

DAVID Y. IGE
GOVERNOR OF
HAWAII



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

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
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
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FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Testimony of
SUZANNE D. CASE
Chairperson

Before the House Committee on
WATER & LAND

Thursday, February 3, 2022
9:30 AM
State Capitol, Via Videoconference

In consideration of
HOUSE BILL 1766
RELATING TO STATE PARKS

House Bill 1766 proposes to appropriate funds out of the State Parks Special Fund to raise the expenditure ceiling of the Special Fund. **The Department of Land and Natural Resources (Department) is in strong support of this measure and offers the following comments.**

The purpose of this Act is to increase the Department's Division of State Parks (State Parks) Special Fund (S-312) ceiling to \$12,000,000 by appropriating funds from the special fund to reinvest the revenue derived from out-of-state visitors (and campers, lodgers, concessions and lessness) into the state park system to improve the quality of maintenance, management, and public safety and to be more responsive with repairs and maintenance associated with the impacts of visitation and authorized and illicit uses.

This is the Department's top priority in the supplemental budget.

For decades, State Parks has been struggling financially to deliver quality management and service for a globally patronized park system. In the 1990's the State Parks general fund budget topped out at 8 million dollars and a had a staffing base of almost 200. In the subsequent decades and up to now, general fund appropriation is at approximately 10 million dollars – only a 2 million dollars increase in general funds over 20 years. Since the 1990's, staffing has decreased to a current of 128, new park units have been added or are now patronized beyond management expectations at the inception of the State Parks.

While CIP has been sought and approved for upgrades and new improvements, there is a 42 million dollars backlog in routine repair and maintenance not eligible or subject to CIP. The State Parks fleet is aging, virtually all the vehicles in the fleet are previously owned government surplus vehicle purchased at auction prices. The last new truck was purchased in 2014. Equipment needs to be purchased for optimized maintenance of grounds and facilities. Funding for the 5 county lifeguard contracts has always been a challenge and a variety of funds have been used to cover the current 4.2 million dollars cost.

Revenue was peaking in 2019 (even with the previous fees) due to record tourism visitation. This enabled State Parks to hire a legal fellow to implement a total restructuring of Chapter 13 -146 Hawaii Administrative Rules related to fees. During the pandemic and statewide closures, State Parks initiated a robust parking and entry fee increase for out of state visitors, and a modest but realistic and fair increase in camping and lodging fees with a rate differential for residents and out of state visitors. The rate increase was set in anticipation of an eventual return of tourism, which rebounded sooner than anticipated in early 2021.

After decades of fiscal austerity, State Parks is poised – barring future pandemic disruption for revenue collection – to achieve relative self-sufficiency for variety of statewide system operating costs, contract services and replace vehicles and equipment, improve quality and public safety – while initiating a plan to address the deferred maintenance of facilities.

In 2020 there were 48 special funded positions that were at risk due to the complete disruption of special fund income. These were converted to general funds with a drastic reduction of the spending ceiling. With all positions general funded, the Legislature stabilized State Parks payroll, and the Department prefers to stay with this means of financing for salary costs for the next fiscal year. It is too soon to project, but there is a future fiscal year opportunity to expand the staffing with new income – but this must be tempered with caution and assurance of rollover savings. With economic stability and additional tactical fee increases, State Parks may be able to re-grow staffing prudently. With an approximate balance of 9 million dollars in the State Parks Special Fund (S-312) by the start of the third quarter, the fiscal projection of 12 million dollars is a very tenable target for the ceiling increase.

Thank you for the opportunity to comment on this measure.

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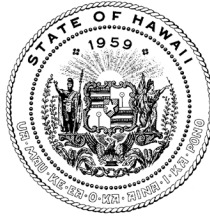
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Thank you for the opportunity to comment on this measure.



IOLANI PALACE

Post Office Box 2259 Honolulu, HI 96804-2259 Telephone (808) 522-0822 FAX (808) 532-1051

**Testimony of
PAULA AKANA
Executive Director**

**Before the House Committee on
Water and Land**

**Thursday, February 3, 2022
9:30 AM**

**In Consideration of
HOUSE BILL 1766**

RE: Testimony in SUPPORT of HB 1766, Relating to State Parks

Aloha Chair Tarnas, Vice Chair Branco and committee members:

I'm Paula Akana, Executive Director of The Friends of Iolani Palace, The State of Hawaii Museum of Monarchy History. Through a long-term lease with the State Department of Land and Natural Resources (Hawaii State Parks), we maintain, preserve and operate Iolani Palace, the Hale Koa Barracks, the Coronation Pavilion and Kanaina (the old Archives building).

I fully support HB1766, which would increase the State Parks special fund ceiling to \$12,000,000. This would allow State Parks to better utilize the funds it has raised through parking and entry fee increases to help the park system statewide. We are a State Monument, similar to Diamond Head. HB 1766 would allow State Parks the ability to not only be able to better care for our state parks, but specifically be able to better assist us with capital improvements and major repairs on the buildings on Palace grounds.

Mahalo for your consideration.

Aloha,
Paula Akana
Executive Director
The Friends of Iolani Palace