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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

Friday, February 26, 2021 9:30 AM State Capital, Via Videoconference, Conference Room 211

In consideration of SENATE BILL 1162, SENATE DRAFT 1 RELATING TO FOREST STEWARDSHIP

Senate Bill 1162, Senate Draft 1 proposes to amend Chapter 195F, Hawaii Revised Statutes (HRS), to clarify conditions that must be met by applicants to participate in the Forest Stewardship Program. The Department of Land and Natural Resources (Department) strongly supports this Administration measure.

Sixty-six percent of Hawaii's forested areas are privately owned and managed. The Forest Stewardship Program provides technical and financial assistance to private landowners in protecting, restoring, and managing Hawaii's forested lands. Senate Bill 1162, Senate Draft 1 proposes minor changes to the Forest Stewardship Program, modifying qualification requirements to increase program eligibility for private forest managers, and expand the services provided by private forests.

The proposed changes will accomplish the following:

- allow long-term leaseholders to participate in the program (currently only landowners are eligible);
- increase cost-share support from 50% to 75% for the development of forest stewardship management plans (developing plans is frequently a barrier to entry for many landowner/managers);
- allow non-timber forest products to qualify under the program (currently only timber products qualify); and
- modernize eligibility criteria language related to native forest protection and management.

The Forest Stewardship Program helps landowners develop forest stewardship management plans. Management plans help program participants responsibly and sustainably manage forest resources. Increased cost-share support for writing management plans will improve forest management and allow smaller and/or underserved landowners to participate in the program by reducing financial barriers. There will be no increase in costs to the Department related to an increase in cost-share percentage – we will simply restructure existing funds.

This measure increases land eligible for participation in the program by removing language that only allows management of forest products if the land was cleared of native vegetation prior to January 1, 1991, a date-certain that is difficult to determine. The change will protect native forests and support working forests, including those found on agricultural lands. This will support forest management and promote agricultural diversification through integrated forest and pasture management, agroforestry, and active forest management.

Considering the State's budgetary challenges, the Department would like to recommend minor amendments to the bill that will allow additional flexibility for the Department in entering into program implementation agreements for portions of approved management plans. These amendments would reduce the financial commitment to the State to support land management actions and allow land managers to leverage other federal and county funding sources. The Department proposes the following amendment to paragraph (3) of Section 195F-6(c), HRS, on pages 7-8 of this measure (amendments highlighted in gray shading):

(c) To receive funds under the forest stewardship program,

an applicant shall:

• • •

- (3) Enter into [an] a program implementation agreement with the board [to do the following:] upon approval of the forest stewardship management plan by the board for implementation of all or selected portions of the forest stewardship management plan. Upon approval of the program implementation agreement by the board, the applicant shall:
 - (A) Undertake and maintain the approved activities under the management plan for not fewer than ten

years, unless the board approves modifications in the plan;

- (B) Complete all approved activities under the [management plan] program implementation agreement within the timetable agreed upon by the board and the landowner consistent with the intent of this chapter;
- (C) Submit an annual progress report to be reviewed by the board for each year in which the landowner receives support under the program. This report shall detail accomplishments, areas requiring technical advice, and any proposed modifications of the <u>management</u> plan; and
- (D) Other conditions deemed necessary by the board to implement the purposes of this chapter.

Public-private partnerships are essential to the health of Hawaii's forests. The Forest Stewardship Program stimulates investment in forestry as an economically viable land-use alternative that provides jobs to Hawaii's rural communities, revenue diversification, locally grown products, and environmental benefits such as clean water and habitat for Hawaii's native wildlife.

This bill will improve forest management on private lands, expand conservation of native forests, increase reforestation of degraded lands, and stimulate investment in forestry as an economically viable, sustainable land-use practice.

Thank you for the opportunity to comment on this measure.