THE SENATE THIRTY-SECOND LEGISLATURE, 2023 STATE OF HAWAII

S.R. NO. 162

MAR 1 0 2023

## SENATE RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A COMPREHENSIVE MANAGEMENT AUDIT OF THE DIVISION OF BOATING AND OCEAN RECREATION OF THE DEPARTMENT OF LAND AND NATURAL RESOURCES.

1 WHEREAS, the mission of the Division of Boating and Ocean 2 Recreation is to enrich the lives of people of all ages, both 3 residents and visitors alike, by providing ocean-based 4 opportunities, facilities, activities, skill development, and 5 area management, including boating of all types, saltwater 6 fishing, surfing, sailboarding, diving, ocean swimming, and 7 other ocean activities; and 8

9 WHEREAS, the Division of Boating and Ocean Recreation 10 manages the small boat harbors and boating facilities in the 11 State, which are part of the State's ocean recreation and 12 coastal areas programs under chapter 200, Hawaii Revised 13 Statutes; and

15 WHEREAS, the proper maintenance and operation of the 16 State's small boat harbors and boating facilities allow people 17 to benefit from the State's natural resources through 18 recreational boating, commercial and personal fishing, and other 19 maritime-related operations; however, the management of small 20 boat harbors and boating facilities has been a recurring problem 21 for the State; and

WHEREAS, in the last management audit of the Division of Boating and Ocean Recreation, conducted in 2001, the Auditor found that the boating program's mismanagement and neglect have allowed facilities to deteriorate to the point where the continued use of the facilities threatens public safety, as many facilities need major repairs and face permanent closure if the problems are not addressed; and

31 WHEREAS, the Auditor also found that many of the problems 32 facing the Division of Boating and Ocean Recreation stemmed from

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poor planning, an insufficient fee structure, paying a 1 disproportionate share of the Department's enforcement expenses, 2 and funding programs with special fund monies that should be 3 supported by general funds and that little had changed since 4 these deficiencies had been reported in prior audits in 1993 and 5 6 1998; and 7 WHEREAS, the Auditor further found that the Division of 8 Boating and Ocean Recreation lacked adequate controls to ensure 9 the accuracy and integrity of its financial affairs; and 10 11 WHEREAS, the Auditor recommended the creation of a 12 strategic plan to address the short- and long-term issues facing 13 14 the Division of Boating and Ocean Recreation, such as ensuring proper funding to address repair and maintenance issues; 15 ensuring the Division receives the Division's fair share of 16 enforcement services; stepping up requirements for boating and 17 mooring permits, certifications, and registrations; and 18 19 establishing better controls over the Division's financial activities; and 20 21 WHEREAS, in 2019, the Division of Boating and Ocean 22 Recreation published its first strategic plan, Modernizing Ocean 23 Recreation Management in Hawaii: Strategic Action Plan - 2019, 24 which identified three goals; and 25 26 27 WHEREAS, the first identified goal is to expand ocean recreation management to meet the Division of Boating and Ocean 28 29 Recreation's statutory mandate, as the Division uses much of its resources on boating harbors and facilities management in 30 31 contrast to resources used on ocean recreation management; and 32 WHEREAS, the second identified goal is to provide world-33 class boating facilities and services to meet the needs of ocean 34 recreation enthusiasts and the residents and visitors who 35 participate in ocean-based activities; and 36 37 WHEREAS, the third identified goal is to effectively manage 38 the Division of Boating and Ocean Recreation's real property, 39 such as the utilization of state-owned fast lands, which have 40 immense commercial development potential to attract greater 41 traffic in harbor areas and yield higher revenues; and 42

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1 2 WHEREAS, despite the Strategic Action Plan - 2019, further 3 improvements to the conditions of the small boat harbors and boating facilities are needed for the protection of public 4 5 safety; and 6 7 WHEREAS, the newly constructed ferry pier at the Lahaina Harbor creates a rip current that sucks water under the pier, 8 9 which endangers the safety of swimmers and surfers in the area and has required the rescue of multiple youth surfers; and 10 11 WHEREAS, the Mala Boat Ramp remains largely unusable during 12 13 low tide due to the accumulation of sand resulting from large 14 south swells; and 15 16 WHEREAS, several boating harbors and facilities continue to 17 exist in a dilapidated condition necessitating the need for further evaluation into the management of the State's small boat 18 19 harbors and boating facilities; now, therefore, 20 21 BE IT RESOLVED by the Senate of the Thirty-second Legislature of the State of Hawaii, Regular Session of 2023, 22 23 that the Auditor is requested to conduct a comprehensive 24 management audit of the Division of Boating and Ocean Recreation 25 of the Department of Land and Natural Resources; and 26 27 BE IT FURTHER RESOLVED that the comprehensive management audit is requested to: 28 29 Assess the Division of Boating and Ocean Recreation's 30 (1)31 management of state-run boating facilities and the Division's ability to maintain and operate these 32 33 facilities: 34 35 (2) Assess whether the Division's activities are achieving their goals and, if not, how much improvement toward 36 37 meeting those goals has been made since the management audit conducted in 2001; 38 39 40 (3) Assess whether the Division is appropriately using taxes and fees collected within small boat harbors 41

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solely for the operation, maintenance, and improvement 1 of those small boat harbors; and 2 3 4 (4) Make recommendations as appropriate; and 5 6 BE IT FURTHER RESOLVED that the Auditor is requested to submit a report of its findings and recommendations, including 7 any proposed legislation, to the Legislature no later than 8 twenty days prior to the convening of the Regular Session of 9 2024; and 10 11 12 BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Chairperson of the Board of 13 Land and Natural Resources and Auditor. 14 15 16 17 OFFERED BY: