Land and Natural Resources to expend the moneys from the State Parks Special Fund for programs aimed at environmental protection