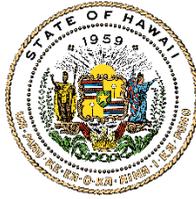


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



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

P.O. BOX 621
HONOLULU, HAWAII 96809

Testimony of
DAWN N. S. CHANG
Chairperson

Before the Senate Committee on
WAYS AND MEANS

Wednesday, February 19, 2025
10:02 AM
State Capitol, Conference Room 211

In consideration of
SENATE BILL 411, SENATE DRAFT 1
RELATING TO CAPITAL IMPROVEMENT PROJECTS AT STATE SMALL BOAT
HARBORS AND STATE PARKS

Senate Bill 411, Senate Draft 1 proposes to allow the Department of Land and Natural Resources (Department) to engage in capital improvement project work at state small boat harbors and state parks without prior approval from the Legislature and Governor for existing facilities. **The Department of Land and Natural Resources (Department) supports this measure.**

The Department makes its best efforts to proactively address deferred maintenance needs at small boat harbors and state parks, but much of the work must be completed through the capital improvement project (CIP) budget, which is determined by the Legislature, then needs to be released by the Governor. While the Department already has the authority to complete some types of infrastructure work without the need for CIP funding or approval, construction and some types of larger repair work must follow the CIP process. In many instances, these CIP needs arise when the Legislature is not in session, so the Department would need to wait for the next upcoming Legislative Session so that a CIP request can be made.

While the Department acknowledges that facilities may need improvements, it is wholly inaccurate to attribute the condition of facilities to a lack of action or motivation by the Department. The Department regularly submits CIP requests totaling tens of millions of dollars to the Legislature each year but usually receives much less than the requested amounts in the Legislature's final CIP budget each year. Despite this severe CIP underfunding, the Department has been able to keep all of its small boat harbors and state parks operational and open to the public.

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

CIARA W.K. KAHAHANE
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
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

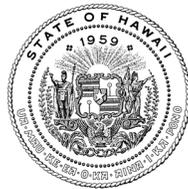
The Department's Division of Boating and Ocean Recreation (DOBOR) manages 16 small boat harbors and ramps statewide, and the Department's Division of State Parks (DSP) manages the State's 51 state parks, encompassing roughly 30,000 acres.

DOBOR's operations are almost entirely funded by the Boating Special Fund (BSF), which derives its revenues (roughly \$30 million annually) from user fees. In Fiscal Year 2024-2025, DOBOR spent a total of \$18 million of the BSF (about 60% of available funds) on various infrastructure projects statewide. However, for perspective, DOBOR's latest estimated deferred CIP balance is roughly \$1 billion. This estimate was recently increased due to a number of factors, including inflation and increased costs of supplies & labor. One recent example of how the CIP process has hindered a DOBOR project was in the Wailoa dredging project on Hawai'i Island, where the Legislature appropriated \$3.1 million in CIP funds, but the lowest bid on the project was \$4.8 million. Rather than waiting for the next budgeting cycle to request the additional funding, DOBOR proactively worked to supplement the CIP funding with \$1.7 million of its operational funds, which required additional time because the supplemental funding needed to follow CIP processes, during which time additional sediment accumulated and further blocked users' access to ocean waters.

DSP's operations are funded with a combination of general funds and the State Parks Special Fund, with an annual budget of about \$45 million. Due to a series of budget reductions over decades, DSP's operating budget was historically inadequate to provide the needed quality maintenance and management of aging facilities and infrastructure, many of which were constructed in the 1960s and early 1970s. Subsequently, DSP has needed to rely upon CIP funding to execute what should have been routine repair and maintenance. DSP also previously saw position reductions, which combined with the creation of additional State Park units, resulted in the degradation of many features and facilities due to overuse, underfunding, and understaffing. The Legislature recognized DSP's need for additional staffing and has gradually been increasing DSP's position count, which stands at 155 today. In 2020, DSP initiated a camping, lodging, parking, and entry fee increase, and in 2021, DSP's revenues hit the highest amount since the inception of the Hawai'i State Park system: \$31 million. DSP continues to see healthy revenues at its parks, and it is DSP's goal to achieve self-funding for deferred repair and maintenance, initiating value-added park improvements, such as a statewide upgrade of camping and lodging facilities, and managing operating costs, while sustaining its base budget of general funds for staff salaries and overhead.

Without significant changes in the approach to addressing infrastructure needs, the Department anticipates a constant maintenance backlog. This measure would therefore allow DOBOR and DSP to respond to CIP needs in a faster and more efficient way, and the Department will continue to follow proper procurement methods when issuing contracts for CIP work.

Mahalo for the opportunity to testify on this measure.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 411, S.D. 1

**February 19, 2025
10:02 a.m.
Room 211 and Videoconference**

RELATING TO CAPITAL IMPROVEMENT PROJECTS AT STATE SMALL BOAT
HARBORS AND STATE PARKS

The Department of Budget and Finance (B&F) opposes this bill.

Senate Bill (S.B.) No. 411, S.D. 1, proposes to allow the Department of Land and Natural Resources to undertake capital improvement projects for State small boat harbors and State parks without authorization by the Legislature and the Governor.

It is important to point out that Article VII, Section 5, of the Hawai'i Constitution expressly states that "[n]o public money shall be expended except pursuant to appropriations made by law." This means that expenditures for capital improvement projects need to be authorized by the Legislature. Section 5 also states that "[p]rovision for the control of the rate of expenditures of appropriated state moneys . . . shall be made by law." Chapter 37, HRS, Budget, provides the statutory structure and processes for expenditure of public moneys that have been authorized by the Legislature. These processes involve allotment control and approval by the Governor. Consequently, B&F strongly opposes S.B. No. 411, S.D. 1.

Thank you for your consideration of our comments.



THE SENATE
KA 'AHA KENEKOA

THE THIRTY-THIRD LEGISLATURE
REGULAR SESSION OF 2025

COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

NOTICE OF DECISION MAKING

DATE: Wednesday, February 19, 2025
TIME: 10:02 AM
PLACE: Conference Room 211 & Videoconference
State Capitol
415 South Beretania Street
TIMESLOT: WAM

**TESTIMONY OF THE OCEAN TOURISM COALITION IN SUPPORT OF SB411
SD1.**

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee on Ways and Means:

My name is Denver Coon. I am the president of the Ocean Tourism Coalition (“OTC”). OTC represents hundreds of locally owned ocean tourism businesses statewide, many being family businesses. I am submitting testimony in strong support of SB411 SD1, which seeks to streamline the ability of the Department of Land and Natural Resources (DLNR) to conduct critical repairs, renovations, and replacements at state small boat harbors without requiring prior legislative or gubernatorial approval.

Hawaii’s small boat harbors play an essential role in supporting ocean tourism, recreational access, commercial maritime activities, and cultural preservation. Unfortunately, many of these facilities suffer from severe neglect, deferred maintenance, and prolonged permitting delays that hinder their ability to serve both residents and visitors. The current legislative approval process for capital improvement projects often delays necessary repairs, leading to worsening conditions, increased repair costs, and potential safety hazards.

This bill addresses these inefficiencies by allowing DLNR to undertake necessary repairs, renovations, and replacements without unnecessary bureaucratic delays, while maintaining accountability through legislative notification and annual reporting requirements. Importantly, S.B. 411 does not authorize new construction, ensuring that funds are focused on maintaining and restoring existing infrastructure.

Key Reasons to Support SB411:

1. Expedited Repairs and Maintenance – By allowing DLNR to proceed with critical projects without legislative approval, the State can improve harbor and park conditions faster and more efficiently.
2. Enhanced Safety and Accessibility – Many small boat harbors and state park facilities are in urgent need of repairs to prevent accidents, improve accessibility, and enhance user experience.
3. Financial Responsibility – Deferred maintenance leads to higher costs in the long run. By enabling timely action, SB411 reduces future liabilities and ensures more cost-effective resource management.
4. Transparency and Oversight – The bill maintains legislative oversight through pre-expenditure notifications and annual reporting requirements, ensuring public accountability while reducing unnecessary red tape.

As a strong advocate for responsible ocean resource management and as someone who understands the critical role small boat harbors play in supporting local businesses, cultural practices, and ocean recreation, I believe SB411 is a practical and necessary step toward maintaining our maritime and recreational infrastructure.

I urge the committee to pass SB411 to ensure that our state harbors receive the attention they need without avoidable delays.

Sincerely,



Denver S. Coon
President, Ocean Tourism Coalition

SB-411-SD-1

Submitted on: 2/17/2025 12:18:31 PM

Testimony for WAM on 2/19/2025 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
Zachary LaPrade	Testifying for Calypso Charters	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Members of the Committee:

My name is **Zachary LaPrade**, and I am testifying on behalf of **Calypso Charters**, a company dedicated to responsible boating operations in Hawai‘i.

I write in **strong support of S.B. 411**, which would grant the **Department of Land and Natural Resources (DLNR), including the Division of Boating and Ocean Recreation (DOBOR) and the Division of State Parks**, the authority to carry out **critical repairs, renovations, and replacements at small boat harbors and state parks without requiring prior legislative or gubernatorial approval.**

The Urgent Need for Flexibility in Harbor Maintenance

Hawai‘i’s **small boat harbors are in a persistent state of disrepair**. As a business that depends on state harbors, I see the **deteriorating infrastructure** firsthand:

- **Broken cleats remain unrepaired for months**, creating safety hazards.
- **Docks in disrepair** make it dangerous for operators, visitors, and recreational boaters.
- **Routine maintenance is delayed due to excessive bureaucracy**, worsening the problem over time.

Right now, even the **simplest fixes**—like replacing a broken dock or repairing safety-critical infrastructure—are **bogged down by excessive red tape**. By the time approval is granted, the damage has often worsened, increasing costs and risk.

A Balanced Approach: Flexibility with Oversight

S.B. 411 does **not** authorize unchecked spending or new construction. Instead, it provides:

✓ **Flexibility for DOBOR and the Division of State Parks** to act **proactively** on necessary repairs.

✓ **Limits to ensure funds are spent only on critical repairs, renovations, and replacements.**

✓ **Transparency & Accountability** through:

- **Legislative notification 14 business days before expenditures.**

- **Annual reporting** on projects, costs, and justifications.

This **streamlined process** will enable **safer, more functional harbors and parks** while maintaining **legislative oversight**.

Conclusion

Hawai'i's boat harbors **support local businesses, recreational users, and tourism**, but **neglect and bureaucratic inefficiencies** have left them **unsafe and deteriorating**. The **passage of S.B. 411 is critical** to ensuring **our state's marine infrastructure is properly maintained** in a timely and efficient manner.

On behalf of **Calypso Charters and the broader boating community**, I **urge the Committees to pass S.B. 411** and support the ongoing safety, usability, and economic importance of Hawai'i's small boat harbors.

Mahalo for the opportunity to testify.

Respectfully submitted,
Zachary LaPrade
Calypso Charters

SB-411-SD-1

Submitted on: 2/16/2025 10:34:48 PM

Testimony for WAM on 2/19/2025 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
Ruth Love	Individual	Support	Written Testimony Only

Comments:

I feel that 3 bids should be obtained for any repairs. Any work can not be contracted to a relative of the persons asking for bids.

I also want to say as a resident of Puna whose only boat ramp has been partially covered by lava since 2018. This has been an extreme hardship on our fishermen. Hopefully, with dredging and repairs allowed annually no one else will have to have the experience Puna has suffered for 7 years of hearing about nothing but delays in getting our boat ramp up and running again.

Thank you

Mrs Ruth Love