

TESTIMONY
SB 1318



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
ABBEY SETH MAYER
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Department of Business, Economic Development, and Tourism
before the
**SENATE COMMITTEE ON WATER, LAND, AGRICULTURE
AND HAWAIIAN AFFAIRS**
Wednesday, February 11, 2009
2:45 PM
State Capitol, Conference Room 229

in consideration of
SB 1318
RELATING TO PLANNING AND ECONOMIC DEVELOPMENT.

Chair Hee, Vice Chair Tokuda, and Members of the Senate Committee on Water, Land, Agriculture, and Hawaiian Affairs.

The Office of Planning (OP) strongly opposes this bill.

SB 1318 repeals Chapters 205A, relating to Coastal Zone Management, and 225M, relating to State Planning, and transfers the authority and functions of the Office of Planning to the Department of Business, Economic Development, and Tourism. All officers and employees whose functions are transferred shall be transferred with their functions and shall continue to perform their regular duties upon their transfer subject to state personnel laws. The bill does not repeal two other statutes which set forth functions for the Office of Planning i.e. Chapter 226, HRS, Hawaii State Plan and Chapter 205, HRS, State Land Use Law.

Our reasons for opposing this bill are as follows:

- 1) Under the proposed bill, OP would not be an administratively attached agency. OP's mission requires it to balance physical, economic and social needs. Specifically, OP is to conduct planning to meet the physical, economic, and social needs of Hawaii's people, and provide for the wise use of Hawaii's resources, including the conservation of natural, environmental, recreational, scenic, historic and other limited and irreplaceable resources which are required for future generations. The Department of Business, Economic Development & Tourism's (DBEDT) mission is primarily focused

on economic development, i.e. DBEDT's Mission in the short term is to monitor and strengthen Hawaii's economy and business sectors and, in the medium- to long-term, to transition Hawaii to a world-competitive economy based on human capital and the capacity to innovate. By statute, administratively attached agencies are attached for administrative purposes only. As an administratively attached agency, OP is better able to carry out its mission of balancing physical, economic and social needs in its planning activities.

- 2) The Office of Planning's divisions operate as a cohesive, interdependent unit. Under the bill, while OP's functions may continue within DBEDT, these functions and programs may not be retained as a single organizational unit, thus diminishing the strength and effectiveness of the statewide planning program.
- 3) OP's Geographic Information System Program's statutory mandate is in Chapter 225M, HRS, and not in any other chapter and the sections which authorize the program to charge fees and establish the GIS Special Fund would be repealed. The program sought these revenue generating options to augment general funds so that its data, equipment and software do not become obsolete.
- 4) There are discrepancies in the provisions of the bill. The bill repeals Chapter 205A, HRS, Coastal Zone Management, but also transfers all functions of OP and transfers all officers and employees with their functions to DBEDT. Would CZM Program employees be transferred to DBEDT as CZM staff even though the CZM Program is repealed?
- 5) Repeal of Chapter 205A would mean repeal of the framework for Coastal Zone Management Program including the state statutory basis for Special Management Area permits and Shoreline Setback Variances. The CZM Program undertakes many important projects including but not limited to ocean resources management planning, coastal hazards planning and mitigation, coastal nonpoint source pollution, special management area permit system administration and coordination, Federal consistency reviews, and support for the Marine and Coastal Zone Advocacy Council.
- 6) Repeal of Chapter 205A would result in loss of federal dollars for ocean and shoreline protection at both the state and county level at a time when the challenges of global warming and sea level rise require a coordinated effort by the State and all four counties. The Office of Planning is the designated coordinator for the federal coastal zone management program, primarily funded by NOAA. The federal CZM program requires coastal states receiving federal CZM funding to designate a lead agency with the statutory authority (Ch. 205A) to carry out the overarching coordination tasks. Repeal of Ch.

205A would result in Hawaii not being eligible to participate in the federal CZM program. The State receives approximately \$2 million in Federal funds annually through the Coastal Zone Management Program.

- 7) Chapter 205A, HRS, is the umbrella statute for managing the coastal zone. In numerous cases it is the enabling statute for statewide compliance with the Coastal Zone Management objectives and policies by state and county agencies, including the Department of Land and Natural Resources, Department of Health, Department of Transportation, Department of Agriculture, Department of Defense, Office of Environmental Quality control, the Hawaii Community Development Authority, and county and political administrative agencies involved in activities relating to any of the CZM objectives and policies throughout the State.

In conclusion, statewide planning would be weakened by the repeal of Ch. 225M and Ch. 205A, HRS. With global economic, environmental and social challenges facing Hawaii, loss of a comprehensive planning agency could result in piecemeal measures that don't address these multi-faceted problems.

Thank you for the opportunity to provide testimony on this bill. If there are questions, I would be happy to respond.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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The Department of Business, Economic Development and Tourism respectfully opposes SB 1318, which would repeal HRS Chapter 205A, Coastal Zone Management and HRS Chapter 225M State Planning/Office of State Planning, and transfer personnel and assets to DBEDT.

Testimony by the Office of Planning points out that there are many flaws in the mandates of this bill that will leave the state's planning function and planning staff in a state of extreme uncertainty and jeopardize the management of important Federal programs and receipt of Federal Funds. While there is merit in periodically reviewing the organizational arrangements of state programs, this bill would eliminate important state planning functions for no apparent reason. To the contrary, the department believes that these planning statutes are important to the state and that the current organizational arrangements are working well and in the best interest of the State.

Thank you for the opportunity to offer these comments.

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