

Report to the Twenty-Sixth Legislature  
Regular Session of 2011

ACCOUNTING OF ALL RECEIPTS FROM LANDS DESCRIBED IN SECTION 5(f)  
OF THE ADMISSION ACT FOR FISCAL YEAR 2009-2010



Prepared by

THE STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES

In response to Section 5 of Act 178, Session Laws of Hawaii 2006

Honolulu, Hawaii

December 2010

**ACCOUNTING OF ALL RECEIPTS FROM LANDS DESCRIBED IN SECTION  
5(f) OF THE ADMISSION ACT FOR FISCAL YEAR 2009-2010**

**EXECUTIVE SUMMARY**

Pursuant to Section 5 of Act 178, Session Laws of Hawaii (SLH) 2006, this report provides an accounting of all receipts from lands described in Section 5(f) of the Admission Act ("ceded lands").

All 16 agencies that submitted reports last year submitted reports this year. A quick comparison to last year's report shows that the total amount of agency transfers to the Office of Hawaiian Affairs (OHA) fell \$2.5 million from \$13.1 million in Fiscal Year (FY) 2009 to \$10.5 million in FY 2010, a drop of nearly 20 percent. As noted last year, this is due primarily to the University of Hawaii's (UH's) inaugural transfers of funds to OHA, which included a one-time retroactive payment of approximately \$2 million. However, even when the UH contributions are entirely removed, there is a steady decline in revenue over the last three years from \$11.6 million to \$10.8 million to \$10.1 million (about 6 percent a year).

Pursuant to Governor's Executive Order 06-06, the decline in the total amount transferred to OHA from individual agencies was offset by an increase in the amount transferred from a holding account established expressly for the purpose of maintaining a fixed transfer amount of \$3.775 million to OHA quarterly. In FY 2010 the contribution from this holding account reached an all-time high of \$4.5 million.

## **BACKGROUND**

This report is prepared pursuant to Section 5 of Act 178, SLH 2006, which calls for the Department of Land and Natural Resources (DLNR) to provide an accounting of all receipts from lands described in section 5(f) of the Admission Act, for the prior FY.

Section 5 of Act 178, SLH 2006, states:

“Not later than January 1 of each year, the department of land and natural resources, with the cooperation of the department of budget and finance and any other state department or agency that uses or manages public lands, shall provide an accounting of all receipts from lands described in section 5(f) of the Admission Act for the prior fiscal year. With respect to each receipt, the department of land and natural resources shall identify:

- (1) The total gross amount;
- (2) The amount transferred to OHA;
- (3) The amount retained by the State;
- (4) The account or fund in which the amount specified in paragraph (3) was transferred or deposited;
- (5) The parcel of land subject to section 5(f) of the Admission Act that generated the receipt, whether by tax map key number, department of land and natural resources inventory number, or other recognizable description; and
- (6) The state department or agency that received the total gross amount identified in paragraph (1).

The accounting shall also indicate whether any parcel of land described in section 5(f) of the Admission Act was sold or exchanged in the prior fiscal year and, if so, the amount of consideration that the State received for the respective parcels.”

## **METHODOLOGY**

As in previous years, agencies submitted their data to DLNR on a standardized spreadsheet template laying out the required data elements.

The following procedures were performed in order to compile the data from these reports:

- Agency reports were checked for completeness – total gross amount, amount transferred to OHA, amount retained by the State, etc.
- If a report was not received or incomplete or if the totals transferred did not agree with those on file with the Department of Budget and Finance (B&F), DLNR staff contacted the agency representative for clarification, correction or resubmission of the report.
- At OHA's request, DLNR also compiled a table identifying parcels that were sold or exchanged during this reporting period. (These transactions are already included and identified in the agency revenue reports, but are separately reported for convenience.)
- The total amounts transferred to OHA reported by the agencies were reconciled with the transfers on file at B&F.
- Data was compiled and summarized on the attached Attachment 1, “Summary of Receipts from Lands Described in Section 5(f) of the Admission Act by Department for FY 2009-2010”

Responsibility for the accuracy of the data rests with the agencies. Verifying the accuracy of individual transactions and confirming the trust land status for individual parcels are beyond the scope of the tasks prescribed in Act 178, SLH 2006.

The following agencies submitted revenue reports for FY 2009:

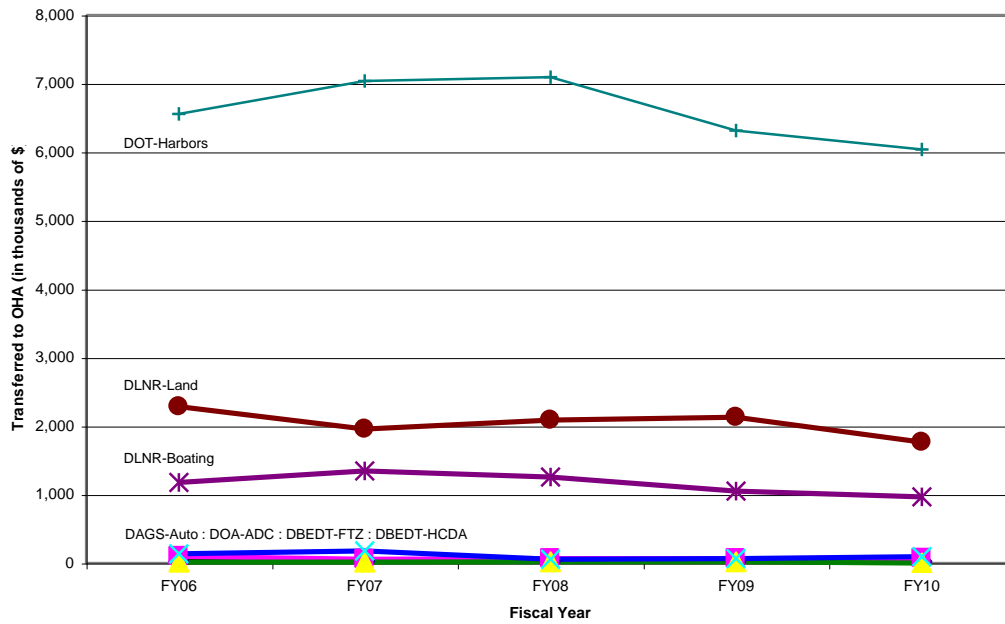
- Accounting and General Services (DAGS)  
Automotive Management and Parking Control
- Agriculture (DOA)  
Agribusiness Development Corporation (ADC)  
Agricultural Resources Management (ARM)
- Business, Economic Development, and Tourism (DBEDT)  
Foreign Trade Zone (FTZ)  
Hawaii Community Development Authority (HCDA)  
Natural Energy Laboratory of Hawaii Authority (NELHA)
- Defense (DOD)

- Education (DOE)
- Land and Natural Resources (DLNR)
  - Boating and Ocean Recreation (DOBOR)
  - Forestry and Wildlife (DOFAW)
  - Land Division (LD)
  - State Parks (SP)
- Transportation (DOT)
  - Airports Division (AIR)
  - Harbors Division (HAR)
  - Highways Division (HWY)
- University of Hawaii (UH)

The following agencies did not submit revenue reports for FY 2010

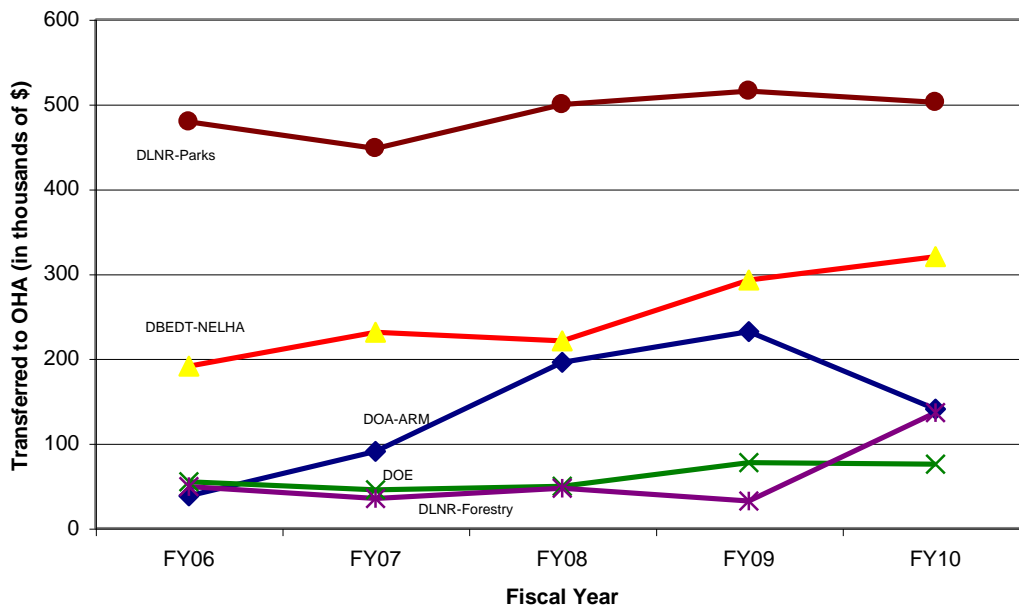
- Business, Economic Development and Tourism (DBEDT)
  - Hawaii Housing Finance and Development Corporation (HHFDC)
- Health (DOH)
  - Hawaii Health Systems Corporation (HHSC)
- Human Services (DHS)
  - Hawaii Public Housing Authority (HPHA)

### Agencies with Flat or Declining Revenues



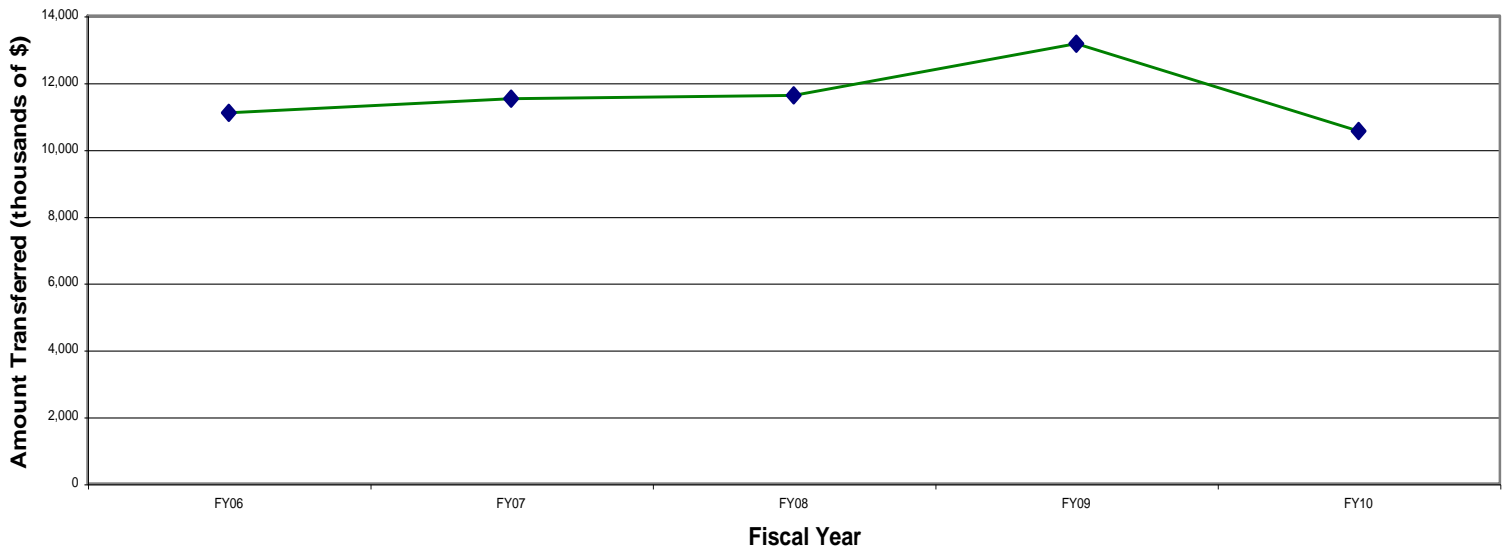
**Chart 1.** Agencies showing flat or declining revenues over five years: DOT-Harbors Division, DLNR-Land Division, DLNR-Boating and Ocean Recreation, DAGS-Automotive Management and Parking Control, DBEDT-Foreign Trade Zone, and DBEDT-Hawaii Community Development Authority.

### Agencies with Increasing Revenues



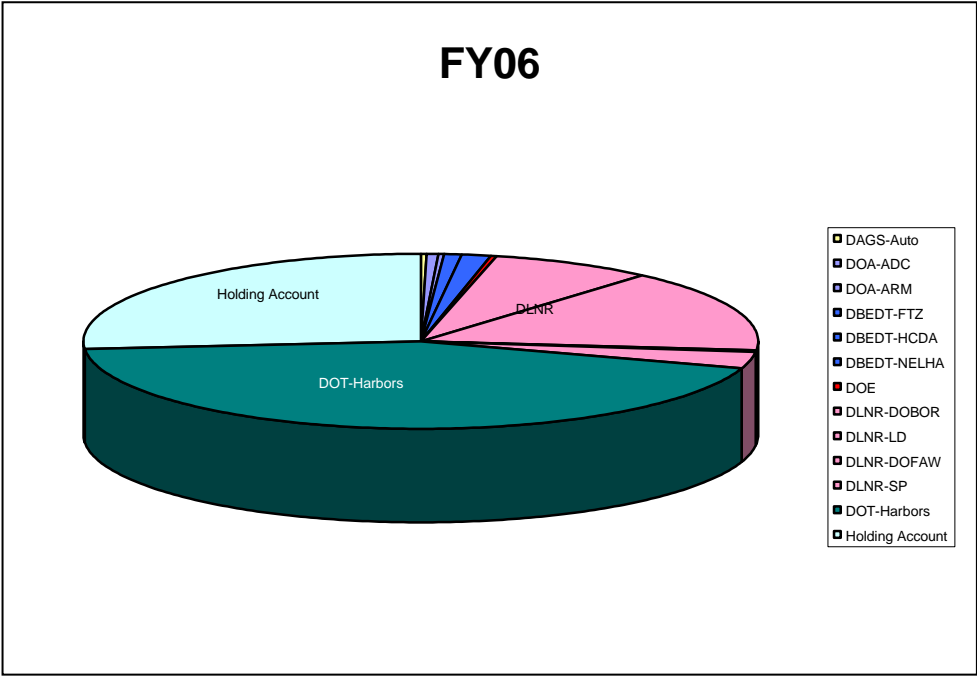
**Chart 2.** Agencies showing an increase in revenue over five years: DLNR-State Parks, DBEDT-Natural Energy Laboratory of Hawaii Authority, DOA-Agricultural Resources Management, Department of Education, and DLNR-Forestry and Wildlife.

## Total Agency Transfers to OHA

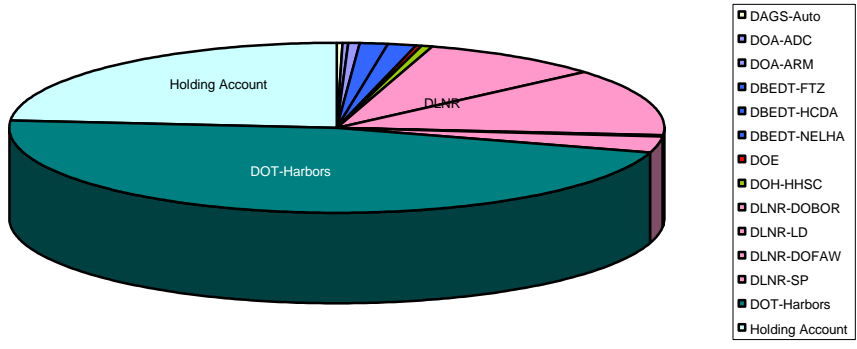


**Chart 3.** Overall transfers to OHA over five year period.

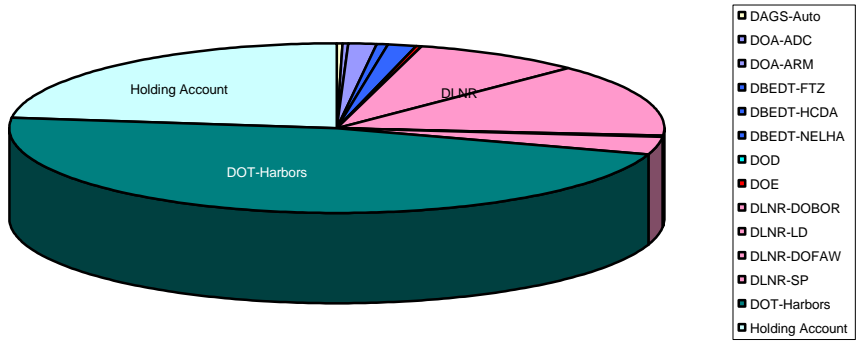
Relative contributions to \$15.1 million transfers to OHA



# FY07

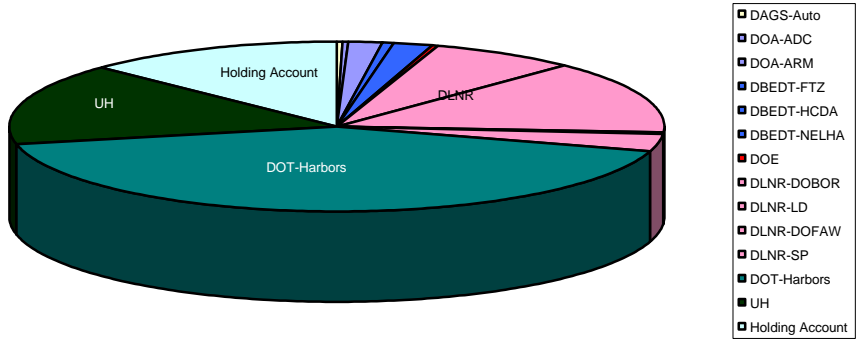


# FY08





# FY09



# FY10

