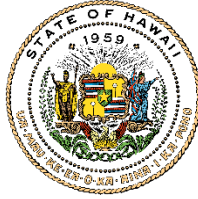
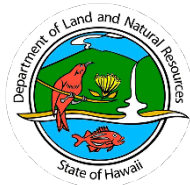


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N. S. CHANG
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KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN N. S. CHANG
Chairperson

Before the Senate Committees on
ENERGY, ECONOMIC DEVELOPMENT AND TOURISM
and
WATER AND LAND

Tuesday, February 14, 2023
1:00 PM

State Capitol Conference Room 229 and Videoconference

In Consideration of
SENATE Bill 580, SENATE DRAFT 1
RELATING TO LAND USE

Senate Bill 580, Senate Draft 1 proposes to transfer the Office of Planning and Sustainable Development (OPSD) from the Department of Business, Economic Development, and Tourism to the Department of Land and Natural Resources (Department). The Department offers the following comments.

Whenever two agencies or two businesses plan a merger, it's always best to see if their missions match. OPSD does not have a mission statement, but states that its purpose is to *(1) provide central direction and cohesion in the allocation of resources and effectuation of state activities and programs, and (2) effectively address current or emerging opportunities*. It thus has a much broader reach than the Department, whose mission is to:

Enhance, protect, conserve and manage Hawai'i's unique and limited natural, cultural and historic resources held in public trust for current and future generations of the people of Hawaii nei, and its visitors, in partnership with others from the public and private sectors.

Given the difference in mission statements, it is not clear how either program advances its mission through this merger. A merger may put OPSD in a conflict of interest as its planning actually provides direction for the Department.

The merging of state departments raises many logistical and practical questions, which if not answered up front could make the transfer very, very slow, leaving departments in a kind of limbo for years. The Department poses our list of questions:

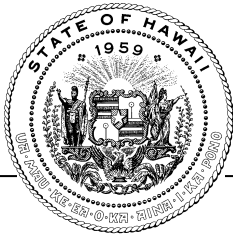
Will a new LNR program ID number be assigned to OPSD upon transfer, to allow easy tracking by the Department's Administrative Services Office? The Department's budget request for Fiscal Year 24-25 requested unique LNR program ID numbers for the three attached agencies the Department currently houses.

Will this transfer trigger a union negotiation?

The Department would also like to address its concern that the amount of time that this transfer will take will distract the Department from many important and mission critical functions. The Department's Human Resources Office would take the lead for the Department on effecting the transfer. They are already down several positions making it difficult for the Department to fill our vacancies, which is a priority for the Department.

While many of the issues raised may be adequately addressed with additional funding and positions, the Department's primary concern is the inherent conflict of interest in having the State Planning Office, including the Land Use Commission, processing environmental documents and district boundary amendments filed by the Department.

Mahalo for the opportunity to offer comments on this bill.



**STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.
GOVERNOR

SCOTT J. GLENN
DIRECTOR

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Statement of
SCOTT GLENN, Director
before the
**SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
SENATE COMMITTEE ON WATER AND LAND**

Tuesday, February 14, 2023, 1:00 PM
State Capitol, Conference Room 229

in consideration of
SB 580 SD1
RELATING TO LAND USE.

Chair DeCoite and Chair Inouye, Vice Chair Wakai and Vice Chair Elefante, and Members of the Senate Committees on Energy, Economic Development, and Tourism, and Water and Land:

The Office of Planning and Sustainable Development (OPSD) offers **comments** on SB 580 SD1, which transfers the OPSD from the Department of Business, Economic Development, and Tourism (DBEDT) to the Department of Land and Natural Resources (DLNR) by amending §171-3, Hawaii Revised Statutes (HRS), to give DLNR jurisdiction over Chapter 225M, State Planning, and Chapter 226, Hawaii State Planning Act, HRS; amending Chapter 201 to delete jurisdiction over state planning; and amending Chapter 225M to replace the Director of DBEDT with the Chairperson of the Board of Land and Natural Resources.

The Legislature has assigned OPSD a broad array of planning responsibilities since its creation in 1987 from programs that originated in the Department of Planning and Economic Development (DPED), the predecessor to DBEDT. These programs were synthesized into the Office of State Planning and placed in the Office of the Governor in recognition of its statewide, multijurisdictional policy and planning role. In 1996, as a result of [AG Opinion 96-01](#), the OPSD was moved from the Office of the Governor to be administratively attached to DBEDT. The OPSD provides information, analysis, and policy recommendations to both the Legislature and the Executive Branches as expressed in §225M-1, HRS (in relevant part):

“§225M-1 Purpose. [...T]o assist the governor; the director of business, economic development, and tourism; the legislature; and state and county agencies in maintaining an overall framework to guide the development of the State through a continuous process of comprehensive, long-range, and strategic planning to meet the physical, economic, and social needs of Hawaii's people, and provide for the wise use of Hawaii's resources in a coordinated, efficient, and economical manner, including the conservation of those natural, environmental, recreational, scenic, historic, and other limited and irreplaceable resources which are required for future generations.”

The Office's tasks change as new challenges arise that would benefit from facilitation of coordinated and cooperative planning and policy development among state agencies, and between state, county, and federal governments, whether OPSD is attached to DBEDT or DLNR.

Concerns have been expressed that OPSD is not exclusively an economic development agency, a conservation agency, or a land management agency, although protection of natural and cultural resources is one of the priority objectives and goals of the Hawaii State Plan that OPSD supports. Another priority is promoting a sustainable vibrant economy. OPSD is the lead agency for updating the Comprehensive Economic Development Strategy, a five-year plan mandated by Congress that is required for state, county, and non-profit agencies to apply for Economic Development Administration grant funds.

Concerns have also been expressed that the Land Use Commission, which is attached to the Office for administrative purposes, was created to allocate the lands into the four districts for the uses to which those lands are best suited, including development, where appropriate. Placement in DLNR may create the appearance of conflict between the statutory mandates of the DLNR and the LUC.

OPSD notes that the Coastal Zone Management (CZM) program is a federal, state, and county partnership program funded primarily by the National Oceanic and Atmospheric Administration (NOAA). The OPSD recommends consultation and coordination with NOAA prior to enactment of this bill. NOAA has gone on record in written communications that the State CZM program stands to lose its federal funding should the CZM program be transferred without Federal prior approval. If the CZM funding is lost, ten positions in OPSD and all four counties will not have funding to administer Chapter 205A, HRS, unless the State replaces the federal funds with state general funds.

Thank you for the opportunity to testify on this measure.

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
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TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

**BEFORE THE SENATE COMMITTEES ON WATER AND LAND, AND ENERGY,
ECONOMIC DEVELOPMENT AND TOURISM**

TUESDAY, FEBRUARY 14, 2023
ROOM 229
1:00 P.M.

HOUSE BILL NO. 580, SD 1
RELATING TO LAND USE

Chairs Inouye and DeCoite and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill No. 580, SD 1 that proposes to transfer the Office of Planning and Sustainable Development (OPSD) (Chapter 225M) and the jurisdiction over the Hawaii State Planning Act (Chapter 226) from the Department of Business, Economic Development, and Tourism (Section 201-2) to the Department of Land and Natural Resources (DLNR) (Section 171-3). The Department of Agriculture has concerns.

The measure does not explain why the proposed transfer of this important function is necessary or desirable.

OPSD frequently partners with DOA on issues of substantial importance to agriculture in Hawaii. These issues include statewide land resource protection, land use planning and zoning, and economic development and promotion. OPSD has undertaken statewide planning and zoning activities that directly affect agricultural activities and production such as the Act 278 study of subdivision and condominiumization on agricultural lands on Oahu ("Act 278 Study of Subdivision and CPR on Agricultural Lands on Oahu"; Report to the 2021 Legislature).

The Department's concern is that both departments maintain the current working relationship in meeting the State's constitutional and statutory mandates and goals to



Page 2

increase food self-sufficiency and conserving, protecting, and promoting the use of our important agricultural lands.

Thank you for the opportunity to provide our testimony on this important measure.



LAND USE COMMISSION

Komikina Ho'ohana 'Āina

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
Ka 'Oihana Ho'omōhala Pā'oihana, 'Imi Wai wai a Ho'omāka'ika'i

JOSH GREEN, MD
GOVERNOR

DANIEL ORODENKER
EXECUTIVE OFFICER

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February 13, 2023

Statement of
Daniel E. Orodenker
Executive Officer
State Land Use Commission

Before the
Senate Committees on
Energy, Economic Development, and Tourism
and
Water and Land

Tuesday February 14, 2023
1:00 PM
State Capitol, Room 229

In consideration of
SB 580 SD1
RELATING TO THE LAND USE COMMISSION

Chairs DeCoite and Inouye; Vice Chairs Wakai and Elefante; and members of the Senate Committee on Energy, Economic Development, and Tourism, and Committee on Water and Land:

The Land Use Commission (“LUC or Commission”) provides the following comments on SB 580 SD1. The measure would transfer the Office of Planning and Sustainable Development (“OPSD”) from the Department of Business, Economic Development, and Tourism (“DBEDT”) to the Department of Land and Natural Resources (“DLNR”). This would change the jurisdiction over state planning under OPSD and its attached agencies, which includes the LUC and the Environmental Review Program, to DLNR and its Board of Land and Natural Resources (“BLNR”).

The LUC has policy autonomy by statute for all matters that come before the Commission from both OPSD and DBEDT. This policy autonomy for the LUC was a decision of the Legislature in Act 53, (SLH 2021) to ensure that the commissioners, who are confirmed by the State Senate, have the ability to make decisions based on HRS 205 and the LUC’s administrative rules, other State statutes and Supreme Court decisions. This measure may result in a dilution of the LUC’s autonomy.

Further, this measure could create an unintended functional problem. With regard to land use decisions, the BLNR and the LUC are co-equal; and, in certain circumstances, the LUC actually has authority over the BLNR. This measure could disrupt that structure and result in a dysfunctional situation that would make final authority for certain situations muddled and unclear.

Thank you for the opportunity to testify on this matter.



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Winston Welch
Executive Director

Jacqueline Wah
Operations Director

Myles Ritchie
Programs Director

Helping to keep Hawai'i
clean, green, beautiful,
livable and sustainable
since 1912

February 13, 2023

RE: Testimony in SUPPORT FOR SB 580 SD1 Relating to Land Use

Dear Senate Committee Members,

The Outdoor Circle has advocated for beautiful and scenic roads and landscapes for over 110 years, and has backed up that advocacy with projects throughout the state that have resulted in many beautiful and treed roadways, parks, schools, military bases and much more.

We support the SB 580 SD1 Relating to Land Use bill as a rational idea to move the administration of the Office of Planning and Sustainable Development to DLNR from DBET.

Thank you for this opportunity to testify,

Winston Welch
Executive Director