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GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

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**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Tuesday, February 15, 2022
10:30 AM**

State Capitol, Conference Room 211 & Videoconference

**In consideration of
SENATE BILL 2767, SENATE DRAFT 1
RELATING TO FISH AGGREGATION DEVICES**

Senate Bill 2767, Senate Draft 1 proposes to provide funds to the Department of Land and Natural Resources (Department) to support the deployment, replacement, and maintenance of fish aggregation devices (FADs). **The Department strongly supports this bill provided that its passage does not replace or adversely impact priorities indicated in the Executive Budget request.**

The Department's Division of Aquatic Resources, in partnership with the Hawaii Institute of Marine Biology, maintains a system of FADs to enhance pelagic fishing opportunities for Hawaii boat-based fishers. As noted in the bill, some fishers rely heavily on FADs to locate targeted pelagic species. A missing FAD can result in less fish for personal or community consumption and increased operational costs as fishers shift to targeting distant FADs or to untargeted open ocean trolling. Therefore, it is highly important that the State maintain funding to sufficiently carry out timely upkeep and replacement of the FADs, thereby minimizing the time off-station and resulting lost fishing opportunities.

An average of about 15 FADs go missing each year. Due to COVID impacts and a recent issue with faulty materials supplied by a vendor, the Department has not been able to keep up with replacing missing FADs. There are currently 23 FADs off station with 9 scheduled for replacement in the near future. A one-time infusion of \$350,000 to replace the 14 remaining off-station FADs and to cover the anticipated need to replace 15 FADs in the coming year (29 total) would bring the FAD program back to full capacity.

Thank you for the opportunity to comment on this measure.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
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FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 2767, S.D. 1

February 15, 2022
10:30 a.m.
Room 211 and Videoconference

RELATING TO FISH AGGREGATION DEVICES

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 2767, S.D. 1, provides one-time funding to the Department of Land and Natural Resources to bring the State's Fish Aggregation Device (FAD) program up to full capacity and appropriates an unspecified amount of general funds for FY 23 to support the FAD program.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



February 14, 2022

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
COMMITTEE ON WAYS AND MEANS

DATE: Tuesday, February 15, 2022
TIME: 10:30AM

Regarding: SB 2767, SD1 RELATING TO FISH AGGREGATION DEVICES.

Strong support with comments

HFACT is a not-for-profit, IRS 501c(5) organization, that advocates for small boat commercial, non-commercial, and recreational fishermen throughout Hawaii. HFACT board members sit on a number of federal fisheries management and endangered species advisory committees as well as state marine and coastal zone advisory committees; and, HFACT is thoroughly familiar with and participates in ocean and marine resource management in Hawaii and the central Pacific.

HFACT supports SB2767 SD1. The first fish aggregating devices (FAD) were deployed on an experimental basis in 1977, and based on these first FADs, the state of Hawaii developed a FAD program in 1980. For the last 42 years, the FAD program has been a success for the marine ecosystem and for fishers throughout the state.

The simple fact that the FAD system has been in place for more than 40 years without damaging the tuna biomass is a testament of the program. The FAD system has been responsible for, literally, tens of millions of meals for local families. Thus the FADs are very important for subsistence fishers. Rather than spending valuable fuel searching for fish, FADs are reliable areas to find fish (catching the fish requires skills, however). FADs are more likely to hold fish, but is it never a certainty – fish move on to other areas and continue their migration.

Species such as aku (skipjack tuna) are often found at or around the FADs. These fish are short-lived, highly reproductively productive fish, with high protein content. The World Wildlife Funds notes that “Skipjack tuna are abundant throughout their range and populations appear healthy.”¹

The bill would provide additional funding that would be a more stable source than currently exists. A portion of the current funding is provided by in-kind services instead of state

¹ <https://www.worldwildlife.org/species/skipjack-tuna>

match in the form of cash. These services are getting harder to use as state match so the infusion of the funding in this bill would compensate for the decline in in-kind services.

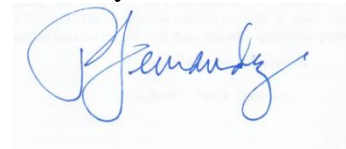
The minimum funding needed would be \$50,000 per year for each of the next two years (\$100,000) but HFACT understands that the final amount will be determined later at the end of session. HFACT respectfully requests that the committee consider if this money should be added to the department budget rather than in this bill to ensure that the funds will become a more long-term commitment to the FAD project. HFACT will leave this to the legislature to decide which option would provide the stable, long-term funding needed.

HFACT support the funds going to DLNR rather than the UH because the federal Dingell-Johnson funds can only go to the state management agency and UH is not a management agency.

Currently, a number of FADs are no longer on station. HFACT understands that the delay in FAD deployment is mostly caused by the lack of qualified vendors to deploy the FAD. The stringent UH vendor qualification criteria limits who qualifies so currently there is only one vendor. While more money helps, it doesn't solve all the problems.

HFACT thanks the chair, vice-chair, and committee members for this opportunity to provide comment and to assist in providing food to the people of Hawaii and to assist in the conservation of Hawaii's natural resources.

Sincerely and Aloha,



Phil Fernandez
President