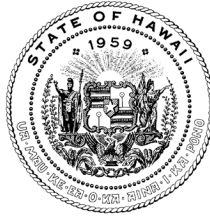


DAVID Y. IGE
GOVERNOR OF
HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committee on
WATER AND LAND**

**Monday, March 14, 2022
1:00 PM**

State Capitol, Conference Room 229, Via Videoconference

**In consideration of
HOUSE BILL 2446, HOUSE DRAFT 2
RELATING TO THE DEPARTMENT OF LAND AND NATURAL RESOURCES**

House Bill 2446, House Draft 2 proposes to appropriate moneys to the Department of Land and Natural Resources (Department) for establishing 28.0 FTE positions in parks administration and operation (LNR 806) to implement visitor reservation systems in Hawaii state parks and appropriates additional moneys to the Department of Land and Natural Resources from the state parks special fund for purposes of state park management. **The Department is in strong support of this measure and offers the following comments.**

House Bill 2446 specifically will:

- increase the state parks special fund ceiling to \$12,000,000 by appropriating funds from the special fund to reinvest the revenue derived from fees collected from out of state visitors who patronize fee generating parks, and all campers, lodgers, concessions and lessees, into the state park system; and
- add 28 critically needed positions to improve the quality of maintenance, management, and public safety and to be more responsive with education and repairs and maintenance associated with the impacts of visitation and authorized and illicit uses.

As the least staffed state park system in the United States at 128 positions and in the bottom 5 in funding while in the top 20 of annual patronage and visitation, HB 2446 provides critically needed additional resources to reinvest in Hawaii's State Park System.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
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

For decades, State Parks has been struggling financially to deliver quality management and service for a globally patronized park system. In the 1990's the State Park general fund budget topped out at 8 million dollars and had a staffing base of almost 200. In the subsequent decades and up to now, general fund appropriation is at approximately 10 million – only a 2 million dollar increase in general funds over 20 years. However, since the 1990's, staffing has decreased to a current 128, while new park units have been added and are now patronized well beyond management expectations at the inception of the State Parks.

While CIP has been sought and approved for upgrades and new improvements, there is a 42 million dollar backlog in routine repair and maintenance not eligible or subject to CIP. The State Park fleet is aging, virtually all the vehicles in the fleet are previously owned government surplus vehicles purchased at auction prices. The last new truck was purchased in 2014. Equipment needs to be purchased for optimized maintenance of grounds and facilities. Funding for the 5 county lifeguard contracts has always been a challenge and a variety of funds have been used to cover the current 4.2 million dollar cost.

Revenue was peaking in 2019 (even with the previous lower fees) due to record tourism visitation. This enabled State Parks to hire a legal fellow to implement a total restructuring of Chapter 13-146, Hawaii Administrative Rules relating to fees. During the pandemic and statewide closures, State Parks initiated a robust parking and entry fee increase for out of state visitors, and a modest but realistic and fair increase in camping and lodging fees with a rate differential for residents and out of state visitors. The rate increase was set in anticipation of an eventual return of tourism, which began to rebound sooner than anticipated in early 2021.

After decades of fiscal austerity, State Parks is poised – barring future pandemic or tropical storm disruption for revenue collection – to achieve relative self-sufficiency for a variety of statewide system operating costs, contract services and upgrade vehicles and equipment, improve quality and public safety – while initiating a plan to address the deferred maintenance of facilities.

In 2020 there were 48 special funded positions that were at risk due to the complete disruption of special fund income. These were converted to general funds, and a drastic reduction of the Special Fund spending ceiling was implemented. With all positions general funded, the Legislature stabilized State Parks payroll, and the Department prefers to stay on this method of funding for salary costs for next fiscal year. These 28 additional general funded positions will be spread out over the State Park system to both increase quality of service and maintenance, and also interact with park patrons - with the goal to both inform and reduce violation of park rules through personal interaction.

It is too soon to project, but there is a future fiscal year opportunity to expand staffing with new income – but this must be tempered with caution and assurance of rollover savings. With economic stability and additional tactical fee expansion or increases, State Parks may be able to re-grow staffing prudently. With an approximate balance of 9 million in the State Parks Special Fund (S-312) by the start of the third quarter, the fiscal projection of 12 million is a very tenable target for the ceiling increase.

Since Haena State Park's reservation system (now managed in collaboration with a community non-profit) there are two new reservation systems. The second was deployed at Waianapanapa State Park, and a third is being developed for Diamond Head State Monument - creating a digital platform for examining and implementing reservations or online payment for other park units targeted for this type of visitor management. Not all State Parks either need nor will benefit from advanced reservations - each park unit has site specific criteria and patronage that must be evaluated for feasibility and success of this emerging new management tool.

Again, the Department is in strong support of House Bill 2446, House Draft 2.

Thank you for the opportunity to comment on this measure.



Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815
kelepona tel 808 973 2255
kelepa'i fax 808 973 2253
kahua pa'a web hawaiiitourismauthority.org

David Y. Ige
Governor

John De Fries
President and Chief Executive Officer

Statement of
JOHN DE FRIES

Hawai'i Tourism Authority
before the
COMMITTEE ON WATER AND LAND

March 14, 2022
1:00 p.m.
State Capitol
via videoconference

In consideration of
HOUSE BILL NO. 2446 HD2
RELATING TO THE DEPARTMENT OF LAND AND NATURAL RESOURCES

Aloha Chair Inouye, Vice Chair Keith-Agaran, and members of the Committee on Water and Land.

The Hawai'i Tourism Authority appreciates the opportunity to testify in **support** of HB2446 HD2, which provides positions and resources to the Department of Land and Natural Resources to implement visitor reservation systems to more effectively manage the flow of people at our state parks.

HTA's community-driven Destination Management Action Plans (DMAPs) clearly articulated the community's desire for more effective management of our beloved state parks, and the important role of visitor reservation systems in the management of these heavily-visited sites.

We appreciate the Legislature's consideration of this measure to provide the resources needed by our partners at the Department of Land and Natural Resources, and we appreciate this opportunity to **support** HB2446 HD2. Mahalo.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
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
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WATER AND LAND
ON
HOUSE BILL NO. 2446, H.D. 2

March 14, 2022
1:00 p.m.
Room 229 and Videoconference

RELATING TO THE DEPARTMENT OF LAND AND NATURAL RESOURCES

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 2446, H.D. 2, appropriates an unspecified amount of general funds and establishes an unspecified number of full-time positions in FY 23 for the Department of Land and Natural Resources, Division of State Parks, to implement visitor reservation systems at Hawai'i State parks and appropriates an unspecified amount of special funds in FY 23 for State parks management.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

HB-2446-HD-2

Submitted on: 3/11/2022 7:33:24 PM

Testimony for WTL on 3/14/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Thomas Nizo	Testifying for Historic Waimea Theater and Cultural Arts Center	Support	Written Testimony Only

Comments:

We the Board of the Historic Waimea Theater and Culutral Arts Center support proposed additonal location of resources to the DLNR to provide enhanced services to each Moku.



March 12, 2022

Senator Lorraine Inouye, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Hawaii State Capitol / Committee on Water and Land

Re: HB 2446 HD2 / Letter of Support

Dear Senator Lorraine Inouye, Chair of the Committee on Water and Land, Senator Gilbert S.C. Keith-Agaran, Vice Chair and Members of the Committee:

On behalf of the Kaua'i Visitors Bureau (KVB), we submit this letter of support for HB 2446 HD2 which appropriates moneys to DLNR to establish positions in parks administration and operation to implement visitor reservation systems in Hawaii state parks. Appropriates additional moneys to DLNR from the state parks special fund for purposes of state park management.

The island of Kaua'i has a significant amount of land in State Parks, much of which include popular attractions (lookouts/rivers/hiking trails) used by residents and visitors, such as: the Kalalau Trail, Hanakapi'ai Falls, Wailua Falls, Wailua River State Park, Koke'e State Park, Kalalau Lookout, Waimea Canyon, Opaeka'a Falls, Polihale State Park, etc. Our parks are in desperate need of maintenance and management. We have thousands of acres of State land with only a few State staff to handle them. Our trails need maintenance and the dozens and dozens of illegal tours currently operating on State lands need enforcement.

Implementing a reservation system similar to that established at Ha'ena State Park, has made the critical difference in limiting and managing the thousands of visitors that were previously inundating Ha'ena, which is also a residential area.

We ask for your support of HB 2446 HD2 to help DLNR better manage our parks.

Sincerely,

Susan A. Kanoho
Executive Director
Kaua'i Visitors Bureau





Maui Hotel & Lodging
ASSOCIATION

LATE

Testimony of
Lisa H. Paulson
Executive Director
Maui Hotel & Lodging Association

Committee on Water and Land
House Bill 2446 HD2: Relating to the Department of Land and Natural Resources
March 14, 2022, 1:00 pm
Conference Room 229

The Maui Hotel & Lodging Association (MHLA) is the legislative arm of the visitor industry for Maui County. We represent over 170 property and allied business members and over 19,000 rooms. **We are in strong support of House Bill 2446 HD2**, which appropriates moneys to the department of land and natural resources to establish positions in parks administration and operation (LNR 806) to implement visitor reservation systems in Hawaii state parks. Appropriates additional moneys to the department of land and natural resources from the state parks special fund for purposes of state park management.

MHLA participated in and remains on the steering committee for the community-driven Destination Management Action Plans (DMAPs) through Hawaii Tourism Authority. These plans clearly articulated the community's desire for more effective management of our beloved state parks and the important role of visitor reservation systems in the management of these heavily-visited sites. We appreciate the Legislature's consideration of this measure to provide the resources needed by our partners at the Department of Land and Natural Resources, and we appreciate this opportunity to support HB2446 HD2.

Thank you for the opportunity to provide this testimony.