



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
P.O. BOX 150
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON GOVERNMENT OPERATIONS
AND WATER AND LAND
ON
SENATE BILL NO. 411

February 11, 2025
3:05 p.m.
Room 225 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.

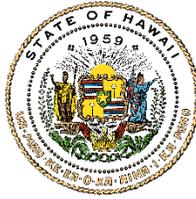
Senate Bill (S.B.) No. 411 proposes to allow the Department of Land and Natural Resources to undertake capital improvement projects for State small boat harbors and State parks without authorization by the Legislature and Governor.

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.

Thank you for your consideration of our comments.

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

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
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 Committees on
GOVERNMENT OPERATIONS
and
WATER AND LAND

Tuesday, February 11, 2025
3:05 PM
State Capitol, Conference Room 225

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

Senate Bill 411 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

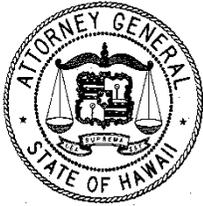
The Department's Division of Boating and Ocean Recreation (DOBOR) manages 16 small boat harbors and ramps statewide, and the Department's Division of State Parks (DSP) manages the State's 51 state parks, encompassing roughly 30,000 acres.

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.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

S.B. NO. 411, RELATING TO CAPITAL IMPROVEMENT PROJECTS AT STATE SMALL BOAT HARBORS AND STATE PARKS.

BEFORE THE:

SENATE COMMITTEES ON GOVERNMENT OPERATIONS AND ON WATER AND LAND

DATE: Tuesday, February 11, 2025 **TIME:** 3:05 P.M.

LOCATION: State Capitol, Conference Room 225

TESTIFIER(S): Anne E. Lopez, Attorney General or
John E. Dubiel, Deputy Attorney General

Chairs McKelvey and Inouye and Members of the Committees:

The Department of the Attorney General (Department) provides the following comments.

This bill seeks to: (1) provide the Division of Boating and Ocean Recreation and the Division of State Parks of the Department of Land and Natural Resources the flexibility to undertake necessary repairs and renovations without delay associated with legislative approvals; (2) limit the scope of expenditures to critical repairs, renovations, and replacements while excluding new construction; (3) establish a notification protocol to ensure that the Legislature is informed of expenditures before they occur; and (4) establish annual reporting requirements to the Legislature to ensure transparency and accountability.

Section 2 of the bill creates an exception to the general statutory requirement in section 103-7, Hawaii Revised Statutes, that "[a]ll capital improvement projects requiring the use of general funds, special funds, general obligation funds, and revenues of the State . . . shall require authorization by the legislature and the governor," by amending section 103-7 to add a new subsection (b) on page 2, line 13, to page 3, line 3, to expressly except "[c]apital improvement projects for state small boat harbors and state parks for the repair, renovation, or replacement of existing facilities" However, the bill as written does not provide for funding by appropriating money or stating the source

of funding for the capital improvement projects for state small boat harbors and state parks.

Article VII, section 5, of the Hawai'i Constitution provides, "No public money shall be expended except pursuant to appropriations made by law." As written, this bill appears to be subject to challenge as being in violation of the appropriation requirement stated by this section of the Hawai'i Constitution, because it directs the Department of Land and Natural Resources to spend money without an appropriation by the Legislature.

To avoid a challenge to the constitutional validity of this bill and to provide funds to be used for the needed critical repairs, renovations, and replacements in state small boat harbors and state parks, we recommend amending the bill to add a source of funding. The provision could read as follows:

SECTION []. There is appropriated out of the _____ fund the sum of \$_____ or so much thereof as may be necessary for fiscal year 2025-2026 and the same sum or so much thereof as may be necessary for fiscal year 2026-2027 to conduct capital improvement projects for critical repairs, renovations, and replacements in state small boat harbors and state parks.

Thank you for the opportunity to provide comments on this bill.



February 7, 2025

COMMITTEE OF WATER LAND

Senator Lorraine Inouye, Chair, Senator Brandon Elefante, Vice-Chair

COMMITTEE ONGOVERNMENT OPERATIONS

Senator Angus L.K. McKelvey, Chair, Senator Mike Gabbard, Vice=Chair

Date: February 11, 2025

Time: 3:05 pm

Regarding SB 411, Relating to Capitol Improvement Projects at State Small Boat Harbors and State Parks.

SUPPORT

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.

I will comment only on the improvements at Small Boat Harbors, as HFACT is a Fishing Organization. The Small Boat Fishing Community has been extremely frustrated as well as severely compromised by the neglected Small Boat Harbors. Some of these neglects have even become safety concerns and others have caused costly damage to vessels. Other cases have restricted access and prevented navigation to and from the boat ramps and marinas. Fishermen have literally passed away before getting a chance to take their boat out again, due to the extensive time waiting for dredging to open up the ingress and egress for boats to navigate to and from the marina. Time is of the essence, and due to the rigorous and onerous bidding and permitting processes, these projects often times, take years to be completed. Imagine a road closure that prevents one from access to and from your home, and the project will take years to complete.

Adding Legislative and the Governor's approval to this process adds even more time and potentially delaying the project substantially. We must all work together to expediate these efforts and we urge you to support this bill.

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.

Hawai'i Fishermen's Alliance for Conservation and Tradition, Inc.
2015 Leiloke Drive, Honolulu, HI.96822

Sincerely and Aloha,

A handwritten signature in black ink, appearing to read "Edwin Watamura". The signature is fluid and cursive, with the first name being more prominent.

Edwin Watamura
Executive Director.
watafishing @ gmail.com



COMMITTEE ON GOVERNMENT OPERATIONS

Senator Angus L.K. McKelvey, Chair
Senator Mike Gabbard, Vice Chair

COMMITTEE ON WATER AND LAND

Senator Lorraine R. Inouye, Chair
Senator Brandon J.C. Elefante, Vice Chair

NOTICE OF HEARING

DATE: Tuesday, February 11, 2025
TIME: 3:05 PM

TESTIMONY OF THE OCEAN TOURISM COALITION IN STRONG SUPPORT OF SB411.

Dear Chairs, Vice Chairs, and Members of the Committees on Government Operations and Water and Land:

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, 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,

A handwritten signature in black ink, appearing to read 'Denver S. Coon', with a horizontal line underneath it.

Denver S. Coon
President, Ocean Tourism Coalition

SB-411

Submitted on: 2/8/2025 7:20:54 AM

Testimony for GVO on 2/11/2025 3:05:00 PM

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

Comments:

**TESTIMONY OF ZACHARY LAPRADE
ON BEHALF OF CALYPSO CHARTERS
IN SUPPORT OF S.B. 411
BEFORE THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS (GVO)
AND WATER AND LAND (WTL)
February 11, 2025**

Aloha Chair McKelvey, Chair Inouye, Vice Chairs Gabbard and Elefante, and Members of the Committees,

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

Submitted on: 2/7/2025 8:59:33 PM

Testimony for GVO on 2/11/2025 3:05:00 PM

Submitted By	Organization	Testifier Position	Testify
William K. Chang	Individual	Support	Written Testimony Only

Comments:

I support SB411

SB-411

Submitted on: 2/10/2025 2:01:36 PM

Testimony for GVO on 2/11/2025 3:05:00 PM

Submitted By	Organization	Testifier Position	Testify
Kim Falinski	Individual	Support	Written Testimony Only

Comments:

Our small boat harbors are the front lines during emergencies to getting supplies to remote parts of our islands. They need lots of improvements so we can be resilient.

I support DLNR being able to move forward on projects.

Aloha,

Kim

LATE

SB-411

Submitted on: 2/11/2025 9:45:46 AM

Testimony for GVO on 2/11/2025 3:05:00 PM

Submitted By	Organization	Testifier Position	Testify
Antoinette M Davis	Testifying for Activities & Attractions Association of Hawaii, Inc.	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and members of the Committee Members,

My name is Antoinette Davis. It has been my honor to represent the Activities and Attractions Association of Hawaii (A3H), a not-for-profit 501c6 trade organization, as its executive director since 1997 (28 years). We support SB411, in hopes that our very neglected harbors will be brought up to an higher level.

Mahalo,

Toni

LATE

SB-411

Submitted on: 2/10/2025 6:11:59 PM

Testimony for GVO on 2/11/2025 3:05:00 PM

Submitted By	Organization	Testifier Position	Testify
Ali Grimes	Individual	Support	Written Testimony Only

Comments:

Yes, please. As a Lahaina family who loast our home and boat in the fire, we truly support this bill! Lahaina Harbor had condemned slips pre-fire, docks falling into the water and a channel that desperately needed dredging after a huge swell. Allow DLNR to do their jobs and maintain the harbors! Mahalo

LATE

SB-411

Submitted on: 2/10/2025 6:13:02 PM

Testimony for GVO on 2/11/2025 3:05:00 PM

Submitted By	Organization	Testifier Position	Testify
Keahi Ho	Individual	Support	Written Testimony Only

Comments:

Yes, please. As a Lahaina family who loast our home and boat in the fire, we truly support this bill! Lahaina Harbor had condemned slips pre-fire, docks falling into the water and a channel that desperately needed dredging after a huge swell. Allow DLNR to do their jobs and maintain the harbors! Mahalo

LATE

SB-411

Submitted on: 2/10/2025 3:37:56 PM

Testimony for GVO on 2/11/2025 3:05:00 PM

Submitted By	Organization	Testifier Position	Testify
Kate Thompson	Individual	Support	Written Testimony Only

Comments:

Dear Senators, GVO Chair McKelvey, Vice-Chair Gabbard, and GVO members, as well as Senators WTL members and WAM:

Mahalo for your support of recreational small boat harbors and state parks. I'm in support of capital improvement projects at these facilities, and resisting efforts to 'public-private partnerships' that often mean a long-term loss of free public access, especially at ocean access properties.

I'm wondering is the funds will come from the Boating Special Funds or G-funds?

I am a harbor user, with a sailboat moored at the Ala Wai Small Boat Harbor for more than 25 years.

1) Limit the spending in Harbors to 1 million dollars per year at the Ala Wai Small Boat Harbor from the Boating Special Fund. Limit the capital investments to 600,000.00 at the other small boat harbors in the state, from the Boating Special Fund.

2) The Board of Land and Natural Resources meetings are quite full and Board members, are assigned by the Governor (but not elected by the people) serve as volunteers. The burden of making of detailed contracts, that are public protecting, might be more than the Board can do on their own, given the time needed to make 'good detailed contracts'.

3) Please consider this amendment. If this measure goes forward, and the Board (BLNR) is assigned this responsibility, I would ask that the DLNR Chair, when in the role of BLNR Chair, at the BLNR meetings become an ex-officio non-voting member. The DLNR Chair would only vote on BLNR agenda items in the case of a tie vote among the BLNR members. This is due to the role of DLNR Chair is already the supervisor of the Divisions under DLNR, leads the BLNR meetings, and sets the agenda, and therefore it would be good to 'separate' the Chair from for the voting process (unless there is tie vote among members).

Thank you reading my testimony, and considering these suggestions.

Mahalo,

Kate Thompson

808-383-3334