

September 18, 2009

Chairpersons and Members
Hawaii Invasive Species Council
State of Hawaii

Council Members:

SUBJECT: Approval of the 2009-2010 Fiscal Year Budget for the Hawaii
Invasive Species Council (HISC)

The invasive species budget initiative calls for the expenditure of \$2 million in State special funds for State Fiscal Year 2010 to provide support for both the operations of the Hawaii Invasive Species Council (HISC) and its cooperating partners to develop and implement a partnership of federal, state, county, and private entities for a comprehensive state-wide invasive species prevention, detection and control program. This amounts to a 50% reduction in funding from FY09 which had been funded at \$3 million in State special funds and \$1 million in general funds.

Although this budget request is under the Department of Land and Natural Resources, it includes and involves programs and projects through multiple departments, the four counties and federal and private partners. The HISC funding in previous years was targeted to support the development of innovative approaches that address gaps in capacity and build new cooperative programs. The long term goal of this funding continues to be the integration of successful new programs that better protect Hawaii from invasive species into agency operations. Given the current economic climate, however, and pending reductions in force of inspectors at the Hawaii Department of Agriculture (HDOA), the current year's fiscal budget is being allocated with the inclusion of funding to maintain inspectors of the HDOA who provide the first line of defense in protecting Hawaii's environment, economy and way of life.

With the passage of the Pest Inspection, Quarantine and Eradication (PIQE) Fee, the HDOA has begun collecting funds that currently are being used to fund 30 HDOA staff. With the continuing layoffs, it is understood that \$1.3 million will be released from the PIQE fund in order to prevent loss of HDOA inspectors.

This budget was developed under the direction of the Department of Business Economic Development and Tourism-chaired Resources Working Group. Projects were proposed in public meetings of all of the working groups and selected for consideration. The resources working group then met with working group chairs in a public meeting on September 17, 2009 to allocate funds to the program areas based on the project requests. A detailed budget request that details the project funding is attached as Addendum 1.

The overall goals of the Hawaii Invasive Species Council budget are to:

- Advise the governor and legislature on budgetary and other issues regarding invasive species.
- Coordinate invasive species management and control programs for county, state, federal and private sector entities by developing a structure for cooperators to work together to share resources and responsibilities to address specific invasive species issues.
- Educate the public and private sector about invasive species to positively affect perception, action and funding for control and prevention.
- Review risks of pest/invasive species entry into the State; and implement measures and improve Hawaii's capacity to prevent the entry of new pests/invasive species with shared resources and shared responsibilities of all agencies.
- Review priorities for the control of pests already present or recently arrived in the state; and implement cost-effective eradication and control programs against incipient and established pests with shared resources and shared responsibilities among private, not-for-profit, county, state and federal agencies.

The State funding is broken into four integrated programs, as well as a separate administrative budget. The Resources Working Group, the group tasked with balancing the HISC budget, agreed upon the following budget broken out by program:

	Recommended Funding	% of (\$2M)
Prevention	\$740,000	37.0%
Response & Control	\$820,000	41.0%
Research & Technology*	\$0	0.0%
Outreach	\$130,000	6.5%
HISC Support	\$310,000	15.5%
Total HISC Funding	\$2,000,000	

*The funding for Research & Technology was reduced to \$0 in order maintain staff in the other components. Future restoration of Research & Technology funding was recommended even under continuing budget restrictions.

Individual proposed funding project budgets within the component areas are attached following this summary.

RECOMMENDATION:

The Hawaii Invasive Species Council approves the proposed FY09-10 budget for the program areas as presented to implement the State of Hawaii's Strategic Plan for Invasive Species Prevention, Control, and Public Outreach.

ADDENDUM 1

Funding Contingencies and Recommendations

Although the Natural Area Reserve (NAR) Fund has allocated to fund HISC for \$2 million, the actual amount available to the HISC over FY10 is subject to reduction should actual revenues fall below projections. Reductions in the fund will be passed on to the NAR funded projects in an equal proportion. Transfers of the funds to the HISC are on a quarterly basis and therefore projects funded by the HISC will be funded likewise by default.

Given the many uncertainties associated with the financial situation, the labor negotiations, as well as the severity of the anticipated impacts to HISC-funded projects, the following contingency plans are proposed:

- 1) Should labor negotiations result in substantial layoffs of HDOA staff: HDOA receives full amount allocated during HISC budget process
- 2) State and union negotiate furloughs vs. layoffs: HDOA has identified level of funding needed in advance of this outcome and funding is reduced accordingly
- 3) HDOA secures adequate funding to maintain FY09 staffing levels from non-HISC source (federal, cargo fee, private): amount received from HISC is reduced accordingly and rebudgeted after scheduling a Resources Working Group sponsored review
- 4) A regularly scheduled report be presented to the HISC on HDOA use of HISC funds, efficiencies gained within HDOA operations (including cooperative efforts fostered between industry and HDOA), funding from the PIQE fund including and shipper compliance, and efforts to secure non-HISC funding.
- 5) Amount of NAR funds available decreases throughout the year resulting in decreased funds available for all programs: all programs receive a proportional reduction in funding with the possibility of the project being eliminated if it becomes apparent that project would be reduced beyond functional level.
- 6) Authorize Working Groups to allocate funding changes within the group as opposed to requiring full council approval to make minor changes (<25% redistribution among proposed (not new) projects) to allow projects to take advantage of any budgetary flexibility that arises among the projects.

Budget requests and recommended funding for financial year 2010

Budget Item	S-10-314-522
<u>PREVENTION</u>	
Weed Risk Assessment	\$60,000
Ant coordinator	\$40,000
Ballast Water and Hull Fouling Program	\$40,000
West Nile Virus	\$0
HDOA Inspectors	\$600,000
Total Prevention	\$740,000
<u>RESPONSE AND CONTROL</u>	
BIISC	\$100,000
MISC & MoMISC	\$200,000
OISC	\$190,000
KISC	\$90,000
HDOA Biocontrol	\$0
AIS	\$240,000
Total Response & Control	\$820,000
<u>RESEARCH AND TECHNOLOGY</u>	
Total R&T	\$0
<u>OUTREACH</u>	
Staff	\$115,000
Materials & Travel	\$15,000
Total Outreach	\$130,000
<u>HISC SUPPORT</u>	
DOFAW Overhead (3%)	\$60,000
Central Services Fee (7% of 2 M)	\$140,000
Support Staff	\$110,000
Total HISC Support	\$310,000
	\$2,000,000