

OVERVIEW

Establishment of a Public Land Trust Information System, Phase One

March 2001

Summary

This progress report is submitted in response to Act 125, Session Laws of Hawaii (SLH) 2000, which directed the Auditor to initiate and coordinate all efforts to establish a public land trust information system. Act 125 requires that the information system include an inventory of the lands and other information useful for the proper administration and management of the public land trust. The act requires the Auditor to submit a progress report to the 2001 Legislature that outlines necessary tasks to complete the public land trust information system and inventory.

The project is divided into two phases. In the first phase, relevant issues, tasks, plans, recommended system, and projected costs are identified. The second phase will encompass the actual implementation of the information system. Through a competitive bid process, R. M. Towill Corporation was selected as the consultant to complete the first phase of the project. This is a report of the consultant's findings and recommendations.

The significance of a public land trust information system is reflected in the historical purpose of the public land trust. Hawaii was admitted as the fiftieth state through the Admission Act of 1959. The Admission Act transferred the bulk of the ceded lands—those lands ceded by the Republic of Hawaii to the United States when it became a territory—to the State of Hawaii to be held in trust for five specific purposes. One of the purposes is the benefit of native Hawaiian people. In 1978 the Office of Hawaiian Affairs was constitutionally created to administer that portion of the public land trust benefits designated for the native Hawaiian people. Act 273, SLH 1980, subsequently designated that 20 percent of the revenues from the public land trust would be the pro rata share for the benefit of native Hawaiians. However, the determination of what constituted 20 percent of the revenues has been an ongoing problem because the scope and exact identification of all lands in the public land trust have never been definitive. Creation of a public land trust information system is intended to resolve this dilemma.

The consultant concluded that a geographic information system (GIS) is the preferred method to develop an information system. GIS displays information in graphical presentations and produces useful analysis of related data. The consultant determined that data for the GIS are located at various agencies, with the Land Division of the Department of Land and Natural Resources (DLNR) and the Survey Division of the Department of Accounting and General Services (DAGS) being the primary custodians of historical land data.

The consultant also notes that several issues can impede the implementation of a public land trust information system. These include the unresponsive record



retrieval from DLNR's Land Division, the mapping backlog at DAGS' Survey Division, the counties' non-assignment of tax map key numbers to all ceded land parcels, and time needed to research and inventory previously unidentified parcels. The consultant recommends the continued involvement of the State Auditor to facilitate access to information necessary for the completion of the project.

The consultant evaluated three state agencies—the Land Division of DLNR, the Survey Division of DAGS, and the Office of Planning of the Department of Business, Economic Development and Tourism (DBEDT)—for the placement and administration of a completed public land trust information system. Each agency's functions in relation to administering the proposed GIS and the impact on the agency were considered, but the consultant concluded that the recommendation should be made in the next phase.

Two cost options were developed for the next phase. Option A would perform the abstracts and recording of data into the GIS on a county-by-county basis. Information would become available as each county is completed. Option A would cost approximately \$18.5 million. Option B would assign tasks by function, first completing abstracting, followed by recording of the data in the GIS. Abstracting and recording would each take approximately two years to complete. Option B is estimated to cost approximately \$19.1 million.

Recommendations and Response

The consultant recommended that the Legislature implement a GIS and require relevant state agencies to change certain practices or policies to expedite completion of the second phase. The consultant also recommended that the Auditor continue to direct and control completion of this project.

The Office of Hawaiian Affairs responded that it generally supported the findings and recommendations of the report, but reserved the right for further comment after a more thorough review of the report. The Department of Land and Natural Resources submitted comments in defense of its performance and its relationship with the consultant. The department also described the current status of the Land Division's own information system development. The Departments of Accounting and General Services, and Transportation elected not to respond to the draft report.

The consultant's response is included in this report. The consultant stands by its statements and recommendations.

Marion M. Higa
State Auditor
State of Hawaii

Office of the Auditor
465 South King Street, Room 500
Honolulu, Hawaii 96813
(808) 587-0800
FAX (808) 587-0830