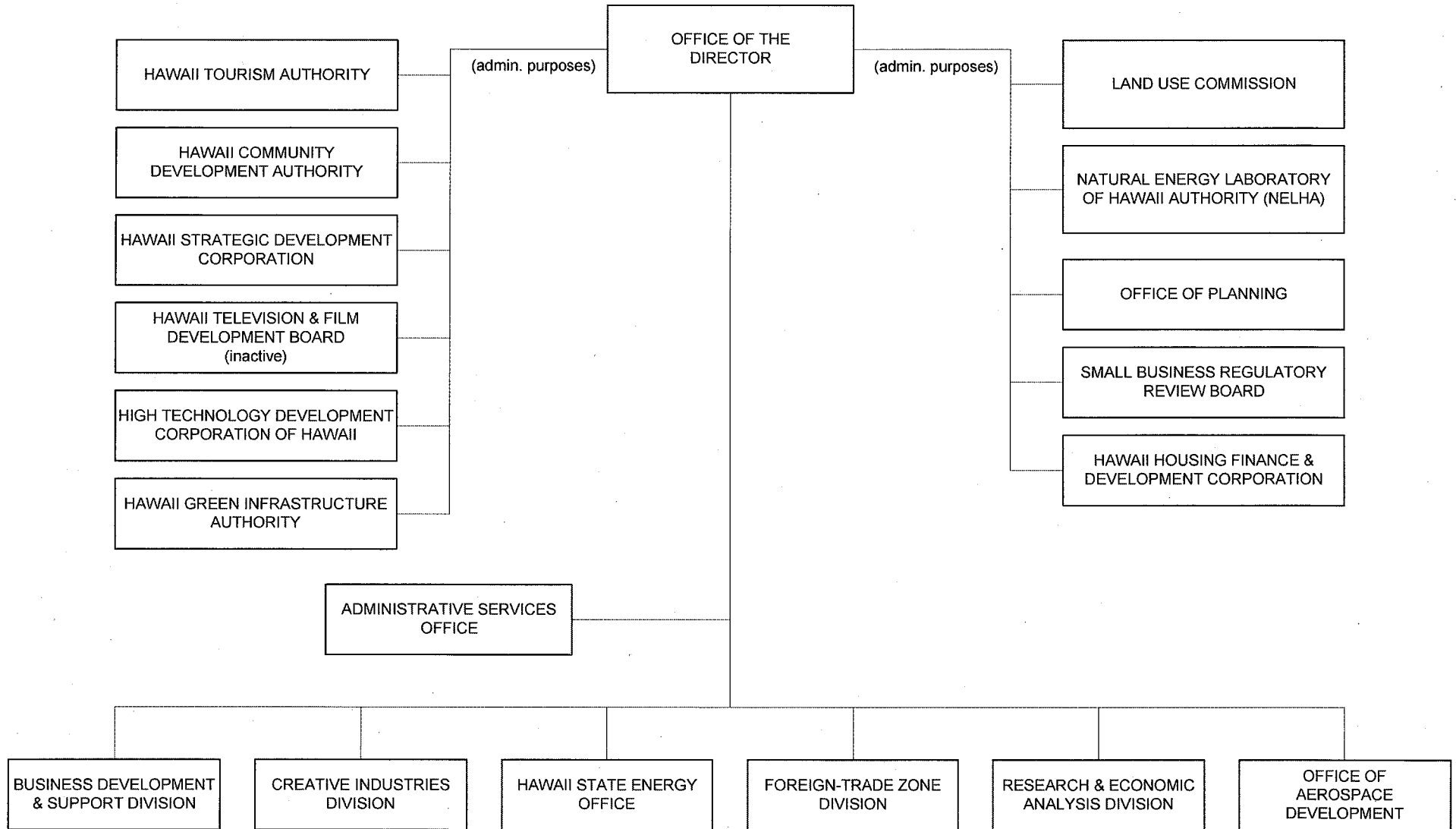




**Department of Business, Economic
Development and Tourism**

**STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
ORGANIZATION CHART**



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

Department Summary

Mission Statement

To achieve a Hawaii economy that embraces innovation and is globally competitive, dynamic and productive, providing opportunities for all Hawaii's citizens to prosper.

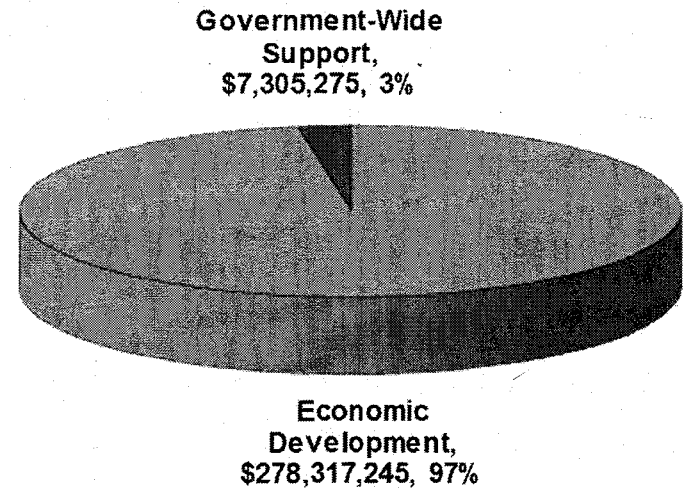
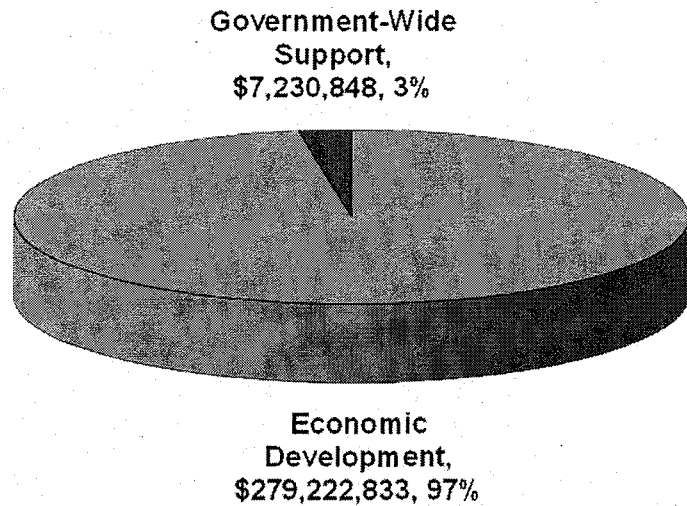
Department Goals

Lead efforts to facilitate structural economic adjustments to improve the competitiveness of Hawaii businesses and create the conditions to reward productivity and entrepreneurship.

Significant Measures of Effectiveness

	<u>FY 2016</u>	<u>FY 2017</u>
1. Total visitor expenditures (\$ Billions)	14.9	14.9
2. Number of renewable energy projects assisted	20	20
3. Impact on State economy by film production direct expenses (\$M)	200	200

FB 2015-2017 Operating Budget by Major Program Area
FY 2016 FY 2017



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM MAJOR FUNCTIONS

- Meeting the Demand for Housing – Support the creation of low- and moderate- income homes for Hawaii’s residents through financing of private sector developments with long-term affordability.
- Planning Dynamic Communities – Plan and develop live-work-play communities to attract and retain a workforce with the skills required for an innovation-driven and globally-competitive economy.
- Hawaii Clean Energy Initiative – Transform how Hawaii uses energy by accelerating the production of renewable and alternative energy, increasing energy efficiency and developing and adopting new technologies thereby ensuring energy security and long-term environmental quality, and benefits to residents.
- Sustaining the Visitor Industry – Develop and implement Hawaii’s tourism strategic and marketing plan; managing programs and activities to sustain a healthy visitor industry through alignment of global marketing programs with Hawaii’s distinctive products, natural resources, the Hawaiian host culture and multi-cultures.
- Providing Economic Data and Research – Enhance economic development in Hawaii by providing government agencies and the business community with data, analysis, and policy recommendations accessible online.
- Global Links – Increase the flow of people, products, services and ideas between Hawaii and its export markets.
- Creation of an Innovation Infrastructure – Create the infrastructure that enables Hawaii’s creative and entrepreneurial talent to turn ideas into products and services.
- Improving Hawaii’s Business Environment – Lead public sector efforts to bring about a business environment that is market-driven, and rewards productivity and entrepreneurship.

MAJOR PROGRAM AREAS

The Department of Business, Economic Development and Tourism has programs in the following major program areas:

Economic Development

- BED 100 Strategic Marketing & Support
- BED 105 Creative Industries Division
- BED 107 Foreign Trade Zone
- BED 113 Tourism
- BED 120 Hawaii State Energy Office
- BED 128 Office of Aerospace
- BED 138 Hawaii Green Infrastructure Authority
- BED 142 General Support for Economic Development
- BED 143 High Technology Development Corporation

- BED 145 Hawaii Strategic Development Corporation
- BED 146 Natural Energy Laboratory of Hawaii Authority
- BED 150 Hawaii Community Development Authority
- BED 160 Hawaii Housing Finance and Development Corporation

Government-Wide Support

- BED 103 Statewide Land Use Management
- BED 130 Economic Planning and Research
- BED 144 Statewide Planning and Coordination

**Department of Business, Economic Development and Tourism
(Operating Budget)**

Funding Sources:	Positions	Budget Base	Budget Base	FY 2016	FY 2017
		FY 2016	FY 2017	FY 2016	FY 2017
		78.50	78.50	78.50	78.50
General Funds	\$	9,196,918	9,397,307	9,446,918	9,647,307
		28.50	28.50	28.50	28.50
Special Funds		213,113,632	213,351,262	214,113,632	214,351,262
		5.00	5.00	4.00	4.00
Federal Funds		7,226,944	7,282,894	6,898,688	5,498,688
		-	-	-	-
Other Federal Funds		18,503,902	18,503,902	15,989,710	15,989,710
Trust Funds		21,923,698	21,923,698	21,923,698	21,923,698
Federal Stimulus Funds		320,000	320,000	-	-
		34.00	34.00	34.00	34.00
Revolving Funds		18,081,035	18,211,855	18,081,035	18,211,855
		146.00	146.00	145.00	145.00
Total Requirements		288,366,129	288,990,918	286,453,681	285,622,520

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds \$1,000,000 in special fund ceiling in FY 16 and FY 17 for the Hawaii Green Infrastructure Authority.
2. Adjustments to reflect anticipated federal grants and other federal grants.
3. Trade-off/transfer requests to realign the budget and reflect approved reorganizations for various programs.
4. Adds \$1,157,116 in various means of financing for FY 16 and FY 17 for fringe benefits increases.

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID:
 PROGRAM STRUCTURE NO.
 PROGRAM TITLE: DEPT OF BUSINESS & ECONOMIC DEVELOPMENT

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	146.00*	146.00*	145.00*	145.00*	145.0*	145.0*	145.0*	145.0*
PERSONAL SERVICES	23,891,986	24,288,736	26,425,932	27,046,824	27,047	27,047	27,047	27,047
OTHER CURRENT EXPENSES	140,383,356	277,466,768	259,992,749	258,540,696	258,542	258,542	258,542	258,542
EQUIPMENT	174,787	153,400						
MOTOR VEHICLE		35,000	35,000	35,000	35	35	35	35
TOTAL OPERATING COST	164,450,129	301,943,904	286,453,681	285,622,520	285,624	285,624	285,624	285,624
BY MEANS OF FINANCING								
GENERAL FUND	12,315,885	9,127,604	9,446,918	9,647,307	9,647	9,647	9,647	9,647
SPECIAL FUND	28.50*	28.50*	28.50*	28.50*	28.5*	28.5*	28.5*	28.5*
FEDERAL FUNDS	3,027,577	7,100,000	6,898,688	5,498,688	5,499	5,499	5,499	5,499
OTHER FEDERAL FUNDS	2,849,691	31,672,252	15,989,710	15,989,710	15,990	15,990	15,990	15,990
TRUST FUNDS	8,137,912	21,923,698	21,923,698	21,923,698	21,924	21,924	21,924	21,924
FEDERAL STIMULUS FUNDS	820,782	320,000						
REVOLVING FUND	9,390,920	17,895,759	18,081,035	18,211,855	18,212	18,212	18,212	18,212
CAPITAL INVESTMENT APPROPRIATIONS								
PLANS	2,135,000	2,607,000	1,980,000	1,855,000	1,855	1,855	1,855	1,855
DESIGN	1,805,000	1,198,000	4,020,000					
CONSTRUCTION	27,442,000	39,332,000	2,015,000					
EQUIPMENT			340,000					
TOTAL CAPITAL APPROPRIATIONS	31,382,000	43,137,000	8,355,000	1,855,000	1,855	1,855	1,855	1,855
BY MEANS OF FINANCING								
G.O. BONDS	28,382,000	43,137,000	4,355,000	1,855,000	1,855	1,855	1,855	1,855
G.O. BONDS REPAYED	3,000,000		4,000,000					
TOTAL POSITIONS	146.00*	146.00*	145.00*	145.00*	145.00*	145.00*	145.00*	145.00*
TOTAL PROGRAM COST	195,832,129	345,080,904	294,808,681	287,477,520	287,479	287,479	287,479	287,479

**Department of Business, Economic Development and Tourism
(Capital Improvements Budget)**

	<u>FY 2016</u>	<u>FY 2017</u>
Funding Sources:		
General Obligation Bonds	4,355,000	1,855,000
Reimbursable G.O. Bonds	4,000,000	-
	<hr/>	<hr/>
Total Requirements	<u>8,355,000</u>	<u>1,855,000</u>

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. Adds \$1,855,000 in FY 16 and FY 17 for staff costs for the Hawaii Community Development Authority.
2. Adds \$2,170,000 in FY 16 for the Foreign Trade Zone for elevator replacement and facility improvements.
3. Adds \$4,000,000 in reimbursable general obligation bond funds in FY 16 for Kakaako Makai Parking Structure.

STATE OF HAWAII
PROGRAM ID
PROGRAM STRUCTURE NO.
PROGRAM TITLE

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT
IN THOUSANDS OF DOLLARS

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DEPT OF BUSINESS & ECONOMIC DEVELOPMENT

PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE	BUDGET PERIOD							SUCCEED YEARS			
					PROJECT TOTAL	PRIOR YRS	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18		FY 18-19	FY 19-20	FY 20-21
				PLANS	68,754	50,902	2,135	2,607	1,980	1,855	1,855	1,855	1,855	1,855	1,855
				LAND	22,456	22,456									
				DESIGN	28,336	21,313	1,805	1,198	4,020						
				CONSTRUCTION	221,312	152,523	27,442	39,332	2,015						
				EQUIPMENT	11,445	11,105			340						
				TOTAL	352,303	258,299	31,382	43,137	8,355	1,855	1,855	1,855	1,855	1,855	1,855
				GENERAL FUND	49,752	49,752									
				SPECIAL FUND	734	734									
				G.O. BONDS	290,067	203,063	28,382	43,137	4,355	1,855	1,855	1,855	1,855	1,855	1,855
				FEDERAL FUNDS	1,500	1,500									
				G.O. BONDS REP	10,250	3,250	3,000		4,000						



Operating Budget Details

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID:
 PROGRAM STRUCTURE NO. 01
 PROGRAM TITLE: ECONOMIC DEVELOPMENT

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	108.00*	109.00*	109.00*	109.00*	109.0*	109.0*	109.0*	109.0*
PERSONAL SERVICES	20,746,493	21,123,278	22,969,231	23,463,643	23,464	23,464	23,464	23,464
OTHER CURRENT EXPENSES	138,476,062	273,544,517	256,218,602	254,818,602	254,820	254,820	254,820	254,820
EQUIPMENT	135,011	128,400						
MOTOR VEHICLE		35,000	35,000	35,000	35	35	35	35
TOTAL OPERATING COST	159,357,566	294,831,195	279,222,833	278,317,245	278,319	278,319	278,319	278,319
BY MEANS OF FINANCING	46.50*	46.50*	46.50*	46.50*	46.5*	46.5*	46.5*	46.5*
GENERAL FUND	9,478,095	6,364,895	6,514,758	6,640,720	6,641	6,641	6,641	6,641
	28.50*	28.50*	28.50*	28.50*	28.5*	28.5*	28.5*	28.5*
SPECIAL FUND	127,907,362	213,904,591	214,113,632	214,351,262	214,352	214,352	214,352	214,352
FEDERAL FUNDS	772,804	4,750,000	4,600,000	3,200,000	3,200	3,200	3,200	3,200
	*	*	*	*	*	*	*	*
OTHER FEDERAL FUNDS	2,849,691	31,672,252	15,989,710	15,989,710	15,990	15,990	15,990	15,990
TRUST FUNDS	8,137,912	21,923,698	21,923,698	21,923,698	21,924	21,924	21,924	21,924
	*	*	*	*	*	*	*	*
FEDERAL STIMULUS FUNDS	820,782	320,000						
	33.00*	34.00*	34.00*	34.00*	34.0*	34.0*	34.0*	34.0*
REVOLVING FUND	9,390,920	15,895,759	16,081,035	16,211,855	16,212	16,212	16,212	16,212
CAPITAL INVESTMENT APPROPRIATIONS								
PLANS	2,135,000	2,607,000	1,980,000	1,855,000	1,855	1,855	1,855	1,855
DESIGN	1,805,000	1,198,000	4,020,000					
CONSTRUCTION	27,442,000	39,332,000	2,015,000					
EQUIPMENT			340,000					
TOTAL CAPITAL APPROPRIATIONS	31,382,000	43,137,000	8,355,000	1,855,000	1,855	1,855	1,855	1,855
BY MEANS OF FINANCING								
G.O. BONDS	28,382,000	43,137,000	4,355,000	1,855,000	1,855	1,855	1,855	1,855
G.O. BONDS REPAID	3,000,000		4,000,000					
TOTAL POSITIONS	108.00*	109.00*	109.00*	109.00*	109.00*	109.00*	109.00*	109.00*
TOTAL PROGRAM COST	190,739,566	337,968,195	287,577,833	280,172,245	280,174	280,174	280,174	280,174

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **BED100**
 PROGRAM STRUCTURE NO. **010101**
 PROGRAM TITLE: **STRATEGIC MARKETING AND SUPPORT**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	10.00*	10.00*	10.00*	10.00*	10.0*	10.0*	10.0*	10.0*
PERSONAL SERVICES	679,662	679,662	750,474	773,955	774	774	774	774
OTHER CURRENT EXPENSES	745,170	3,629,310	2,579,310	2,579,310	2,579	2,579	2,579	2,579
EQUIPMENT	9,500							
TOTAL OPERATING COST	1,434,332	4,308,972	3,329,784	3,353,265	3,353	3,353	3,353	3,353
BY MEANS OF FINANCING	10.00*	10.00*	10.00*	10.00*	10.0*	10.0*	10.0*	10.0*
GENERAL FUND	1,256,934	1,487,057	1,507,869	1,531,350	1,531	1,531	1,531	1,531
FEDERAL FUNDS								
OTHER FEDERAL FUNDS	177,358	1,000,000						
REVOLVING FUND	40	1,821,915	1,821,915	1,821,915	1,822	1,822	1,822	1,822
TOTAL POSITIONS	10.00*	10.00*	10.00*	10.00*	10.00*	10.00*	10.00*	10.00*
TOTAL PROGRAM COST	1,434,332	4,308,972	3,329,784	3,353,265	3,353	3,353	3,353	3,353

PROGRAM ID: **BED100**
 PROGRAM STRUCTURE: **010101**
 PROGRAM TITLE: **STRATEGIC MARKETING AND SUPPORT**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
MEASURES OF EFFECTIVENESS								
1. % INCREASE IN EXPORTS DUE TO PROG PARTICIPATION	140	0	10	10	10	10	10	10
2. \$ VALUE OF TOTAL/PROJ SALES-TRADE & EXPORT PROMO	1200	8500	9350	10285	11314	12445	13690	15058
3. # NEW FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM	20	20	20	20	20	20	20	20
PROGRAM TARGET GROUPS								
1. # OF FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM	263	300	300	300	300	300	300	300
2. #COMM-BASED ORGS, CO-OPS & SMALL BUS ASSISTED	200	200	200	200	200	200	200	200
PROGRAM ACTIVITIES								
1. # INT'L BUSINESS DEVELOPMENT ACTIVITIES	50	50	50	50	50	50	50	50
2. OUTREACH ACTIVITIES	10	10	10	10	10	10	10	10
3. #FIRMS ASSISTED FOR PARTIC IN ENTERPRISE ZONES	300	300	300	300	300	300	300	300
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	52	32	34	34	34	34	34	48
NON-REVENUE RECEIPTS	207	9	9	9	9	5	9	9
TOTAL PROGRAM REVENUES	259	41	43	43	43	39	43	57
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS	219	2	2	2	2	2	2	16
ALL OTHER FUNDS	40	39	41	41	41	37	41	41
TOTAL PROGRAM REVENUES	259	41	43	43	43	39	43	57

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

A. Statement of Program Objectives

To promote industry development and economic diversification by supporting existing and emerging industries through the attraction of new investment; increase in exports of Hawaii products and services; expansion of Hawaii's participation in global trade and commerce; and by supporting small business and community based organizations.

B. Description of Request and Compliance with section 37-68 (1) (A) (B)

\$250,000 for Product Export Promotion (each year of the 2015-2017 biennium):

Only 0.3% of Hawaii business export their products and services while 95% of the world's consumers exist outside of the US. There is vast potential for us to increase Hawaii Exports. The purpose of the Product Export Promotion (PEP) program is to increase exports and related jobs in Hawaii. The trade sector is the growth engine of Hawaii's Economy especially in job creation. During the previous biennium, this program has participated in 9 trade shows, increased exports by \$26 million, which has a direct and indirect economic impact on Hawaii's economy of \$52 million. In addition, program conducted training sessions for over 200 firms regarding exports. The PEP program will be targeted to those Asian countries which Hawaii as a competitive advantage: Japan, Korea and China; and also strategic domestic markets. Metrics (increase in \$ exports, number of firms exporting/assisted) will be obtained to justify the effectiveness of the state's support.

Eliminate the federal fund ceiling of \$1,000,000 which is no longer required.

C. Description of Activities Performed

The Strategic Marketing and Support Division (SMSD) plans, organizes, and implements programs to attract new, job-creating businesses and investments, and to expand markets for Hawaii's products and professional services by: (a) opening and expanding markets for Hawaii's firms; (b) attracting investment and companies in selected industry clusters; (c) providing assistance and capacity building for firms; (d) improving the business environment; (e) facilitating the State's sister-state relations and international relations. The Division also provides direct support to local small business through (a) enterprise zone tax incentives; (b) rural development stimulation programs; (c) community-based economic development grants and technical assistance.

D. Statement of Key Policies Pursued

SMSD's policies are based on creating new jobs and diversifying Hawaii's economic base. Towards these objectives, export promotion policies and import substitution policies are being pursued together with business and investment attraction measures. Emphasis is placed on the following strategies: (1) opening and expanding markets for Hawaii's firms reverse missions to Hawaii (buyers, media, targeted industries); operating overseas offices in targeted markets such as Beijing and Taipei; conducting conferences and events that provide business matchmaking opportunities; promoting and facilitating short-term training; participating in local, mainland and international trade shows; opening new marketing channels; international workshops and seminars; (2) providing assistance and capacity building to help companies reach the next level through workshops, technical assistance and industry education and venture acceleration; and (3) improving the business environment – developing a brand to promote Hawaii as a place for business; (4) encouraging new types of businesses and strengthening existing businesses especially in distressed areas and through incentives

such as the Enterprise Zone Program and Community Based Economic Development Program.

E. Identification of Important Program Relationships

The Strategic Marketing and Support Division (SMSD) partners with the four Economic Development Boards; County Economic Development Offices; the Chamber of Commerce of Hawaii and ethnic chambers; and industry, trade and professional organizations. It also works with the U.S. Departments of Commerce and State; U.S. Customs; foreign consulates; U.S. embassies; sister-state affiliations; and the Citizenship and Immigration Service (CIS); county administrations and councils; with the state Departments of Agriculture, Labor and Industrial Relations, Commerce and Consumer Affairs, Health, Human Services, Transportation, Taxation; Office of Hawaiian Affairs, and Hawaiian Home Lands; federal agencies such as IRS, SBA, USDA, DOC, DOD, EDA, and HUD; local financial institutions; and individual entrepreneurs and businesses. It also works with non-profits such as the Pacific Asian Affairs Council, the Confucius Center, University of Hawaii system and private colleges and universities, and the state Dept. of Education.

F. Description of Major External Trends Affecting the Program

- Reduction in force of staff by 45% and reduction of budget by more than 50% has limited division priorities to focus on legislatively mandated programs;
- Agreements between the State of Hawaii and Chinese agencies have engendered relationships for Hawaii to increase the export of services to and investments from China.

- Federal grant with the US Small Business Administration has enabled the division to increase promotion of the exports from Hawaii.

G. Discussion of Cost, Effectiveness and Program Size Data

- External trends have increased the demand for SMSD's programs to assist Hawaii businesses to expand, open new markets and take advantage of investment and business development opportunities. This is especially true for China and Japan.
- A previous U.S. Small Business Administration grant has enabled the division to increase its export promotion efforts.

H. Discussion of Program Revenue

Participation fees are collected and applied towards shared expenses incurred for marketing events and projects. The direct revenue generated by these activities accrue to the participating companies through sales, orders, partnerships, contracts and investment capital for these businesses. Division continues to seek federal, institutional and private grant sources to expand programs or initiate new ones continues.

I. Summary of Analysis Performed

The effectiveness of major strategies previously summarized are measured through: (1) number of jobs generated; (2) number of trade and investment leads serviced; (3) number of firms involved in exporting and (4) dollar increase in exports of products and services. SMSD works towards long-term relationship building and working in concert with specific industries and organizations towards common goals as evidence of successful programming. External factors interrelate so closely with most program activities that accurate independent analysis is usually not possible. Area

strategic studies have produced community-approved goals, objectives and projects but do not normally include effectiveness components

J. Further Considerations

There will be significant decreases in the measures of effectiveness from prior years due to a 45% reduction in program size and 50% reduction in budget. Professional staff has been reduced from 11 down to 7 due to reduction in force. As a result, concentration of efforts will be on those programs, projects and activities that will directly benefit existing small businesses and community based organizations—to build entrepreneurial skills, protect against business regulations, increase market and business opportunities and take advantage of available incentives. Division will place lower priority on new business and investment attraction, and on building strategic and financial alliances to increase exports. International business and trade relations will be limited to China, Japan, Korea; Beijing and Taiwan Offices have also been downsized.

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **BED105**
 PROGRAM STRUCTURE NO. **010102**
 PROGRAM TITLE: **CREATIVE INDUSTRIES DIVISION**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	11.00*	11.00*	11.00*	11.00*	11.0*	11.0*	11.0*	11.0*
PERSONAL SERVICES	680,937	693,771	762,697	785,553	786	786	786	786
OTHER CURRENT EXPENSES	976,443	494,298	394,298	394,298	394	394	394	394
EQUIPMENT	287							
TOTAL OPERATING COST	1,657,667	1,188,069	1,156,995	1,179,851	1,180	1,180	1,180	1,180
BY MEANS OF FINANCING								
GENERAL FUND	11.00*	11.00*	11.00*	11.00*	11.0*	11.0*	11.0*	11.0*
	1,657,667	1,188,069	1,156,995	1,179,851	1,180	1,180	1,180	1,180
CAPITAL INVESTMENT APPROPRIATIONS								
PLANS	250,000	750,000						
DESIGN	460,000							
CONSTRUCTION	3,000,000							
TOTAL CAPITAL APPROPRIATIONS	3,710,000	750,000						
BY MEANS OF FINANCING								
G.O. BONDS	3,710,000	750,000						
TOTAL POSITIONS	11.00*	11.00*	11.00*	11.00*	11.00*	11.00*	11.00*	11.00*
TOTAL PROGRAM COST	5,367,667	1,938,069	1,156,995	1,179,851	1,180	1,180	1,180	1,180

PROGRAM ID: **BED105**
 PROGRAM STRUCTURE: **010102**
 PROGRAM TITLE: **CREATIVE INDUSTRIES DIVISION**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
MEASURES OF EFFECTIVENESS								
1. AMT OF DIRECT EXPEND. FROM FILM PROD IN HI (MIL)	150	150	150	150	150	150	150	150
2. IMPACT ON STATE ECON BY FILM PROD DIRECT EXP (MIL)	200	200	200	200	200	200	200	200
3. TAX REV GEN BY DIRECT EXPEND FRM FILM PROD (MIL)	15	15	15	15	15	15	15	15
4. FILM PROJ THAT APPL FOR & QUAL FOR ACT 88 TAX CRED	25	25	25	25	25	25	25	25
5. AMT OF DIR EXPEND FROM QUAL ACT 88 PROJECTS (MIL)	135	135	135	135	135	135	135	135
6. CREATIVE SECTOR SHARE OF HAWAII GDP (BIL)	4	4.5	4.5	4.5	5	5	5	5.5
7. # OF CREATIVE SECTOR JOBS (THOUS) IN HAWAII	49	50	51	52	53	54	55	56
PROGRAM TARGET GROUPS								
1. # OF CONTR TO LOCAL EDUC INST FR ACT 88 PROJ	24	24	24	24	24	24	24	24
2. MUSIC INDUSTRY ORGANIZATIONS SERVED	6	6	6	6	6	6	6	6
3. # OF ARTS/CULT BENEFICIARIES OF CID ACTIVITIES	35	35	35	35	45	45	45	45
PROGRAM ACTIVITIES								
1. #FILM/TV/COMMERCIAL PROJS FILMING IN STATE YEARLY	140	140	140	140	140	140	140	140
2. # OF FILM PERMITS PROCESSED ANNUALLY	1500	1500	1500	1500	1500	1500	1500	1500
3. # LOCALLY FOCUSED EDUCATIONAL & PROMOTNL EVENTS	12	12	14	14	14	14	15	15
4. #OVERSEAS SALES/MKTG/PROMO ATTND/SPON/SPPT BY CID	4	4	4	4	4	4	4	4
5. # OF FILM INQUIRIES	3500	3500	3500	3500	3500	3500	3500	3500
6. # OF BUS OPPTY GEN THROUGH WORKSHOPS/SEMINARS	75	150	150	150	150	150	150	150
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY		1	451	451	451	451	451	451
TOTAL PROGRAM REVENUES		1	451	451	451	451	451	451
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS		1	451	451	451	451	451	451
TOTAL PROGRAM REVENUES		1	451	451	451	451	451	451

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

A. Statement of Program Objectives

The Creative Industries Division (CID) is the state's lead agency focused on the development of Hawaii's creative economy. Comprised of the Arts and Culture Development Branch (ACDB) and the Film Industry Branch (FIB), the division acts as business advocate, develops initiatives, policies and infrastructure to support a thriving creative entrepreneurial ecosystem statewide, while support film industry sectors to maintain Hawaii's reputation as a respected film destination in the global landscape.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

None.

C. Description of Activities Performed

Through metrics and performance tracking of thirteen (13) relevant creative sectors in Hawaii's economy, CID and DBEDT's Research and Economic Analysis Division (READ) have defined the base, emerging, declining, and transitioning sectors' performances.

CID implements programs targeting the emerging and transitioning sectors and continues to support base growth sectors, including management of the state's film program and the statutory responsibilities of film permitting, film tax incentive management and film studio management.

D. Statement of Key Policies Pursued

The policies of CID are based on DBEDT's mission of supporting the development of a Hawaii economy that embraces innovation, is globally competitive, dynamic and productive, and provides opportunities for all Hawaii's citizens. Management of the statewide film program, including the

film tax incentive, are key focus areas for the film branch. CID, DBEDT's other divisions and attached agencies have aligned their programs to support this mission under the banner of the HI Growth Initiative. The HI Growth Initiative supports Hawaii as a Startup Paradise, establishing initiatives which ignite the growth of entrepreneurs and companies who have the potential to launch products or services which become globally relevant businesses.

E. Identification of Important Program Relationships

Strategic partnerships with all levels of government, mainland and internationally based organizations are pivotal to CID's ability to leverage resources to support limited budgets to advance the growth of Hawaii's creative sectors. CID represents Hawaii on the Creative Economy Coalition (CEC) a sub-committee of the National Creativity Network (NCN), working with 24 other U.S. states to advocate for funding to support America's Creative Economy on a national level. CID partners with industry organizations including Association of Film Commissioners International (AFCI), The Recording Academy (Grammy's), ASCAP, BMI, Guild of Music Supervisors, The Writers Guild of America (WGA), Directors Guild of America (DGA), Producers Guild of America (PGA), Coalition of Asian Pacific's in Entertainment (CAPE), Film and Video Association of Hawaii (FAVAH), Hawaii Association of Media Arts (HAMA), all major networks (NBC, ABC, CBS), cable broadcast networks, major film studios, StartUP America, America Venture Accelerator Network, Accelerators in Creative, and international organizations in broadband/photonic network distribution including CineGrid, Disney Digital Studios, and NTT labs in Japan, as well as government agencies statewide.

F. Description of Major External Trends Affecting the Program

With the democratization of media changing the face of the film and entertainment industries, Hawaii must maintain a relevant workforce, develop multi-purpose infrastructure and provide broadband services to its citizens, as well as visiting film productions. Trends in mobile and direct to web content creation, product development and services in a rapidly shifting digital world dictate the priorities for the division in terms of initiatives, policy development and infrastructure development. CID's initiatives such as Creative Lab, GVS Transmedia Accelerator, provide relevant training and investment opportunities to export creative content globally.

G. Discussion of Cost, Effectiveness, and Program Size Data

Resources are necessary to support growth in the creative sectors of Hawaii's economy, advance opportunities in the export of creative products, provide infrastructure and services to maintain the film industry as an economic driver for the state, as well as to take advantage of business opportunities that emerge.

H. Discussion of Program Revenues

Film Production is estimated at \$250M per year with an economic impact of over \$350M. Hawaii Film Studio revenues, when the facility is occupied by a tenant, provide \$ 600,000 gross revenues to the General Fund. CID is proposing to capture the rent from the facility to support the R&M for the structures and grounds. Creative Lab is increasing the export of content for the web, micro-budget features, television series, and fashion designs which all contribute to the Creative Sectors \$3.4B in GDP annually, which represents 4.5% of the States' GDP.

I. Summary of Analysis Performed

Hawaii's creative economy in 2013 was comprised of 48,170 jobs or 5.9% of the State's civilian jobs. Average annual earnings were \$45,912 and have shown a net increase in jobs of 14.2% since 2003. The division monitors global trends and correlates programs to advance and seize opportunities to advance business growth in the creative sectors.

J. Further Considerations

Infrastructure: CID collaboratively manages the market analysis, site recommendations and business planning for a Creative Media/Film Studio Complex with the Department of Accounting and General Services (DAGS). In addition, CID, in concert with the High Technology Development Corporation (HTDC), is developing the HI Creative Collaboration Center (HIC3) to provide a collective working environment to support creative and digital media development for export. Lastly, CID is responsible for management of the Hawaii Film Studio, including a \$5M renovation currently in progress.

Workforce: CID visioned the Creative Lab program to establish an entrepreneurial pipeline for creative content and knowledge-based/IP products. Referred to as the "Sundance Institute of the Pacific" Creative Lab is a year round mentoring program which accelerates the creative work of Hawaii's entrepreneurs for global export of their creative content products, and attract investment capital.

Capital: CID manages the Television and Digital media tax credit program. Estimated production revenues in 2014 are projected to reach \$250M, with an economic impact of \$400M. To date, the Hawaii's Production tax credit has brought over \$1.4B in production activity to the state since 2006, and an estimated \$2.4B in economic impact.

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **BED107**
 PROGRAM STRUCTURE NO. **010103**
 PROGRAM TITLE: **FOREIGN TRADE ZONE**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	17.00*	17.00*	17.00*	17.00*	17.0*	17.0*	17.0*	17.0*
PERSONAL SERVICES	1,164,693	1,164,693	1,226,303	1,255,064	1,255	1,255	1,255	1,255
OTHER CURRENT EXPENSES	744,359	901,452	901,452	901,452	901	901	901	901
EQUIPMENT	11,611							
TOTAL OPERATING COST	1,920,663	2,066,145	2,127,755	2,156,516	2,156	2,156	2,156	2,156
BY MEANS OF FINANCING								
SPECIAL FUND	17.00*	17.00*	17.00*	17.00*	17.0*	17.0*	17.0*	17.0*
	1,920,663	2,066,145	2,127,755	2,156,516	2,156	2,156	2,156	2,156
CAPITAL INVESTMENT APPROPRIATIONS								
PLANS	30,000		25,000					
DESIGN	220,000		120,000					
CONSTRUCTION	4,950,000		1,685,000					
EQUIPMENT			340,000					
TOTAL CAPITAL APPROPRIATIONS	5,200,000		2,170,000					
BY MEANS OF FINANCING								
G.O. BONDS	2,200,000		2,170,000					
G.O. BONDS REPAID	3,000,000							
TOTAL POSITIONS	17.00*	17.00*	17.00*	17.00*	17.00*	17.00*	17.00*	17.00*
TOTAL PROGRAM COST	7,120,663	2,066,145	4,297,755	2,156,516	2,156	2,156	2,156	2,156

PROGRAM ID: BED107
 PROGRAM STRUCTURE: 010103
 PROGRAM TITLE: FOREIGN TRADE ZONE

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
MEASURES OF EFFECTIVENESS								
1. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)	3	3	3	3	3	3	3	3
2. % INCR VALUE CARGO IN/OUT OF ALL SUBZONES	3	3	3	3	3	3	3	3
3. % INCR IN VALUE OF CARGO IN/OUT OF PIER 2 FACIL	6	6	6	6	6	6	5	5
4. # OF NEW FIRMS USING FTZ PROGRAM	30	30	30	30	30	30	30	30
5. % INCR IN VALUE OF EXPORTS FROM ALL FTZ FACILITIES	5	5	5	5	5	5	5	5
6. INCR IN USERS' EMPLMT ATTRIB TO PARTIC IN FTZ PROG	60	60	60	60	60	60	60	60
7. SATIS RATING BY FTZ USERS (1-5 SCALE)	4	4	4	4	4	4	4	4
8. YEARLY SPECIAL FUND BAL (TOT REV LESS TOT EXP)	0	0	0	0	0	0	0	0
PROGRAM TARGET GROUPS								
1. FIRMS USING FTZ PROGRAM (NO.)	250	250	250	250	250	250	250	250
2. COMPANIES THAT IMPORT/EXPORT DUTIABLE MERCHANDISE	500	500	500	500	500	500	500	500
3. COMPANIES THAT MANUF USING DUTIABLE COMPONENTS	70	70	70	70	70	70	70	70
PROGRAM ACTIVITIES								
1. VALUE OF CARGO IN/OUT OF FTZ (EXCL SUBZONES) (MIL)	1750	1750	1750	1750	1750	1750	1750	1750
2. VALUE OF CARGO IN/OUT OF SUBZONES (MIL)	7600	7600	7600	7600	7600	7600	7600	7600
3. VALUE OF CARGO IN/OUT OF PIER 2 FACILITY (MIL)	60	60	60	60	60	60	60	60
4. VALUE OF CARGO HANDLD FOR DEPT OF HOMELAND SEC	0	0	0	0	0	0	0	0
5. ADVERTISING/MARKETING EXPEND ZONE PROMOTION	75	75	75	75	75	75	75	75
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	1	3	3	3	3	3	3	3
CHARGES FOR CURRENT SERVICES	1,789	1,713	1,720	1,720	1,740	1,750	1,755	1,760
TOTAL PROGRAM REVENUES	1,790	1,716	1,723	1,723	1,743	1,753	1,758	1,763
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	1,790	1,716	1,723	1,723	1,743	1,753	1,758	1,763
TOTAL PROGRAM REVENUES	1,790	1,716	1,723	1,723	1,743	1,753	1,758	1,763

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

A. Statement of Program Objectives

To encourage value-added and international trading activities that will create new investment and job opportunities in Hawaii by operating a statewide Foreign-Trade Zone program that reduces the barriers and costs associated with international trade.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

1. The request reflects \$850,000 in CIP funds for plans, design, and construction to retrofit and install a new ADA and code compliant elevator in the original office area the Foreign-Trade Zone. This request is for the up keep and on-going maintenance of a state facility as appropriate by the state agency and will be bid and implemented as per state procurement policies and practices, selecting the most cost effective, responsive and responsible bidders for the project.
2. The request reflects a \$1.32M CIP for plans, design, and construction to bring the restrooms up to ADA compliancy and to bring other portions of the facility exterior in line with other Pier 2 harbor area improvements. This request is for the up keep and on-going maintenance of a state facility as appropriate by the state agency and will be bid and implemented as per state procurement policies and practices, selecting the most cost effective, responsive and responsible bidders for the project.

C. Description of Activities Performed

The Foreign-Trade Zone Division of the Department of Business, Economic Development and Tourism administers the federal grant for FTZ9 which includes 13 zone sites throughout the State. FTZ9 operates as a public utility to make various economic advantages available to importing and exporting firms.

1. Operates the FTZ public warehousing and manufacturing complex as efficiently and effectively as possible.
2. Provides office, exhibit, warehousing and industrial space through leases and revocable permits.
3. Provides information to local, national and international traders and manufacturers concerning the advantages of operating in Hawaii and under the auspices of the Zone program.
4. Supports the private sector in its efforts to take full advantage of the benefits offered by the Foreign-Trade Zone program.
5. Plans for the expansion of services and facilities to meet the needs of firms which qualify for Zone utilization.

D. Statement of Key Policies Pursued

1. Operate the program as a self-sustaining enterprise so that operating expenditures are covered by operating revenues.
2. Provide for the timely expansion of physical plant and facilities support.
3. Operate as a public utility making the advantages of the FTZ program available to firms regardless of size or country of registration.
4. Actively promote Hawaii and its Foreign-Trade Zone program.
5. Promote the creation and expansion of special-purpose manufacturing activities in subzones and general-purpose zones throughout the State of Hawaii.

6. Observe and support FTZ Board guidelines to develop new business, promote the Zone concept, assist the port community in expansion, aid national export expansion, increase employment, and protect the revenue.

E. Identification of Important Program Relationships

The Foreign-Trade Zones Board in Washington, D.C. has the oversight authority for all foreign-trade zone operations in Hawaii. Additionally, federal oversight comes from the Port Director for the Honolulu Customs District of the Bureau of Customs and Border Protection. Locally, the State Department of Transportation, Hawaii Community Development Authority, the High Tech Development Corporation, Small Business Administration, Hawaii Pacific University, University of Hawaii, local Chambers of Commerce, and local manufacturers are important partners in the future development of the FTZ program.

F. Description of Major External Trends Affecting the Program

The development and growth of the program are dependent upon the amount of international trade that is moved through Hawaii, as well as the influences of the international, national, and local economies. Those factors that contribute to increasing the amount of international trade in Hawaii increase the relevancy and importance of the Foreign-Trade Zone program.

G. Discussion of Cost, Effectiveness, and Program Size Data

The operating costs for the budget period will slightly increase as the Zone program enhances its marketing efforts and seeks to upgrade certain facilities and equipment. Additional costs will be incurred as the new International Trade Resource Center wing opens for business in FY 15. This will increase the availability of resources to the international trade sector of Hawaii's economy.

H. Discussion of Program Revenues

Revenues generated by the program consist of fees and charges for Zone usage by firms and for services provided to the Subzone operators. The program operating costs are covered by these revenues which are held in a special fund.

I. Summary of Analysis Performed

Not applicable.

J. Further Considerations

Slow growth in program activity is anticipated as Hawaii's economic projections remain uncertain with limited growth.

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **BED142**
 PROGRAM STRUCTURE NO. **010104**
 PROGRAM TITLE: **GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	24.00*	24.00*	24.00*	24.00*	24.0*	24.0*	24.0*	24.0*
PERSONAL SERVICES	1,540,587	1,563,375	1,754,275	1,817,577	1,818	1,818	1,818	1,818
OTHER CURRENT EXPENSES	126,988	126,670	126,670	126,670	127	127	127	127
EQUIPMENT	9,953							
TOTAL OPERATING COST	1,677,528	1,690,045	1,880,945	1,944,247	1,945	1,945	1,945	1,945
BY MEANS OF FINANCING								
GENERAL FUND	24.00*	24.00*	24.00*	24.00*	24.0*	24.0*	24.0*	24.0*
	1,677,528	1,690,045	1,880,945	1,944,247	1,945	1,945	1,945	1,945
TOTAL POSITIONS	24.00*	24.00*	24.00*	24.00*	24.00*	24.00*	24.00*	24.00*
TOTAL PROGRAM COST	1,677,528	1,690,045	1,880,945	1,944,247	1,945	1,945	1,945	1,945

PROGRAM ID: **BED142**
 PROGRAM STRUCTURE: **010104**
 PROGRAM TITLE: **GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
MEASURES OF EFFECTIVENESS								
1. # OF PROCUREMENT VIOLATIONS	0	0	0	0	0	0	0	0
2. % ERROR-FREE SUMMARY WARRANT VOUCHERS PROCESSED	95	95	95	95	95	95	95	95
3. SERVER DOWNTIME AS % TOTAL OPERATIONAL TIME (<)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
4. % DBEDT EMPLOYEES WORKING W/OUT FORMAL GRIEVANCE	98	98	98	98	98	98	98	98
PROGRAM TARGET GROUPS								
1. NUMBER OF DBEDT POSNS (PERMANENT & TEMPORARY)	303	303	303	302	302	302	302	302
PROGRAM ACTIVITIES								
1. # OF REQUESTS FOR ALLOTMENT (A19) PREPARED	200	200	150	150	150	150	150	150
2. # OF IFBS & RFPS ADVERTISED OVER DELEGATED AMOUNT	2	2	2	2	2	2	2	2
3. # OF CONTRACTS EXECUTED OVER DELEGATED AMOUNT	50	50	50	50	50	50	50	50
4. # OF SUMMARY WARRANT VOUCHERS PROCESSED	1200	1200	1100	1100	1100	1100	1100	1100
5. # OF FORMAL GRIEVANCES FILED ANNUALLY	5	5	5	5	5	5	5	5
6. # OF HR/PERSONNEL TRANSACTIONS PROCESSED ANNUALLY	2600	1500	1500	1500	1500	1500	1500	1500
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
CHARGES FOR CURRENT SERVICES	31							
TOTAL PROGRAM REVENUES	31							
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS	31							
TOTAL PROGRAM REVENUES	31							

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

A. Statement of Program Objectives

To enhance program effectiveness and efficiency of economic development programs by formulating policies and plans, directing operations, allocating resources, providing staff support and other administrative services, and coordinating with and informing the public about programs, services, projects, and activities.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

None.

C. Description of Activities Performed

The Office of the Director provides for the overall direction and coordination of Statewide economic development, and energy programs. It formulates and executes the economic development policies of the Governor and executive branch and executes economic development initiatives proposed and approved by the Legislature.

The Administrative Services Office (ASO) provides internal management, fiscal, budgetary, contract, personnel, computer and office automation, and other miscellaneous administrative services in support of DBEDT programs and activities.

D. Statement of Key Policies Pursued

The activities of this program focus on facilitating, coordinating, and expediting decision-making in Statewide economic development, and energy use and development.

E. Identification of Important Program Relationships

Relationships are maintained with all major programs and departments of the State; planning, economic development, and energy programs at both Federal and State levels; and with the organizations, institutions, and other segments of commerce and industry.

F. Description of Major External Trends Affecting the Program

There are many externalities that directly and indirectly affect program activities. These include crisis situations such as strikes, natural disasters, or international conflicts which require immediate policy analyses and recommendations for action; national and international fiscal policies and economic conditions; the Federal budget deficit and its attendant effects on the Federal program levels and activities; and the expanding use of local and State fiscal resources in updating and expanding infrastructure systems. Additionally, unemployment, inflation, environmental, and demographic concerns affect planning for economic development and the implementation of priority directions of the Hawaii State Plan.

G. Discussion of Cost, Effectiveness, and Program Size Data

None.

H. Discussion of Program Revenues

None.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **BED113**
 PROGRAM STRUCTURE NO. **0102**
 PROGRAM TITLE: **TOURISM**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	5.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
PERSONAL SERVICES	3,453,319	3,628,982	3,741,302	3,793,735	3,794	3,794	3,794	3,794
OTHER CURRENT EXPENSES	112,591,611	137,533,316	137,533,316	137,533,316	137,533	137,533	137,533	137,533
EQUIPMENT	34,281							
TOTAL OPERATING COST	116,079,211	141,162,298	141,274,618	141,327,051	141,327	141,327	141,327	141,327
BY MEANS OF FINANCING								
GENERAL FUND	3,074,139							
	5.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
SPECIAL FUND	113,005,072	141,162,298	141,274,618	141,327,051	141,327	141,327	141,327	141,327
TOTAL POSITIONS	5.00*	5.00*	5.00*	5.00*	5.00*	5.00*	5.00*	5.00*
TOTAL PROGRAM COST	116,079,211	141,162,298	141,274,618	141,327,051	141,327	141,327	141,327	141,327

PROGRAM ID: BED113
PROGRAM STRUCTURE: 0102
PROGRAM TITLE: TOURISM

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
MEASURES OF EFFECTIVENESS								
1. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)	14.6	14.9	14.9	14.9	14.9	14.9	14.9	14.9
2. VISITOR SATISFACTION % VERY LIKELY TO RECOMMEND HI	85.2	85.2	85.2	85.2	85.2	85.2	85.2	85.2
3. TOTAL VISITOR DAYS (MILLIONS)	75	76.1	76.1	76.1	76.1	76.1	76.1	76.1
4. TOTAL VISITOR ARRIVALS (MILLIONS)	8.2	8.3	8.3	8.3	8.3	8.3	8.3	8.3
5. TOTAL SCHEDULED AIR SEATS (MILLIONS)	11	11.2	11.2	11.2	11.2	11.2	11.2	11.2
6. HAWAII CONVENTION CENTER ROOM NIGHTS	130000	130000	130000	130000	130000	130000	130000	130000
7. NUMBER OF CRUISE BERTHS	124772	131832	131000	131000	131000	131000	131000	131000
PROGRAM TARGET GROUPS								
1. JAPANESE TRAVELERS TO THE US (MILLION)	3.7	3.6	3.6	3.6	3.6	3.6	3.6	3.6
2. US AIR TRAFFIC TO OVERSEAS REGIONS (MILLIONS)	40.52	40.52	40.52	40.52	40.52	40.52	40.52	40.52
PROGRAM ACTIVITIES								
1. # SPORTING EVENTS ACTUALLY FUNDED	17	21	21	21	21	21	21	21
2. # PROD ENRICH PROJ FNDED (INCL NAT RES & LVING HWN	113	128	128	128	128	128	128	128
3. # OF HAWAIIAN AND MAJOR FESTIVALS ACTUALLY FUNDED	12	12	12	12	12	12	12	12
4. # SPEECHES/PRESENTATIONS TO TOURISM STAKEHOLDERS	55	55	55	55	55	55	55	55
5. NUMBER OF HITS TO TOURISM RESEARCH PAGE	138311	138000	138000	138000	138000	138000	138000	138000
6. MAJOR MARKETING CONTRACTORS FUNDED (\$MILLIONS)	45	58.3	58.3	58.3	58.3	58.3	58.3	58.3
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
TAXES	115,000	108,500	108,500	108,500	108,500	108,500	108,500	108,500
REVENUES FROM THE USE OF MONEY AND PROPERTY	8,745	8,539	8,539	8,539	8,539	8,589	8,589	8,589
CHARGES FOR CURRENT SERVICES	265	24	24	24	24	24	24	24
NON-REVENUE RECEIPTS	3,265	3,700	3,500	3,500	3,500	3,500	3,500	3,500
TOTAL PROGRAM REVENUES	127,275	120,763	120,563	120,563	120,563	120,613	120,613	120,613
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	127,275	120,763	120,563	120,563	120,563	120,613	120,613	120,613
TOTAL PROGRAM REVENUES	127,275	120,763	120,563	120,563	120,563	120,613	120,613	120,613

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

A. Statement of Program Objectives

The Authority serves as a critical bridge linking public and private sectors, integrating and balancing the interests of government, the visitor industry, visitors and state residents in order to support sustainable economic development, optimize the benefits of tourism, improve visitor experiences and contribute to a good quality of life for residents. The Authority achieves this without General Fund appropriations, and instead through reinvestment of Transient Accommodations Tax (TAT) revenue into its programs. Based upon market conditions, the Authority aims to maintain a balance between destination marketing and providing for experience elements that perpetuate our native culture, while investing in and highlighting our local communities and counties.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The biennium budget request is to maintain current levels of funding through Transient Accommodations Tax (TAT) and appropriations of funds.

C. Description of Activities Performed

The HTA developed, executed and updated the Hawai'i Tourism Authority Strategic Plan (HTA Plan) for years 2013-2014, to prioritize the Authority's efforts in support of the Hawai'i Tourism Strategic Plan: 2005-2015 (State TSP). In developing the HTA plan, the HTA took into consideration market conditions such as the U.S. economic crisis, the Eurozone crisis and the March 2011 Japan tsunami, in an effort to help maintain the momentum of the Hawai'i tourism economic sector.

The HTA Plan provided aggressive short-term and long-term goals for 2013 (8.5 million visitors, \$200.31 per-person-per-day expenditures, \$15.8 billion economic impact in direct visitor spending) and 2014 (revised and approved

by the HTA Board of Directors on August 21, 2014: 8.25 million visitors, \$194.83 per-person-per-day expenditures, \$14.7 billion economic impact in direct visitor spending.)

HTA organized and supervised the efforts of our contractors for the major market areas of North America (U.S. West, U.S. East and Canada), Japan, China, Korea, Taiwan, Europe (Germany, United Kingdom, Sweden, Italy), Oceania (Australia and New Zealand), and Latin America (Argentina, Mexico, Brazil) markets. Each contractor worked with HTA to develop and execute an Annual Tourism Marketing Plan for their region. HTA tracks performance of the contractors through quarterly reviews of key performance indicators and other initiatives.

The HTA Plan also emphasizes executing the HTA Brand Management Plan, with a focus on brand sustainability through the perpetuation of our native culture, the development of new experiences and products and by offering capacity building assistance for organizations providing brand experiences. This includes funding approximately \$5 million toward Hawaiian culture programs, \$2 million toward natural resources and \$1.6 million toward county product enrichment.

The HTA is currently in the process of developing an extended update to the HTA Plan for the years 2016-2020.

Further, the HTA continues to improve internal capacity through professional development and improvement of workflow and knowledge management capabilities.

D. Statement of Key Policies Pursued

1. Implementation of the State Tourism Strategic Plan.

The State TSP is a 10-year plan that was developed using research from tourism studies and input solicited from tourism stakeholders, state and county entities, other interested organizations and individuals from the private and public sectors, including the Hawaiian community. The focus of this 10-year plan is on building a sustainable future for tourism as an economic engine for Hawai'i and as such, identifies nine strategic initiatives vital to the long-term health of tourism: Access; Communications & Outreach; Hawaiian Culture; Marketing; Natural Resources; Research & Planning; Safety & Security; Tourism Product Development; and Workforce (Career) Development.

2. Implementation of the HTA Plan to Sustain Hawai'i's Tourism Economic Sector. The worldwide financial crisis severely impacted consumer and business travel on a global basis, and especially travel to Hawai'i that resulted in an extension of the slowdown of Hawai'i's tourism economy that began in 2007. As a result, the HTA Plan was created and consistently updated to prioritize HTA's efforts in response to the economic crisis, and to focus on key objectives of: maintaining Hawai'i's brand; promoting brand experiences through signature events and the development of new experiences and product; managing the brand through leisure and business destination marketing; leading Hawai'i's visitor industry and strengthening connectivity between government, industry, business and media through communications, community and government relations and outreach; and increasing market understanding and evaluating brand experience through tourism research.

Beyond 2014, HTA's objectives expand to refocusing on growing market share in key markets, obtaining greater balance in the distribution of visitors to the neighbor islands through airlift and event management, elevating the Meetings, Conventions and Incentives (MCI) efforts to position the Hawaiian Islands as a world-class destination for hosting MCI programs, placing an emphasis on the visitor experience through brand

sustainability efforts, and strengthening HTA's position as a knowledge-based organization utilizing a research-based decision-making model.

3. HTA's Evolution as a Knowledge-Based Organization. The HTA Plan includes an HTA organizational directive "to improve HTA internal capacity." The HTA will build upon its infrastructure and capabilities to better support HTA Plan execution. HTA is responsible for the monthly review, analysis and distribution of important visitor data to all constituencies. Another HTA organizational directive includes to "use research programs and information to drive HTA decision making, evaluate programs and guide visitor industry stakeholders." This includes the monitoring of key performance indicators to better gauge the effectiveness and efficiency of marketing and other program and partner efforts.

E. Identification of Important Program Relationships

The vision of the State TSP is a successful and sustainable tourism economy which will require the collective effort of public and private sectors, including the HTA, Legislative and Executive branches of state and county government, visitor industry partners, and local communities. Consistent with this vision, the overarching strategic goal of the HTA Plan is to "optimize benefits for Hawai'i that integrates the interests of visitors, the community and the visitor industry." In particular, the HTA must maintain relationships with all of the various parties in the private and public sector that have been identified and referenced in these plans, and which contribute to the successful implementation of the various activities and efforts necessary to help sustain Hawai'i's tourism economy.

F. Description of Major External Trends Affecting the Program

Tourism remains the number one economic engine for Hawai'i, accounting for approximately 16.4 percent of the state's employment and 16.7 percent of the gross state product. Many events have impacts to tourism, both negative and positive. The worldwide economic crisis and Japan tsunami of March 2011 hurt Hawai'i's tourism economy. These events showed the vulnerability of the tourism industry to global crisis and, likewise, the importance of strategic flexibility. While the overall economy has improved, challenges and uncertainties remain in place, including the possibility of falling back into recession, epidemics from disease, U.S. and international fiscal policy, slowdown in certain Asian economies and fluctuation of oil prices.

Despite these challenges, there remains many opportunities for Hawai'i's visitor industry, starting with the execution of the HTA Plan and concentrated industry efforts to boost arrivals; distribution to the neighbor islands; upturns in various economies, including the strengthened economies of Europe and the U.S.; improving business conditions to pave the way for corporations to consider overseas travel; and, continued post-event opportunity to leverage Hawai'i's hosting of the 2011 APEC World Leaders' Summit which brought worldwide exposure to Hawai'i being an excellent venue for corporations and groups to hold productive and successful business meetings.

In response to these external and ever changing conditions, HTA will continue to monitor the events and trends occurring locally, nationally and globally, to ensure that Hawai'i's programs and activities can respond to, better leverage and appropriately address changing conditions and opportunities.

G. Discussion of Cost, Effectiveness, and Program Size Data

Visitor Statistics	2014 Goals*	2013 Actuals
Visitor Arrivals	8.25 million	8.175 million
Per Person Per Day Spending	\$194.83	\$192.40
Total Statewide Economic Impact in Visitor Spending	\$14.7 billion	\$14.52 billion

*Projections are based on overall goals described in the HTA Plan and its revised targets approved by the HTA Board of Directors on August 21, 2014. The 2013 actual figures are based on final information provided by HTA's Tourism Research.

In addition to the above indicators for Hawaii's visitor industry, the HTA has also been reviewing the results from its various program areas, including various key performance indicators, in an effort to evaluate and improve their overall efficiencies and effectiveness.

H. Discussion of Program Revenues

Tourism Special Fund (TSF). HRS Section 237D provides that \$82 million in Transient Accommodations Tax (TAT) shall be allocated to the TSF each fiscal year.

Convention Center Enterprise Special Fund (CCESF). HRS Section 237D provides that \$33 million in TAT shall be allocated to the CCESF each fiscal year. Act 81, SLH 2014, reduced the TAT allocation to the CCESF to \$26.5 million.

Turtle Bay Conservation Easement Special Fund (TBCESF). Act 81, SLH, authorized HTA to issue \$40 million in revenue bonds to acquire a conservation easement in Turtle Bay. Act 81 allocates \$3 million of TAT annually to HTA through the TBCESF to pay the debt service on those bonds.

Out of \$395 million in TAT received in fiscal year 2014, HTA received \$115 million for the TSF and CCESF, \$93 million was distributed to counties, \$3 million was allocated to the Department of Land and Natural Resources (DLNR) and \$184 million was added to the general fund.

I. Summary of Analysis Performed

The following information demonstrates how tourism contributes to Hawai'i's economy. In 2013, Hawai'i's tourism economic sector:

- Produced 16.7 percent of Gross State Product;
- Accounted for approximately 134,233 jobs or 16.4 percent of total employment for the State; and
- Contributed \$1.26 billion tax dollars (TAT and other taxes) to state government or 19.8 percent of total state tax revenue.

J. Further Considerations

- *Center for Hawaiian Music and Dance (CHMD)*. HRS Section 237D provides that of the \$82 million allocated to the TSF, \$1 million shall be allocated for the operation of a CHMD at the Hawai'i Convention Center. The HTA is currently in the planning phase for the CHMD.
- *Turtle Bay Conservation Easement*. The HTA is currently performing its due diligence over the easement prior to intended acquisition.

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **BED120**
 PROGRAM STRUCTURE NO. **010501**
 PROGRAM TITLE: **HAWAII STATE ENERGY OFFICE**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	5.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
PERSONAL SERVICES	3,799,525	3,649,525	3,852,677	3,947,512	3,948	3,948	3,948	3,948
OTHER CURRENT EXPENSES	2,718,130	56,573,972	53,189,780	51,689,780	51,690	51,690	51,690	51,690
EQUIPMENT	15,259							
TOTAL OPERATING COST	6,532,914	60,223,497	57,042,457	55,637,292	55,638	55,638	55,638	55,638
BY MEANS OF FINANCING								
SPECIAL FUND	5.00*	5.00*	5.00*	5.00*	5.0*	5.0*	5.0*	5.0*
FEDERAL FUNDS	5,112,662	56,639,305	55,542,457	55,637,292	55,638	55,638	55,638	55,638
OTHER FEDERAL FUNDS	367,411	1,750,000	1,500,000					
FEDERAL STIMULUS FUNDS	*	*	*	*	*	*	*	*
TOTAL	232,059	1,514,192						
TOTAL POSITIONS	5.00*	5.00*	5.00*	5.00*	5.00*	5.00*	5.00*	5.00*
TOTAL PROGRAM COST	6,532,914	60,223,497	57,042,457	55,637,292	55,638	55,638	55,638	55,638

PROGRAM ID: BED120
 PROGRAM STRUCTURE: 010501
 PROGRAM TITLE: HAWAII STATE ENERGY OFFICE

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
MEASURES OF EFFECTIVENESS								
1. # RE PROJECTS ASSISTED	41	20	20	20	20	20	20	20
2. # EV DEPLOYMENT/ADOPTION PROJECTS ASSISTED	24	48	48	48	48	48	48	48
3. # EA ACTIVITIES DEV & SUPPORTED	4	4	4	4	4	4	4	4
4. TA TO PUBLIC & PRIVATE ENTITIES	444	902	856	856	858	858	876	902
5. # PROJECTS/ENERGY SYSTEMS FINANCED	NA	280	1119	560	0	0	0	0
PROGRAM TARGET GROUPS								
1. # EMERGING CLEAN ENERGY PRODUCERS	NA	40	40	40	40	40	40	40
2. # EV INDUSTRY SECTORS	NA	17	17	17	17	17	17	17
3. # CUSTOMERS/ORGANIZATIONS RECEIVING FINANCING	NA	280	1119	560	0	0	0	0
4. # BUS/ORG INTERESTED IN ENERGY ASSURANCE	NA	25	25	25	25	25	25	25
PROGRAM ACTIVITIES								
1. % STATEWIDE RPS	NA	19	21	22	23	24	25	26
2. # REGISTERED PASSENGER PLUG-IN EVS	NA	456	456	456	456	456	456	456
3. # PUBLIC CHARGING STATIONS	40	20	20	20	20	20	20	20
4. # BUS/ORG PARTICIPATED IN EA ACTIVITIES	100	100	100	100	100	100	100	100
5. # ENTITIES PARTICIPATED EE ACTIVITIES	2065	2175	1054	1054	1554	1154	1256	1658
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
TAXES	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900
REVENUE FROM OTHER AGENCIES: FEDERAL	3,138	2,410	1,841	1,500	1,500	1,500	1,500	1,500
TOTAL PROGRAM REVENUES	7,038	6,310	5,741	5,400	5,400	5,400	5,400	5,400
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	6,260	5,991	5,741	5,400	5,400	5,400	5,400	5,400
ALL OTHER FUNDS	778	319						
TOTAL PROGRAM REVENUES	7,038	6,310	5,741	5,400	5,400	5,400	5,400	5,400

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

A. Statement of Program Objectives

To achieve growth, diversification and long-term stability of the State's economy by facilitating the sustained deployment of Hawaii's clean energy resources and efficiency measures, and pursuing research, development & deployment investments in Hawaii's statewide clean energy "test bed."

Pursuant to Act 73, SLH 2010, the Hawaii State Energy Office (HSEO) leads the State's efforts in implementing the Hawaii Clean Energy Initiative (HCEI) program to establish policies, plans and deployment strategies guiding the state's transition to a clean energy economy. Launched in 2008, HCEI uses clean energy as an economic driver by maximizing indigenous energy development, energy efficiency measures, and test bed investments that also reduces Hawaii's dependence on imported fossil fuels. As a result of this initiative, Hawaii now has the nation's leading renewable portfolio standards (RPS) and energy efficiency portfolio standards (EEPS) through 2030 that are codified as State law and a commitment to go beyond these existing statutory goals.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

HSEO requests funding to support the HCEI from its Energy Security Special Fund:

1. Reduces \$250,000 in FY16 and (\$1,750,000) in FY17 for means of financing (MOF) for federal funds for US Department of Energy (USDOE) State Energy Program (SEP) formula grant.
2. Reduces \$1,514,192 in FY16 and FY17 for MOF for other federal funds due to rollover from prior year awards.
3. Reduces \$320,000 in FY 16 and FY17 for MOF for federal stimulus funds due to grant close out.

C. Description of Activities Performed

HSEO activities are focused on implementing the clean energy objectives of the HCEI and establishing policies and a regulatory framework to go beyond the current RPS and EEPS goals.

1. Assist renewable energy projects.
2. Assist electric vehicle deployment/adoption projects.
3. Finance projects/energy systems.
4. Develop and support energy assurance activities.
5. Provide technical assistance to public and private entities.

D. Statement of Key Policies Pursued

The State has established five guiding directives to help ensure actions or proposals affecting energy related investments and activities are consistent with the State's energy policy:

1. Developing a diversified energy portfolio that maximizes renewable generation;
2. Building interconnected, modernized grids;
3. Effectively balancing technical, economic, environmental, and cultural considerations;
4. Being a "trail blazer" with regard to energy innovation; and
5. Supporting market-led investments and pricing structures that align with the State's energy policy and economic goals.

E. Identification of Important Program Relationships

US Departments of Energy, Defense, Interior, Agriculture; Environmental Protection Agency; National Renewable Energy Laboratory; National

Association of State Energy Officials; Hawaii Natural Energy Institute; Hawaii Energy; State Civil Defense; Public Utilities Commission; counties; utilities.

F. Description of Major External Trends Affecting the Program

Hawaii's electricity sector is comprised of complex technical, operational, and utility-planning matters, making for a challenging transition from primarily a petroleum-based energy ecosystem to a renewable one. Likewise, there are multiple barriers to transitioning from a near monopoly of petroleum-based fuels in the transportation sector to a diversified portfolio that includes a high proportion of indigenous renewable energy sources. As high rates of intermittent renewable energy is integrated into Hawaii's electricity grids, the integration of substantial amounts of new variable renewable energy resources is at risk of curtailments. As demand for conventional fuels declines in Hawaii, one or both of the State's two refiners risk closure by the end of the decade, according to the reports of the Hawaii Refinery Task Force (2013-2014). The Public Utilities Commission is also seeking of Hawaii's major utility clear, actionable strategies to lower and stabilize customer bills, integrate a diverse portfolio of cost-effective renewable energy projects, and operate each island grid reliably and cost-effectively with substantial quantities of variable renewable energy resources.

G. Discussion of Cost, Effectiveness, and Program Size Data

The state surpassed its 2015 interim goal for renewable energy generation 2 years early. As a result of this progress, we are now committed to going beyond the original target of 40% renewable energy by 2030. HSEO is requesting an additional \$6.5M allocation to the Energy Security Special Fund to support Hawaii's commitment to the energy transformation that is now underway. Staffing for the HSEO will remain at 36.0 FTE to carry out the proposed activities for supporting the HCEI objectives.

H. Discussion of Program Revenues

HSEO is supported primarily by its Energy Security Special Fund (ESSF), established under section 201-12.8, HRS. The ESSF currently receives 15 cents of the Environmental Response, Energy, and Food Security Tax on each barrel of petroleum product sold by a distributor to any retail dealer or end user, other than a refiner. Since fiscal year 2011, the ESSF revenues have been approximately \$3.9M per fiscal year. The USDOE's SEP provides an annual formula allocation of approximately \$280K. HSEO continues to pursue other federal funds.

I. Summary of Analysis Performed

The Hawaii Clean Energy Initiative Scenario Analysis (Booz Allen Hamilton, March 2012) estimates the net present value of capital installation required to meet or approach the 70% clean energy goal by 2030 is \$16B. Additionally, in its December 29, 2011, report to the legislature, the Hawaii Economic Development Task Force acknowledged the need to increase support for the Energy Security Special Fund.

J. Further Considerations

Statutory obligations of the energy resources coordinator (DBEDT Director) that have been delegated to the HSEO include, but are not limited to, the following: HRS 125C Procurement, Control, Distribution, and Sale of Petroleum Products; HRS 128 Civil Defense and Emergency Act; HRS 171-95.3 Management and Disposition of Public Lands; HRS 196 Energy Resources; HRS 201 Department of Business, Economic Development, and Tourism; HRS 201N Renewable Energy Facility Siting Process; HRS 226 Hawaii State Planning Act; HRS 235 Income Tax Law ; HRS 269 Public Utilities Commission; HRS 342B Air Pollution Control; and HRS 486J Energy Industry Information Reporting Act.

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HSEO activities are focused on implementing the clean energy objectives of the HCEI and establishing policies and a regulatory framework to go beyond the current RPS and EEPS goals.

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US Departments of Energy, Defense, Interior, Agriculture; Environmental Protection Agency; National Renewable Energy Laboratory; National

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G. Discussion of Cost, Effectiveness, and Program Size Data

The state surpassed its 2015 interim goal for renewable energy generation 2 years early. As a result of this progress, we are now committed to going beyond the original target of 40% renewable energy by 2030. HSEO is requesting an additional \$6.5M allocation to the Energy Security Special Fund to support Hawaii's commitment to the energy transformation that is now underway. Staffing for the HSEO will remain at 36.0 FTE to carry out the proposed activities for supporting the HCEI objectives.

H. Discussion of Program Revenues

HSEO is supported primarily by its Energy Security Special Fund (ESSF), established under section 201-12.8, HRS. The ESSF currently receives 15 cents of the Environmental Response, Energy, and Food Security Tax on each barrel of petroleum product sold by a distributor to any retail dealer or end user, other than a refiner. Since fiscal year 2011, the ESSF revenues have been approximately \$3.9M per fiscal year. The USDOE's SEP provides an annual formula allocation of approximately \$280K. HSEO continues to pursue other federal funds.

I. Summary of Analysis Performed

The Hawaii Clean Energy Initiative Scenario Analysis (Booz Allen Hamilton, March 2012) estimates the net present value of capital installation required to meet or approach the 70% clean energy goal by 2030 is \$16B. Additionally, in its December 29, 2011, report to the legislature, the Hawaii Economic Development Task Force acknowledged the need to increase support for the Energy Security Special Fund.

J. Further Considerations

Statutory obligations of the energy resources coordinator (DBEDT Director) that have been delegated to the HSEO include, but are not limited to, the following: HRS 125C Procurement, Control, Distribution, and Sale of Petroleum Products; HRS 128 Civil Defense and Emergency Act; HRS 171-95.3 Management and Disposition of Public Lands; HRS 196 Energy Resources; HRS 201 Department of Business, Economic Development, and Tourism; HRS 201N Renewable Energy Facility Siting Process; HRS 226 Hawaii State Planning Act; HRS 235 Income Tax Law ; HRS 269 Public Utilities Commission; HRS 342B Air Pollution Control; and HRS 486J Energy Industry Information Reporting Act.

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **BED143**
 PROGRAM STRUCTURE NO. **010502**
 PROGRAM TITLE: **HIGH TECHNOLOGY DEVELOPMENT CORPORATION**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	3.00*	3.00*	3.00*	3.00*	3.0*	3.0*	3.0*	3.0*
PERSONAL SERVICES	1,711,732	1,711,732	1,914,890	1,942,107	1,941	1,941	1,941	1,941
OTHER CURRENT EXPENSES	2,839,783	20,563,976	20,428,972	20,428,972	20,430	20,430	20,430	20,430
EQUIPMENT	11,648							
TOTAL OPERATING COST	4,563,163	22,275,708	22,343,862	22,371,079	22,371	22,371	22,371	22,371
BY MEANS OF FINANCING								
GENERAL FUND	1.50*	1.50*	1.50*	1.50*	1.5*	1.5*	1.5*	1.5*
	1,084,017	1,030,588	1,064,602	1,075,881	1,076	1,076	1,076	1,076
SPECIAL FUND	1.50*	1.50*	1.50*	1.50*	1.5*	1.5*	1.5*	1.5*
	2,031,058	3,755,410	3,789,550	3,805,488	3,805	3,805	3,805	3,805
OTHER FEDERAL FUNDS	*	*	*	*	*	*	*	*
REVOLVING FUND	1,448,088	15,989,710	15,989,710	15,989,710	15,990	15,990	15,990	15,990
		1,500,000	1,500,000	1,500,000	1,500	1,500	1,500	1,500
TOTAL POSITIONS	3.00*	3.00*	3.00*	3.00*	3.00*	3.00*	3.00*	3.00*
TOTAL PROGRAM COST	4,563,163	22,275,708	22,343,862	22,371,079	22,371	22,371	22,371	22,371

PROGRAM ID: **BED143**
 PROGRAM STRUCTURE: **010502**
 PROGRAM TITLE: **HIGH TECHNOLOGY DEVELOPMENT CORPORATION**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
MEASURES OF EFFECTIVENESS								
1. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS	250	250	250	250	275	275	300	300
2. MKTG:# OF INDIVIDUALS OR COMPANIES ASSISTED	35300	35300	36100	36100	36200	36200	36300	36300
PROGRAM TARGET GROUPS								
1. # OF POTENTIAL TECH-BASED COMPANIES	1300	1300	1300	1300	1350	1350	1400	1400
2. # OF COMPANIES APPLYING FOR INCUBATION SERVICES	15	15	25	25	25	25	40	45
PROGRAM ACTIVITIES								
1. # OF CONTACTS AND RESPONSES	50100	50100	57800	57800	57900	57900	58000	58000
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	68	89	72	72	16	16	266	316
REVENUE FROM OTHER AGENCIES: FEDERAL	5,193	13,526	5,500	5,500	500			
REVENUE FROM OTHER AGENCIES: ALL OTHER	49	50						
CHARGES FOR CURRENT SERVICES	1,050	1,368	1,445	1,024	824	736	754	736
TOTAL PROGRAM REVENUES	6,360	15,033	7,017	6,596	1,340	752	1,020	1,052
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	1,101	1,451	1,463	1,042	840	752	1,020	1,052
ALL OTHER FUNDS	5,259	13,582	5,554	5,554	500			
TOTAL PROGRAM REVENUES	6,360	15,033	7,017	6,596	1,340	752	1,020	1,052

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

A. Statement of Program Objectives

To develop and promote Hawaii's science and technology assets and resources to benefit the commercial sector; implement programs to support the attraction, expansion, and retention of technology companies; support firms engaged in technology research & investment, and projects that support national and State interests; utilize facilities and infrastructure in Hawaii to foster commercial technology development; and promote and provide support for businesses involved in technology areas including but not limited to: information & telecommunication, biotech, medical healthcare, renewable energy and clean earth/ocean/space science technologies and manufacturing.

B. Description of Requests and Compliance with Section 37-68(1)(A)(B)

Separate tradeoff requests for the special fund and federal fund to reappropriate funds to Personal Services from Other Current Expenses to cover budgeted salaries and fringe benefit costs. The tradeoff for the special fund is \$67,763 and federal fund is \$67,241.

C. Description of Activities Performed

Activities include: 1) enhance high technology development with its incubation programs, activities and tech synergy at the Manoa Innovation Center (MIC) and Maui Research & Technology Center (MRTC). The centers also offer a virtual incubation program to companies that don't want to be tenants at the centers but can benefit from its services and opportunities. 2) create new centers of innovation such as research and technology parks, collaboration center and other facilities that promote technology, 3) expand federal opportunities in Hawaii with a) matching fund program Hawaii Small Business Innovation Research (HSBIR) for companies receiving the Small Business Innovation Research (SBIR) grants. The purpose is to support new

science, tech and agricultural-based commercialization, which will increase revenues, provide sustainable high quality job opportunities and promote economic development, b) Hawaii Center for Advanced Transportation Technologies (HCATT) supports innovative hydrogen fuel cell transportation demonstration projects on the islands of Oahu and Hawaii, and c) operate the U.S. NIST Manufacturing Extension Partnership (MEP) program through Innovate Hawaii which assists manufacturers to become more globally competitive by improving their operation and expanding business through new product development, 4) focused marketing to promote technology and innovation by a) conducting or sponsoring conferences, workshops, and networking events, b) promoting High Technology Development Corporation (HTDC) programs and seminars as part of its awareness campaign through publications, editorials, and media productions, c) provides the State a periodic assessment of the local technology industry, trends, policies, and support needs and d) and coordinate policies with DBEDT for the high tech sector. On-going information is provided to legislators' regarding high tech issues to facilitate sound policy making.

D. Statement of Key Policies Pursued

The tech-based economic development programs and activities will focus on: a) increasing the innovation and technology economy through innovation hubs b) promote and foster workforce to meet the needs of innovation c) increase neighbor island presence and partnerships, d) provide input on tech based economic development policies, and e) develop public private partnerships for economic growth.

E. Identification of Important Program Relationships

Important program relationships include: the Legislature, Chambers of Commerce, county Economic Dev. Boards, U.S. Dept. of Commerce NIST and EDA, U.S. Air Force Research Laboratory and JBPHH, Small Business

Admin., Maui High Performance Computing Ctr, University of Hawaii, Hawaiian Electric Company, Small Business Development Center, Hawaii Innovation Alliance, Fisher Hawaii, Data House, various technical and professional technology organizations, individuals providing technical advisory services to incubation program companies, other economic development associations; HSDC, NELHA, HCDA, FTZ, DAGS, ICSD, DOE, DHRD and Dept. of Taxation.

F. Description of Major External Trends Affecting the Program

1. The on-going slowdown of the local economy and resulting forecast of low State revenues has caused a significant reduction in general funds over the years. A slowdown is forecasted for the biennium years as well. Due to its limited resources, HTDC has had to reduce staff and programs and cut services to its incubator clients, and not pursue new opportunities. The slowdown has significantly impacted occupancy at MIC and MRTC resulting in less revenues and the need to subsidize a portion of MRTC's common area maintenance expenses.
2. Expiration of the lease at MIC in 2015 and the landlord's desire not to extend requires HTDC to look for an alternative facility. Cash reserves are being built up to cover the anticipated short-term revenue dip when MIC is vacated and the new center is being filled.
3. Lack of capital financing for tech startups and infrastructure weakens the ecosystem to build and sustain companies that support high wage jobs. (e.g., sufficient deal flow to command a presence of groups of Hawaii-targeted investment funds, esp. beyond the seed level).
4. Hawaii lacks the critical mass for a qualified technologically trained workforce.

5. Lack of ultra high speed internet broadband prevents the entire state from achieving any economic growth. Broadband capacity needs to be upgraded and be affordable to the overall population. HTDC is working with private and public sector to address this issue.

G. Discussion of Cost, Effectiveness, and Program Size Data

There are 1250 and 1300 tech companies respectively targeted in the biennium years' to be served by HTDC.

H. Discussion of Program Revenues

Program revenues are primarily generated from rents and user fees charged to tech center occupants. Other revenues include fees from conferences, parking, interest, and contracts or private sector grants. The MEP & HCATT programs receive funding from federal sources.

I. Summary of Analysis Performed

None

J. Further Considerations

None

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **BED145**
 PROGRAM STRUCTURE NO. **010503**
 PROGRAM TITLE: **HAWAII STRATEGIC DEVELOPMENT CORPORATION**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	*	*	*	*	*	*	*	*
PERSONAL SERVICES	217,799	417,799	236,073	242,556	243	243	243	243
OTHER CURRENT EXPENSES	2,095,996	19,648,716	6,680,366	6,680,366	6,680	6,680	6,680	6,680
EQUIPMENT								
TOTAL OPERATING COST	2,313,795	20,066,515	6,916,439	6,922,922	6,923	6,923	6,923	6,923
BY MEANS OF FINANCING								
GENERAL FUND								
SPECIAL FUND	42	2,608,516	2,608,516	2,608,516	2,609	2,609	2,609	2,609
OTHER FEDERAL FUNDS	992,186	13,168,350						
REVOLVING FUND	1,321,567	4,289,649	4,307,923	4,314,406	4,314	4,314	4,314	4,314
TOTAL POSITIONS	*	*	*	*	*	*	*	*
TOTAL PROGRAM COST	2,313,795	20,066,515	6,916,439	6,922,922	6,923	6,923	6,923	6,923

PROGRAM ID: BED145
 PROGRAM STRUCTURE: 010503
 PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORPORATION

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
MEASURES OF EFFECTIVENESS								
1. INCR IN LEVERAGING PUBLIC INV W/PRIVATE CAPITAL	5000000	5000000	0	0	0	0	0	0
2. INCR IN NUMBER OF VENTURE CAP PARTNERSHIPS ESTAB	2	1	1	0	0	0	0	0
3. INCREASE IN NUMBER OF COMPANIES FUNDED	5	5	5	5	5	5	5	5
PROGRAM TARGET GROUPS								
1. ENTREPRENEURIAL START-UP COMPANIES	50	50	50	50	50	50	50	50
2. POTENTIAL INVEST ORG, INCL HIGH NET WORTH INDIVIDS	20	20	20	20	20	20	20	20
3. SUPPORT ORGS INCLUDING LEGAL & ACCT FIRMS	5	5	5	5	5	5	5	5
PROGRAM ACTIVITIES								
1. REINVEST INVEST DISTRIB IN NEW VENTURE PARTNERSHIP	0	0	0	0	0	0	0	0
2. ORGANIZE AND SPONSOR VENTURE CAPITAL CONF	3	3	3	3	3	3	3	3
3. ENTREPRENEURIAL TRAINING PROGRAMS	1	1	1	1	1	1	1	1
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	10	5	5	5	5	5	5	5
REVENUE FROM OTHER AGENCIES: ALL OTHER	110	200	200	200	200	200	200	200
NON-REVENUE RECEIPTS	6,000							
TOTAL PROGRAM REVENUES	6,120	205	205	205	205	205	205	205
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
ALL OTHER FUNDS	6,120	205	205	205	205	205	205	205
TOTAL PROGRAM REVENUES	6,120	205	205	205	205	205	205	205

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

A. Statement of Program Objectives

To create funding mechanisms for investment in emerging technology companies by developing networks to organize public and private sources of capital and develop the infrastructure to support venture capital in Hawaii.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

None.

C. Description of Activities Performed

Hawaii Strategic Development Corporation (HSDC) manages a venture capital fund of funds investment program to mobilize investment capital for Hawaii's emerging technology companies. HSDC identifies qualified fund managers and co-invests with private investors to establish Hawaii-based investment funds. In addition, HSDC organizes and participates in venture capital conferences that help to inform Hawaii's venture capital community and network Hawaii businesses with sources of capital inside and outside of Hawaii.

D. Statement of Key Policies Pursued

HSDC will continue to serve as a catalyst where needed to fill gaps in Hawaii's venture capital sector and support entrepreneurial development by providing programs and networking to assist companies to gain the skills and capital needed to grow their businesses. HSDC's programs achieve core State objectives of economic development, economic diversification, entrepreneurial development and the creation of high wage jobs in Hawaii.

E. Identification of Important Program Relationships

HSDC, HTDC and NELHA maintain seats on each others' boards and HSDC works with these agencies to promote investments in their client companies. HSDC also works with UH to assist in the commercialization of UH intellectual property. HSDC provides support to DBEDT's Creative Industries, Energy and Business Development groups, particularly in the area entrepreneurial development and promotion of Hawaii businesses. Externally, HSDC works with The Hawaii Business Roundtable, Enterprise Honolulu, MEDB, and PICHTR to provide advice on capital raising issues for start-up companies. HSDC is networked with private sector investors and entrepreneur organizations. Finally, HSDC works closely with its investee funds and companies and potential funds and companies seeking to raise investment capital, in particular, ERS' Hawaii venture capital program.

F. Description of Major External Trends Affecting the Program

There has been a significant increase in entrepreneurial activity in the state as evidenced by events such as Startup Weekend Honolulu, university business plan competitions and the number of applicants to HSDC supported venture accelerator programs. Hawaii's ranking in the 2014 State New Economy Index for Entrepreneurial Activity jumped 20 places. Hawaii's institutional investors, such as Kamehameha Schools, Queens Health Systems and the University of Hawaii Foundation are providing significant support to the venture community.

It is difficult for businesses in the innovation sector to raise startup capital and regions that are able to provide the infrastructure to facilitate capital access for startups have a competitive advantage in attracting high growth businesses. Many states have implemented comprehensive programs to attract and grow entrepreneurial businesses as this is seen as an effective policy to create high wage jobs in their communities.

G. Discussion of Cost, Effectiveness, and Program Size Data

HSDC has operated a lean organization overseeing more than \$20 million in investment funds with just two full time employees. HSDC has consistently operated within its budget allocation and efficiently deploys capital when available.

H. Discussion of Program Revenues

Program revenues are based on investment returns. Liquidity events impacting portfolio companies typically take place in the form of initial public offerings of the company's stock or the company being acquired by another firm. These events are extremely difficult to predict with any accuracy, and therefore revenue projections are highly speculative.

I. Summary of Analysis Performed

The Hawaii Business Roundtable recently completed a study of the research and innovation sector of Hawaii. The report concluded that the sector is already significant, accounting for 7.3% of the workforce, and supporting the continued growth of this sector is critical to Hawaii's overall economic growth prospects.

Previous studies on Hawaii's technology sector published by HTDC and HIPA have highlighted the importance of capital formation for the development of a technology industry in Hawaii. There have been numerous studies at the national level with similar conclusions and many states have undertaken significant investment programs to support capital formation in their regions.

HSDC has reviewed the historical investment performance of its portfolio and has concluded that economic development objectives are being met and, while investment returns have been sub par, that is a result of poor securities management and not due to the lack of quality investment opportunities in the state.

J. Further Considerations

HSDC is close to fully allocating the \$6 million previously appropriated to the HI Growth Initiative in 2012. The funds requested for this biennium budget will continue the momentum these efforts have achieved. Significant private sector participation has been catalyzed by HSDC's efforts and maintaining the scale of recent activity will unlock more private sector resources to leverage the State's investment.

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **BED146**
 PROGRAM STRUCTURE NO. **010504**
 PROGRAM TITLE: **NATURAL ENERGY LAB OF HAWAII AUTHORITY**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	*	*	*	*	*	*	*	*
PERSONAL SERVICES	1,832,345	1,832,345	1,930,164	1,975,827	1,976	1,976	1,976	1,976
OTHER CURRENT EXPENSES	3,986,445	5,805,572	5,805,572	5,805,572	5,806	5,806	5,806	5,806
EQUIPMENT	19,075							
MOTOR VEHICLE		35,000	35,000	35,000	35	35	35	35
TOTAL OPERATING COST	5,837,865	7,672,917	7,770,736	7,816,399	7,817	7,817	7,817	7,817
BY MEANS OF FINANCING								
SPECIAL FUND	5,837,865*	7,672,917*	7,770,736*	7,816,399*	7,817*	7,817*	7,817*	7,817*
CAPITAL INVESTMENT APPROPRIATIONS								
PLANS		1,000						
DESIGN	75,000	499,000						
CONSTRUCTION	11,942,000	2,000,000	330,000					
TOTAL CAPITAL APPROPRIATIONS	12,017,000	2,500,000	330,000					
BY MEANS OF FINANCING								
G.O. BONDS	12,017,000	2,500,000	330,000					
TOTAL POSITIONS	17,854,865*	10,172,917*	8,100,736*	7,816,399*	7,817*	7,817*	7,817*	7,817*
TOTAL PROGRAM COST	17,854,865	10,172,917	8,100,736	7,816,399	7,817	7,817	7,817	7,817

PROGRAM ID: **BED146**
 PROGRAM STRUCTURE: **010504**
 PROGRAM TITLE: **NATURAL ENERGY LAB OF HAWAII AUTHORITY**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
MEASURES OF EFFECTIVENESS								
1. NELHA REVENUES (INCL REIMBURSABLES) (\$M)	5.2	6	6.3	6.6	6.9	7.2	7.2	7.2
2. ENERGY PRODUCED FROM RENEWABLE RESOURCES (MWH/YR)	1746	3071	4500	4500	4500	4500	4500	4500
3. TOTAL TENANT REVENUE (\$M)	58	59	61	65	68	71	71	71
4. ANNUAL TENANT CAPITAL IMPROVEMENT (\$M)	6	6	10	10	10	10	10	10
5. SEAWATER SYSTEM DELIVERY RELIABILITY (%)	99.999	99.999	99.999	99.999	99.999	99.999	99.999	99.999
PROGRAM TARGET GROUPS								
1. COMMERCIAL TENANTS	23	26	30	30	30	30	30	30
2. PRE-COMMERCIAL TENANTS	8	10	10	11	12	13	13	13
3. RESEARCH/EDUCATION/OTHER TENANTS	12	12	15	15	15	15	15	15
4. PUBLIC OUTREACH PARTICIPANTS	3850	4000	4200	4500	4500	4500	4500	4500
PROGRAM ACTIVITIES								
1. TOTAL EMPLOYMENT AT NELHA (PUBLIC & PRIVATE)	400	400	420	440	460	480	480	480
2. TOTAL VOLUME OF SEAWATER PUMPED (MGALS)	9.4	30	33	150	150	150	150	150
3. TOTAL NUMBER OF NELHA TENANTS	43	48	53	54	55	56	56	56
4. PERCENTAGE OF NELHA LAND IN USE	37.8	40	42	43	45	47	47	47
5. TOTAL CUMULATIVE CIP; TENANT, STATE, FEDERAL (\$M)	103	110	120	130	140	150	150	150
6. BEACH PARK USE (# OF ATTENDEES)	115000	115000	120075	126000	133000	139000	139000	139000
7. CEMP (# OF REGULATORY AGENCIES)	7	7	7	7	7	7	7	7
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	1,697	1,963	2,022	2,083	2,145	2,211	2,277	2,345
REVENUE FROM OTHER AGENCIES: FEDERAL	54	366						
REVENUE FROM OTHER AGENCIES: ALL OTHER		25						
CHARGES FOR CURRENT SERVICES	3,243	3,447	3,706	4,003	4,314	4,579	4,881	5,229
TOTAL PROGRAM REVENUES	4,994	5,801	5,728	6,086	6,459	6,790	7,158	7,574
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	4,940	5,435	5,728	6,086	6,459	6,790	7,158	7,574
ALL OTHER FUNDS	54	366						
TOTAL PROGRAM REVENUES	4,994	5,801	5,728	6,086	6,459	6,790	7,158	7,574

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

A. Statement of Program Objectives

NELHA's has 7 key objectives. They are: 1) Innovation – Operate and maintain the Hawaii Ocean Science and Technology Park (HOST Park) in a manner that facilitates, attracts, and promotes new and unique uses of the ocean and clean technology energy resources; 2) Financial Resources – Maintain operational self-sufficiency by broadening revenue streams and diversifying funding sources; 3) Productivity – Increase number of quality research and commercial clients in HOST Park while improving the cost-effective utilization of staff and facilities to increase and upgrade services; 4) Profit Requirement – Provide a positive total economic impact to the community and state through generating revenues to NELHA, commercial client revenues and non-state employment; 5) Marketing – Attract and promote ocean and energy research and commercial activities; 6) Physical Resources – Provide infrastructure and support facilities/equipment suitable for optimal operation of HOST Park and clients; and, 7) Social and Cultural Responsibility – Facilitate and develop educational and information programs for ocean and energy subjects which relate to NELHA activities.

B. Description of Request and Compliance with Section 37-68(1) (A) (B)

NELHA is requesting additional CIP funds for one key project which is Phase II improvements to the new Incubator building which is currently under construction using a combination of federal, State reimbursable GO bonds and NELHA special funds.

C. Description of Activities Performed

1) Market, manage and operate facilities.

- 2) Identify, develop and implement revenue enhancement opportunities, which support NELHA's objectives and its efforts to maintain operational self-sufficiency and sustainability.
- 3) Operate and maintain unique transmission and distribution systems for large volumes (approximately two tons per second) of deep and surface seawater and increase cost efficiency by investing in technology.
- 4) Implement an infrastructure plan for HOST Park considering full build out adequate integrated energy district, roads, telecommunications, efficient pipe line distribution systems, and greenways.
- 5) Operate a water quality laboratory for an environmental monitoring program that samples groundwater, near shore water and offshore water; these are required activities to maintain the Special Management Permit under which all clients are able to operate at HOST Park.
- 6) Provide informational and educational material and lectures to school classes (K-12 and university level), professional associations, community groups, international visitors, legislators, and the general public. Some 5,000 visitors visited HOST Park during the past fiscal year.

D. Statement of Key Policies Pursued

- 1) HRS 226-4(1): "to achieve a strong viable economy, characterized by stability, diversity, and growth" is reflected by marketing HOST Park and its unique natural resources to bring in a diversity of research projects and commercial businesses that utilize the facility and create new jobs.

- 2) HRS 226-13: physical environment-land, air and water quality policy is enforced at HOST Park by maintaining class AA offshore waters through a water quality monitoring program and supporting other such programs in the State.
- 3) HRS 226-18(c)(1): "Support research and development as well as promote the use of renewable energy sources" is implemented by:
 - a) Facilitating research and development of sustainable clean technology energy sources such as OTEC, photovoltaic, biofuels, and hydrogen and other sources.
 - b) Using deep seawater, solar heat, and other alternative energy sources to operate NELHA facilities whenever feasible, including the use of cold deep seawater for air-conditioning.
 - c) Offering presentations and information about renewable energy to the general public, educational entities, other individuals and businesses.
- 4) HRS 226-103: State economic priority guidelines are carried out by:
 - a) Providing land and support to research and commercial activities, which will strengthen a diversified and sustainable economy.
 - b) Encouraging businesses that provide jobs at all levels for the local residents and have minimal impact on Hawaii's environment.

E. Identification of Important Program Relationships

- 1) The private sector has been responsible for all the development of alternate and clean technology energy sources. NELHA has developed strong relationships with the public and such private sector interests to

maximize resources and partner with them to result in higher achievements. Most notable, NELHA continues to work closely with the National Renewable Energy Laboratory, Sandia National Laboratory, Pacific Northwest National Laboratory, High Technology Development Corporation, Hawaii Strategic Development Corporation, State of Hawaii Energy Office, University of Hawaii and the County of Hawaii.

- 2) NELHA has developed strong national ties as efforts continue to develop the Hawaii Gateway Energy Center and is strongly supported by the private non-profit Friends of NELHA.
- 3) NELHA's ties with research and development based tenants and commercially viable tenants have furthered the commercial development and aquaculture.

F. Description of Major External Trends Affecting the Program

- 1) The cost of electricity continues to have a significant impact on NELHA operations.
- 2) Worldwide focus on clean energy has increased the interest in OTEC technology and other forms of alternative energy which will assist NELHA in attracting new businesses and research to HOST Park.
- 3) Strong worldwide demand for desalinated drinking water from NELHA has developed into one of the State's largest export industries.
- 4) NELHA has developed into a world-class site for the production of algae and other marine aquaculture products and a significant portion of the State's \$40 million aquaculture industry is based at NELHA.
- 5) Private sector interests have supported new projects and construction.

G. Discussion of Cost, Effectiveness, and Program Size Data

NELHA continues to operate in a self-sufficient manner and receives no general fund support for its operations. NELHA has received CIP funds for public goods such as infrastructure development to benefit the overall community. A recent analysis by UHERO indicates that the program for every dollar of state expenditures on NELHA results in \$42.80 of output is generated in the Hawaii economy. In addition, NELHA's economic impact is approaching almost \$100 million annually and creates 600 jobs of which 25 percent are in the key STEM related areas.

NELHA needs to provide office space, modernize its pumping system and stabilize electrical costs to maintain an ecosystem favorable to continued economic development. As such, NELHA considers the completion of an incubator/accelerator; automation of its seawater system; and, the development of a sustainable integrated energy district in HOST Park as mission critical activities.

H. Discussion of Program Revenues

Revenues continue to increase and current projections show that based on current lease structure they are continued to show healthy growth and increase over the next five years.

I. Summary of Analysis Performed

NELHA recently completed updates of its master plan, strategic plan, marketing and distributed energy resources plans. These plans will continue to guide the desired growth of NELHA and increase its revenue base. In addition, several years ago NELHA contracted with UHERO to complete and economic impact study. This study is currently being updated to 2013 data.

J. Further Consideration

HOST Park began in 1974 and is 40 years old this year. The park is making a significant economic impact and specifically in West Hawaii. However, some of the buildings and infrastructure in the park are aging and need to be renovated and/or replaced. In addition, electricity costs continue to be a significant cost and burden on businesses located in the park. Accordingly,

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **BED138**
 PROGRAM STRUCTURE NO. **010505**
 PROGRAM TITLE: **HAWAII GREEN INFRASTRUCTURE AUTHORITY**

PROGRAM EXPENDITURES	-----IN DOLLARS-----				-----IN THOUSANDS-----			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	*	*	*	*	*	*	*	*
PERSONAL SERVICES			637,154	637,154	637	637	637	637
OTHER CURRENT EXPENSES			362,846	362,846	363	363	363	363
TOTAL OPERATING COST			1,000,000	1,000,000	1,000	1,000	1,000	1,000
BY MEANS OF FINANCING								
SPECIAL FUND	*	*	1,000,000	1,000,000	1,000	1,000	1,000	1,000
TOTAL POSITIONS	*	*	1,000,000	1,000,000	1,000	1,000	1,000	1,000
TOTAL PROGRAM COST			1,000,000	1,000,000	1,000	1,000	1,000	1,000

PROGRAM ID: BED138
 PROGRAM STRUCTURE: 010505
 PROGRAM TITLE: HAWAII GREEN INFRASTRUCTURE AUTHORITY

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
<u>MEASURES OF EFFECTIVENESS</u>								
1. CLEAN ENERGY PRODUCTION FR PROJECTS FINANCED (MWH)	NA	16629	83145	116403	115821	115242	114666	114092
2. TTL GEMS CAP DEPLYD & TTL 3RD PTY CAP DEPLYD (\$M)	NA	25.5	102.0	51.0	0	0	0	0
3. NUMBER OF UNDERSERVED CONSUMERS FINANCED	NA	179	714	357	0	0	0	0
4. NUMBER OF NONPROFITS FINANCED	NA	38	150	75	0	0	0	0
<u>PROGRAM TARGET GROUPS</u>								
1. ENTITIES AND CUST ADPTNG CLEAN ENRGY TECHNOLOGIES	NA	280	1119	560	0	0	0	0
<u>PROGRAM ACTIVITIES</u>								
1. TOTAL NUMBER OF BUILDINGS SERVED	NA	304	1214	607	0	0	0	0
2. NUMBER OF LOANS APPROVED	NA	280	1119	560	0	0	0	0

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

A. Statement of Program Objectives

Deploy \$150 million in bond proceeds to provide clean energy technology loans to Hawaii customers, especially those who are underserved, such as homeowners, renters and non-profit organizations. The Green Energy Market Securitization (GEMS) Program is intended to create a sustainable financing structure through market driven public-private partnerships that will open access to financing for more Hawaii customers and democratize access to clean energy.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The GEMS Program is authorized by Act 211, SLH 2013, and was determined by the Legislature to be in the public's interest to make cost-effective green infrastructure equipment options accessible and affordable to Hawaii customers. "A green infrastructure financing program administered by the State that capitalizes on existing ratepayer contributions for green infrastructure equipment can serve a critical role in ensuring all Hawaii electricity ratepayers receive the greatest opportunity for affordable and clean energy."

5.00 FTE (T) and \$1,000,000 operating ceiling in special funds for FY16 and FY17 (recurring through FY21) – add positions and funding for the Hawaii Green Infrastructure Authority.

C. Description of Activities Performed

The Hawaii Green Infrastructure Authority (HGIA) was established to create the GEMS Program, which provides loans to Hawaii customers for the installation of clean energy technologies—with initial focus on solar PV. There is opportunity for utility scale clean energy technology projects to be funded through GEMS loans when a proposal process is setup to take utility

scale proposals, and if such proposals are approved by the Public Utilities Commission.

D. Statement of Key Policies Pursued

There are two significant policy objectives for GEMS and the HGIA. The first is to help the State of Hawaii reach its 70% clean energy by 2030 by funding the installation of clean energy technologies. The second major policy objective is to use innovative financing and market mechanisms that leverage public dollars, rely less on rebates, and build lasting public-private partnerships so that long-term sustainable financing models can be created to support clean energy project deployment.

E. Identification of Important Program Relationships

GEMS Program is a public/private partnership dependent on a number of deployment partners, including solar developers, participating lenders, solar installers, and the electric utilities. In addition, GEMS Program activities must be approved by the Public Utilities Commission pursuant to law.

F. Description of Major External Trends Affecting the Program

The Solar PV market faces several immediate technical challenges with many circuits being highly penetrated with intermittent renewable energy, leading to limits on utility interconnection and changes to interconnection procedures. Due to threshold percentage caps of solar energy production on many circuits, the utilities have changed the interconnection process, and may continue to change the interconnection process, leading to longer interconnection processes and longer deployment of GEMS loans. Applicant is addressing this issue to the extent possible by requesting the Commission approve GEMS Program financing for technologies that can improve the

ability for a system to interconnect to the utility grid, including providing financing to utilities for this purpose.

G. Discussion of Cost, Effectiveness, and Program Size Data

With \$150 million in bond proceeds, the GEMS Program has the ability to finance the installation of over 44 MW of solar photovoltaic equipment to assist these underserved homeowners, renters and non-profit customers.

H. Discussion of Program Revenues

Program revenues will be generated through GEMS loans. Loan repayments will be used to pay for HGIA administrative costs, reimburse the Public Benefit Fee, and make additional GEMS Program loans.

I. Summary of Analysis Performed

Renewable Funding, the GEMS Fund Manager, engaged in a robust effort to assess existing market conditions for clean energy deployment in the State of Hawaii. This analysis was designed to assess the overall status of clean energy in the State and the solar PV market in particular, since solar PV is a proven, on-demand technology with active market players and a strong associated data set. Results prove that an underserved market for solar PV does exist, especially for homeowners with lower credit scores, renters and non-profits.

J. Further Considerations

None.

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **BED150**
 PROGRAM STRUCTURE NO. **010701**
 PROGRAM TITLE: **HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	2.00*	2.00*	2.00*	2.00*	2.0*	2.0*	2.0*	2.0*
PERSONAL SERVICES	436,818	436,818	463,877	473,478	474	474	474	474
OTHER CURRENT EXPENSES	617,037	650,000	650,000	650,000	650	650	650	650
EQUIPMENT	23,397							
TOTAL OPERATING COST	1,077,252	1,086,818	1,113,877	1,123,478	1,124	1,124	1,124	1,124
BY MEANS OF FINANCING								
REVOLVING FUND	2.00*	2.00*	2.00*	2.00*	2.0*	2.0*	2.0*	2.0*
	1,077,252	1,086,818	1,113,877	1,123,478	1,124	1,124	1,124	1,124
CAPITAL INVESTMENT APPROPRIATIONS								
PLANS	1,855,000	1,856,000	1,955,000	1,855,000	1,855	1,855	1,855	1,855
DESIGN	300,000	699,000	3,900,000					
CONSTRUCTION		7,000,000						
TOTAL CAPITAL APPROPRIATIONS	2,155,000	9,555,000	5,855,000	1,855,000	1,855	1,855	1,855	1,855
BY MEANS OF FINANCING								
G.O. BONDS	2,155,000	9,555,000	1,855,000	1,855,000	1,855	1,855	1,855	1,855
G.O. BONDS REPAYED			4,000,000					
TOTAL POSITIONS	2.00*	2.00*	2.00*	2.00*	2.00*	2.00*	2.00*	2.00*
TOTAL PROGRAM COST	3,232,252	10,641,818	6,968,877	2,978,478	2,979	2,979	2,979	2,979

PROGRAM ID: **BED150**
PROGRAM STRUCTURE: **010701**
PROGRAM TITLE: **HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
MEASURES OF EFFECTIVENESS								
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)	283	431	720	370	NA	NA	NA	NA
2. NEW BLDG FLOOR SPACE IN KAKAAKO (1000 SF)	196	1246.6	1395.3	2838.2	NA	NA	NA	NA
3. # OF NEW HOUSING UNITS IN KAKAAKO	204	1268	1223	1949	NA	NA	NA	NA
4. # OF NEW PUBLIC FACILITIES IN KAKAAKO	0	0	0	0	0	0	0	0
5. # ACTIVELY-USED PARCELS IN KALAELOA CDD	55	75	80	85	95	105	120	135
6. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)	25	25	10	10	15	15	30	30
7. # ACRES RESTORATION OF WETLANDS USES IN HEEIA	50	50	60	70	80	90	100	110
PROGRAM TARGET GROUPS								
1. # OF RESIDENTS IN KAKAAKO	10887	13419	17482	24138	24138	24138	24138	24138
2. # OF EMPLOYEES IN KAKAAKO	25300	25300	25330	25330	25330	25330	25330	25330
3. # OF BUSINESSES IN KAKAAKO	1260	1260	1266	1266	1266	1266	1266	1266
4. # OF LANDUSERS WITHIN KALAELOA	15	15	15	17	17	18	20	20
5. # RESIDENTS WITHIN KALAELOA & SURROUNDING AREAS	2500	2500	3500	4500	5000	5000	7500	7500
PROGRAM ACTIVITIES								
1. DEVELOPMENT PERMITS ISSUED IN KAKAAKO	0	165	175	175	NA	NA	NA	NA
2. # INFRASTRUCTURE IMPROV PROJS BEGUN IN KAKAAKO	0	0	0	0	0	0	0	0
3. NEW PUBLIC IMPROVEMENTS IN KAKAAKO (\$M)	0	0	0	0	0	0	0	0
4. # PARCELS IN KALAELOA COVERED BY ECON DEV PLAN	59	59	59	60	60	65	65	65
5. NEW PLANNING IN KALAELOA (\$M)	25	20	20	20	20	25	25	30
6. # PARCELS, INFRASTRUCTURE SYS CONVEYED IN KALAELOA	0	4	3	4	0	0	0	0
7. # PROJS FACILITATED & COMPLETED IN KALAELOA	5	3	5	5	5	5	5	5
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	638	1,121	1,148	1,137				
REVENUE FROM OTHER AGENCIES: ALL OTHER	200	200	200					
CHARGES FOR CURRENT SERVICES	467	440	470	470	224	224	224	224
NON-REVENUE RECEIPTS	107	130	100	100				
TOTAL PROGRAM REVENUES	1,412	1,891	1,918	1,707	224	224	224	224
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
ALL OTHER FUNDS	1,412	1,891	1,918	1,707	224	224	224	224
TOTAL PROGRAM REVENUES	1,412	1,891	1,918	1,707	224	224	224	224

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

A. Statement of Program Objectives

To revitalize urban areas in the State which are in need of timely redevelopment through the creation of mixed-use districts for residential, commercial and light industrial development that help to address the economic and social needs of the people of the State of Hawaii by encouraging the desired private investment through: 1) the planning and implementation of infrastructure improvements; 2) the development of public facilities; and 3) the establishment of planning guidelines and parameters that encourage mixed-use development.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The Fiscal Biennium 2015-17 CIP budget includes the following requests:

- BED 150KA – Hawaii community development authority's community development districts, Oahu – \$1,855,000 and \$1,855,000 in G.O. bond funds for FY16 and FY17, respectively, for costs related to wages and fringe benefits for nineteen (19) program and support staff for implementation of capital improvement projects for HCDA's community development districts.
- BED150KA – Kakaako Makai Parking Structure - \$4,000, in Repaid G.O. bond funds for FY16 to design and construct a parking structure in Kakaako Makai.

C. Description of Activities Performed

For legislatively designated Community Development Districts, HCDA is mandated to develop community development plans which include, but are not limited to, community development guidance policies, district-wide infrastructure improvement programs and community development rules.

HCDA must implement a Community Development District Plan after the Governor approves it and funding is provided by the Legislature. Major activities during the plan implementation stage include: (a) planning and regulatory functions in the administration of the plan and rules; (b) infrastructure systems improvements under the district-wide improvement program; (c) development and maintenance of public facilities (parks, parking garages, etc.); and (d) development and maintenance of State lands.

Currently, HCDA is in the plan implementation stage of the 600+ acre Kakaako Community Development District, and in the planning stage of the 3,698-acre Kalaeloa Community Development District, and the He'eia Community Development District

D. Statement of Key Policies Pursued

HCDA's objectives and activities are guided by policies stated in: (1) Chapter 206E, HRS, which establishes HCDA and provides it with its objectives and mandates; and (2) Chapter 206E, HRS, which states the objectives, powers, and responsibilities of HCDA, establishes the Kakaako, Kalaeloa and He'eia Community Development Districts, respectively, and sets specific development guidelines for each District.

Direction for HCDA's activities is also provided by Chapter 226, HRS, particularly Section 226-52(a)(2), which requires that State programs conform to the priority guidelines of the Hawaii State Plan.

E. Identification of Important Program Relationships

HCDA has important program relationships with State and County agencies that are involved in activities relating to infrastructure systems improvements, redevelopment of Kalaeloa and the Honolulu waterfront area. In addition, important relationships exist with the U.S. Navy with regard to the

redevelopment of Kalaeloa. HCDA coordinates with the appropriate Federal, State or County agency when a program relationship exists.

Because of the comprehensive nature of HCDA's economic and recreational development objectives, its activities support each of DBEDT's strategic objectives: 1) development of the urban core and of workforce housing; 2) workforce development; 3) energy for tomorrow; 4) export of goods and services; 5) creation of an "innovation infrastructure"; and 6) improve Hawaii's small business environment.

F. Description of Major External Trends Affecting the Program

The major external trend affecting the program is the condition of the economy in general, and that of the real estate industry in particular. An integral part of HCDA's implementation of its development programs is the participation of the private sector, which is greatly influenced by macro-economic conditions. Another major impact is the market demand for industrial, commercial and residential floor space on Oahu generally, and in Kakaako and Kalaeloa specifically.

G. Discussion of Cost, Effectiveness, and Program Size Data

With new construction volume resulting from infrastructure improvements, public facilities development projects, and continuation of private sector development projects, the related tax revenues to the State of Hawaii generated from HCDA improvement district program should exceed program costs in the long run. The increase in land values due to infrastructure improvements and new developments benefits the City and County of Honolulu through increased property taxes. In terms of State and Functional Plan objectives, the returns are in the functional areas of optimal land use, increased construction and economic activity, new housing units, new public facilities, and improved business and residential community areas.

Previous CIP appropriations and future requests are typically based on the construction of infrastructure systems improvements in segments, the construction of public facilities and the development, planning and construction of infrastructure improvements systematically. The objective is to continuously maintain construction activity and complete the necessary district-wide improvements in a timely manner

H. Discussion of Program Revenues

Act 015, Session Law Hawaii 2012 signed into law on April 11, 2011 conveyed about 25 acres of lands controlled and managed by the HCDA to the Office of Hawaiian Affairs. The law took effect on July 1, 2012. As results of the conveyance, the HCDA's revenue sources have been permanently reduced. In the recent fiscal years, the HCDA collected between approximately \$1.2 to \$1.7 million revenue (on cash basis) from these lands.

Direct program revenues, whose use is restricted by statute and case law, include: (a) fees in lieu of public facilities dedication fees and reserved housing fees received from private developers; (b) improvement district property assessments received from property owners who benefit from infrastructure systems improvements made; (c) lease rents collected on HCDA-managed lands/facilities; and (d) permit and other fees charged to offset some of the administrative processing costs. Non-cash receipts include land dedicated by private developers for public facilities. Other potential revenue sources would be a yet-to-be-established business improvement district program, and Federal programs.

I. Summary of Analysis Performed

Not applicable

J. Further Considerations

None.

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **BED160**
 PROGRAM STRUCTURE NO. **0108**
 PROGRAM TITLE: **HAWAII HOUSING FINANCE AND DEVELOPMENT C**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	31.00*	32.00*	32.00*	32.00*	32.0*	32.0*	32.0*	32.0*
PERSONAL SERVICES	5,150,092	5,205,592	5,528,962	5,643,698	5,643	5,643	5,643	5,643
OTHER CURRENT EXPENSES	10,385,274	26,787,083	26,832,056	26,932,056	26,933	26,933	26,933	26,933
EQUIPMENT		128,400						
TOTAL OPERATING COST	15,535,366	32,121,075	32,361,018	32,575,754	32,576	32,576	32,576	32,576
BY MEANS OF FINANCING								
FEDERAL FUNDS	405,393	3,000,000	3,100,000	3,200,000	3,200	3,200	3,200	3,200
OTHER FEDERAL FUNDS								
TRUST FUNDS	8,137,912	21,923,698	21,923,698	21,923,698	21,924	21,924	21,924	21,924
REVOLVING FUND	6,992,061	7,197,377	7,337,320	7,452,056	7,452	7,452	7,452	7,452
CAPITAL INVESTMENT APPROPRIATIONS								
DESIGN	750,000							
CONSTRUCTION	7,550,000	30,332,000						
TOTAL CAPITAL APPROPRIATIONS	8,300,000	30,332,000						
BY MEANS OF FINANCING								
G.O. BONDS	8,300,000	30,332,000						
TOTAL POSITIONS	31.00*	32.00*	32.00*	32.00*	32.00*	32.00*	32.00*	32.00*
TOTAL PROGRAM COST	23,835,366	62,453,075	32,361,018	32,575,754	32,576	32,576	32,576	32,576

PROGRAM ID: **BED160**
 PROGRAM STRUCTURE: **0108**
 PROGRAM TITLE: **HAWAII HOUSING FINANCE AND DEVELOPMENT CORP**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
MEASURES OF EFFECTIVENESS								
1. # OF HOMEBUYERS ASSISTED	580	442	450	675	675	625	500	450
2. # OF NEW RENTAL UNITS	760	84	613	799	425	425	225	150
3. # OF EXISTING AFFORD RENTAL HOUSING UNITS PRESERV	0	278	121	150	150	150	150	150
4. # OF LEASE RENTS RENEGOTIATED	0	10	0	67	2	1	1	1
5. # OF SINGLE FAM LEASHLD LOTS CONVERT TO FEE SIMPLE	2	6	2	2	2	2	2	2
PROGRAM TARGET GROUPS								
1. HSEHLDS EARN UP 140% OF MED INC EST BY USDHUD	2200	2200	2200	2200	2200	2200	2200	2200
2. EMPLOYEES OF TARGETED IND IDENTIFIED BY DBEDT	0	0	0	0	0	0	0	0
PROGRAM ACTIVITIES								
1. ORIGINATE LOANS/GRANTS FOR ACQ/REHAB OR DEV OF HSE	321	1520	250	250	250	250	250	250
2. ALLOCATE TAX CRDT FOR ACQ/REHAB OR DEV OF HOUSING	445	158	150	150	150	150	150	150
3. ISSUE TAX-EXEMPT REVENUE BONDS (\$M)	0	74.9	20	20	20	20	20	20
4. FACILITATE DEVELOPMENT OF REAL PROPERTY	0	967	704	380	200	200	200	200
5. ASSIST FIRST-TIME HOMEBUYERS	580	442	450	675	675	625	500	450
6. PROCESS APP FOR ARBITRATION OF LEASE RENT RENEGO	0	0	0	0	0	0	0	0
7. PROCESS APPLICATIONS FOR LEASEHOLD CONVERSION	0	0	0	0	0	0	0	0
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
TAXES	22,546	30,000	30,000	30,000	30,000	30,000	30,000	30,000
REVENUES FROM THE USE OF MONEY AND PROPERTY	30,231	28,588	28,994	29,651	29,700	29,360	29,659	29,629
REVENUE FROM OTHER AGENCIES: FEDERAL	88	88						
CHARGES FOR CURRENT SERVICES	10,838	6,921	9,735	6,583	5,945	6,623	6,638	6,238
NON-REVENUE RECEIPTS	131,470	156,949	116,189	85,938	106,958	96,337	77,622	77,704
TOTAL PROGRAM REVENUES	195,173	222,546	184,918	152,172	172,603	162,320	143,919	143,571
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	88	88						
ALL OTHER FUNDS	195,085	222,458	184,918	152,172	172,603	162,320	143,919	143,571
TOTAL PROGRAM REVENUES	195,173	222,546	184,918	152,172	172,603	162,320	143,919	143,571

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

A. Statement of Program Objectives

To support economic growth by increasing the supply of workforce and affordable housing and preserving the existing inventory of affordable housing.

B. Description of Request and Compliance with section 37-68(1)(A)(B)

The Operating budget request includes ceiling increases of the federal HOME Program by \$100,000 and \$200,000 in FY16 and FY17, respectively.

C. Description of Activities Performed

The Hawaii Housing Finance and Development Corporation (HHFDC) is mandated to facilitate the development of affordable for-sale and rental housing under the policies, direction, and oversight of a nine-member Board of Directors. The HHFDC works with private and public partners to increase the supply of permanent, affordable housing, as well as to preserve the existing inventory of rental housing using its financing and development tools.

D. Summary of Key Policies Pursued

The HHFDC is a functional plan preparing agency for the housing functional plan. The HHFDC's activities directly support the Hawaii State Plan's Objectives and Policies for Socio-Cultural Advancement – Housing (section 226-19, HRS) and Priority Guidelines for Affordable Housing (section 226-106, HRS).

The HHFDC's specific objectives and activities are guided by Chapter 201H, HRS, which established the HHFDC.

E. Identification of Important Program Relationships

The HHFDC has important program relationships with State, County, and Federal agencies involved in affordable housing financing and development, including the Judiciary, the Hawaii Public Housing Authority, the Department of Land and Natural Resources, the Department of Hawaiian Home Lands, the County housing agencies and Planning Departments, the U.S. Department of Housing and Urban Development, and the U.S. Department of Agriculture -- Rural Development. The HHFDC and these agencies work together to coordinate activities and resources to promote affordable housing statewide.

F. Description of Major External Trends Affecting the Program

The HHFDC's production and efficacy is dependent on the state of the real estate market and the construction industry, the condition of the financial markets, and the economy in general. The demand for affordable housing, as well as the capacity to increase supply statewide, is dependent on these external factors.

G. Discussion of Cost, Effectiveness and Program Size Data

HHFDC's program effectiveness improved over prior years. In FY 2014, HHFDC assisted 580 new homebuyers, financed the development/preservation of 760 affordable rental housing units, and assisted 2 single family leasehold lots to convert to fee simple ownership. There is a significant variance between the 40 new homebuyers that HHFDC planned to assist and the 580 who were actually assisted in FY 2014. The variance is primarily due to the inadvertent exclusion of planned Mortgage Credit Certificate assistance, which represents 400 new homebuyers in FY 2014. Project delays, such as delays attributable to obtaining other financing sources and the lengthy planning and permitting process, also impacted the completion of housing projects.

The State has limited financing resources to address the high costs of developing affordable housing. HHFDC continually evaluates and, when necessary, modifies its housing programs in an effort to improve the efficiency and effectiveness of its programs. Recent changes to underwriting standards and loan terms had the temporary impact of delaying project awards and, consequently, rental production in FY 2014 and 2015. Delays are not anticipated in subsequent years.

HHFDC will continue to actively seek partnerships with state and county agencies and private (for profit and nonprofit) developers, as well as pursue federal funding opportunities to address the statewide need for affordable housing.

H. Discussion of Program Revenues

Revenues generated from the Housing Development program activities include application fees, interim interest on Dwelling Unit Revolving Fund construction loans, administrative fees and fees related to the disposition of land or affordable units developed under the program. Revenues are collected from the sale of the leased fee interest, deferred sales prices, the Shared Appreciation Equity Program, and administrative fees from various programs.

The Hula Mae Single Family Program and the Hawaii Rental Housing System Revenue Bond Program produce revenues pledged to the repayment of the bonds issued to fund the program.

Revenues generated from the Mortgage Credit Certificate Program and Low Income Housing Tax Credit Program reflects applicable fees charged to applicants. Revenues from the Rental Assistance Revolving Fund primarily reflect interim construction loan payments which are used to make additional loans.

Finally, the Rental Housing Trust Fund obtains revenues generated by a share of the conveyance tax proceeds.

Pursuant to Act 79, Session Laws of Hawaii 2009, interest generated by HHFDC funds are deposited into the General Fund until June 30, 2015.

I. Summary of Analysis Performed

Not applicable.

J. Further Considerations.

None.

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **BED128**
 PROGRAM STRUCTURE NO. **0109**
 PROGRAM TITLE: **OFFICE OF AEROSPACE**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	*	*	*	*	*	*	*	*
PERSONAL SERVICES	78,984	138,984	170,383	175,427	175	175	175	175
OTHER CURRENT EXPENSES	648,826	830,152	733,964	733,964	734	734	734	734
TOTAL OPERATING COST	727,810	969,136	904,347	909,391	909	909	909	909
BY MEANS OF FINANCING								
GENERAL FUND	727,810	969,136	904,347	909,391	909	909	909	909
TOTAL POSITIONS	*	*	*	*	*	*	*	*
TOTAL PROGRAM COST	727,810	969,136	904,347	909,391	909	909	909	909

PROGRAM ID: BED128
 PROGRAM STRUCTURE: 0109
 PROGRAM TITLE: OFFICE OF AEROSPACE

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
MEASURES OF EFFECTIVENESS								
1. EXTRAMURAL (FEDERAL/PRIVATE) FUNDING GENERATED	100	100	100	100	100	100	100	100
2. FEDERAL COOPERATIVE AGREEMENTS INAUGURATED	3	3	3	3	3	3	3	3
3. PUBLIC-PRIVATE PARTNERSHIPS INITIATED/MAINTAINED	5	5	5	5	5	5	5	5
4. INTERNATIONAL ALLIANCES INITIATED/MAINTAINED	4	4	4	4	4	4	4	4
PROGRAM TARGET GROUPS								
1. HAWAII-BASED AEROSPACE COMPANIES/CORPORATIONS	65	75	75	75	75	75	75	75
2. HAWAII-BASED EDUCATIONAL AND RESEARCH INSTITUTIONS	7	9	9	9	9	9	9	9
3. OVERSEAS AEROSPACE AGENCIES/COMPANIES/CORPORATIONS	12	17	25	25	25	25	25	25
4. OVERSEAS EDUCATION AND RESEARCH AGENCIES/INSTITUTI	19	23	25	25	25	25	25	25
PROGRAM ACTIVITIES								
1. PACIFIC INTERNATIONAL SPACE ALLIANCE (ANNUAL MEETI	1	1	1	1	1	1	1	1
2. PISCES* FUNDING GENERATED THROUGH STATE LEGISLATUR	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
3. COMMERCIAL SPACE TRANSPORTATION (FAA GRANT APPLICA	1	1	1	1	1	1	1	1
4. NEXT-GENERATION AVIATION (UAS/OTHER ALLIANCES/APPL	3	3	3	3	3	3	3	3
5. REAL WORLD DESIGN CHALLENGE (NUMBER OF TEAMS COORD	15	15	15	15	15	15	15	15
6. HAWAII AEROSPACE ADVISORY COMMITTEE MEETINGS	4	4	4	4	4	4	4	4
7. HAWAII STARLIGHT RESERVE COMMITTEE MEETINGS	4	4	4	4	4	4	4	4
8. COMMUNITY OUTREACH (MEETINGS ATTENDED/PRESENTATION	25	25	25	25	25	25	25	25
9. PUBLICATIONS (INFORMATIONAL MATERIALS/REPORTS/WEBS	5	5	5	5	5	5	5	5

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

A. Statement of Program Objectives

To facilitate dialogue and coordination among Hawaii's government, private and academic sectors, public and private out-of-state organizations, to promote the growth and diversification of Hawaii's aerospace industry.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Executive budget request: Trade-off other current expenses to increase personal services (\$16,188).

C. Description of Activities Performed

Office of Aerospace Development's (OAD) primary activities are to: (1) identify and promote opportunities for expanding and diversifying aerospace-related industries in Hawaii, (eg. astronomy, aviation and aeronautics, commercial space launch, environmental monitoring and remote sensing, satellite communications, space-based applications of dual-use technologies, robotic and human space exploration) (2) catalyze partnerships among local universities and businesses that can (i) improve the relevance and quality of university training to support the growth and diversification of Hawaii's aerospace industry; (ii) identify entrepreneurial opportunities for commercializing innovative spinoffs from basic research; and (iii) facilitate technology transfer from universities to the private sector; (3) promote innovative education and workforce development programs that will enhance public awareness of Hawaii's aerospace potential and enable local citizens to pursue employment in the State's aerospace industry; (4) leverage aerospace and related technological capabilities in Hawaii's government, academic and private sectors to enhance the State's ability to procure both federal and private research and development grants to increase the State's competitiveness in national and global aerospace markets; (5) establish alliances with NASA and other federal and state space agencies

and institutions that can support both Hawaii-based aerospace development and the United States space program, as well as enable international dialogue and exchange toward the design, development and implementation of multinational space initiatives that can enhance both opportunities and benefits for space exploration and development; (6) monitor national and global trends in the aerospace industry and recommend programs and policies that can support aerospace industry development statewide; (7) facilitate the development and utilization of publications, exhibits and other marketing materials that highlight the current capabilities and future potential of Hawaii's aerospace industry; and (8) serve as a central point of contact for State government that can respond to both local and out-of-state inquiries concerning Hawaii's aerospace-related interests and activities.

D. Statement of Key Policies Pursued

OAD'S activities will carry out the State's aerospace objectives and policies as set forth in Chapter 201-72, HRS, which directs the Office of Aerospace Development to oversee, supervise, and direct the planning, evaluation and coordination of space-related activities in Hawaii, as well as to identify and promote opportunities for expanding and diversifying aerospace-related industries statewide.

E. Identification of Important Program Relationships

OAD works closely with the Hawaii State Legislature, the University of Hawaii, the Department of Education, other State agencies, both local, national and international aerospace organizations, NASA, the FAA, the national Aerospace States Association and Aerospace Industries Association, toward establishing both public-private and multinational partnerships that can advance its operational goals and priorities.

F. Description of Major External Trends Affecting the Program

Hawaii's strategic mid-Pacific location, Moon/Mars-like terrain, resident expertise covering a broad range of aerospace-related technologies, and long-standing ties with space-faring nations throughout Asia and the Pacific, clearly afford strategic assets and capabilities that can be leveraged to realize humankind's full potential in space, and in so doing enable our State to engage as both a major contributor to and beneficiary of the global space enterprise. For the past half century, Hawaii has played a seminal role in developing our national space program – beginning with astronaut training for the Apollo lunar missions and the development of world-class observatories on the Big Island. The University of Hawaii, the U.S. military, and numerous companies statewide have pioneered nationally-funded programs in planetary geosciences, satellite communications, space-based remote sensing and environmental monitoring, deep-space surveillance, and other areas employing aerospace-related technologies. The University of Hawaii is applying its resident expertise in adaptive optics and remote sensing toward the development of advanced sensor technologies for spaced-based observations of our planet. Local companies such as Oceanit, Raytheon Solipsys, NovaSol and Trex Enterprises are also leading national efforts to develop new sensors for atmospheric monitoring, land and coastal resource assessment, and both optical communications and electro-optical tracking. Major aerospace corporations such as Boeing, Lockheed Martin, Northrop Grumman, Raytheon and BAE Systems, already established in Hawaii, are looking to expand their operations in the islands as a bridge to Asian and Pacific markets – especially in the development and delivery of advanced systems for aviation maintenance and training, air traffic control, satellite communications, and deep space tracking and reconnaissance. Finally, Hawaii's unique geography and technological assets are ideally suited to support the commercial launch of next-generation aircraft, including spaceplanes, to carry small satellites, experimental payloads and tourists to space; the monitoring, management and mitigation of both man-made and

natural disasters Pacific-wide; and the development of space-based power systems to capture sunlight as a renewable energy resource for both interplanetary spacecraft and earth-based applications.

G. Discussion of Cost, Effectiveness, and Program Size Data

OAD has been subjected to a 25% reduction in funding due to the Departmental restriction in the current and upcoming Fiscal Biennium. Notwithstanding these limited resources, OAD has been able to obtain federal awards (eg. FAA \$250k and NASA \$100k) to support an environmental assessment and other studies required for a commercial spaceport license for the State and to support initial development of an infrastructure-based plan to advance sustainable space exploration beyond low-Earth orbit, including the design of analog test facilities in Hawaii that can demonstrate and validate innovative technologies and integrated systems to support both robotic and human space missions.

H. Discussion of Program Revenues

Extramural funding for OAD is primarily generated through grants from NASA, FAA and other federal agencies interested in leveraging Hawaii's strategic location, resources and capabilities to advance aeronautics and space exploration programs. The development of new initiatives such as the Pacific International Space Center for Exploration Systems (PISCES), Hawaii's bid to become one of six national test sites for Unmanned Aerial Systems (UAS), and efforts to obtain a commercial spaceport license for the State (to bring space tourism and other commercial space transportation programs to Hawaii) will generate additional sources of revenue, including private sector investments, in support of these initiatives.

I. Summary of Analysis Performed

Not applicable.

J. Further Considerations

Aerospace is a growth industry that won't be exported once it matures. It flourishes here because of where we are and what we have – a strategic mid-Pacific location, unique geological assets, resident expertise in space science and technology, and strong international ties throughout the Asia-Pacific community.

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID:

PROGRAM STRUCTURE NO. 11

PROGRAM TITLE: GOVERNMENT-WIDE SUPPORT

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	38.00*	37.00*	36.00*	36.00*	36.0*	36.0*	36.0*	36.0*
PERSONAL SERVICES	3,145,493	3,165,458	3,456,701	3,583,181	3,583	3,583	3,583	3,583
OTHER CURRENT EXPENSES	1,907,294	3,922,251	3,774,147	3,722,094	3,722	3,722	3,722	3,722
EQUIPMENT	39,776	25,000						
TOTAL OPERATING COST	5,092,563	7,112,709	7,230,848	7,305,275	7,305	7,305	7,305	7,305
BY MEANS OF FINANCING								
GENERAL FUND	33.00*	32.00*	32.00*	32.00*	32.0*	32.0*	32.0*	32.0*
	2,837,790	2,762,709	2,932,160	3,006,587	3,006	3,006	3,006	3,006
FEDERAL FUNDS	5.00*	5.00*	4.00*	4.00*	4.0*	4.0*	4.0*	4.0*
	2,254,773	2,350,000	2,298,688	2,298,688	2,299	2,299	2,299	2,299
REVOLVING FUND		2,000,000	2,000,000	2,000,000	2,000	2,000	2,000	2,000
TOTAL POSITIONS	38.00*	37.00*	36.00*	36.00*	36.00*	36.00*	36.00*	36.00*
TOTAL PROGRAM COST	5,092,563	7,112,709	7,230,848	7,305,275	7,305	7,305	7,305	7,305

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **BED144**
 PROGRAM STRUCTURE NO. **11010302**
 PROGRAM TITLE: **STATEWIDE PLANNING & COORDINATION**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	18.00*	18.00*	17.00*	17.00*	17.0*	17.0*	17.0*	17.0*
PERSONAL SERVICES	1,943,014	1,966,102	2,139,435	2,226,817	2,227	2,227	2,227	2,227
OTHER CURRENT EXPENSES	1,592,389	3,553,939	3,435,835	3,383,782	3,384	3,384	3,384	3,384
EQUIPMENT	16,037							
TOTAL OPERATING COST	3,551,440	5,520,041	5,575,270	5,610,599	5,611	5,611	5,611	5,611
BY MEANS OF FINANCING	13.00*	13.00*	13.00*	13.00*	13.0*	13.0*	13.0*	13.0*
GENERAL FUND	1,296,667	1,170,041	1,276,582	1,311,911	1,312	1,312	1,312	1,312
	5.00*	5.00*	4.00*	4.00*	4.0*	4.0*	4.0*	4.0*
FEDERAL FUNDS	2,254,773	2,350,000	2,298,688	2,298,688	2,299	2,299	2,299	2,299
REVOLVING FUND		2,000,000	2,000,000	2,000,000	2,000	2,000	2,000	2,000
TOTAL POSITIONS	18.00*	18.00*	17.00*	17.00*	17.00*	17.00*	17.00*	17.00*
TOTAL PROGRAM COST	3,551,440	5,520,041	5,575,270	5,610,599	5,611	5,611	5,611	5,611

PROGRAM ID: **BED144**
 PROGRAM STRUCTURE: **11010302**
 PROGRAM TITLE: **STATEWIDE PLANNING AND COORDINATION**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
MEASURES OF EFFECTIVENESS								
1. # OF PLANS/STUDIES PREPARED IN TIMELY MANNER	3	6	3	3	4	4	4	4
2. #LUC DECISIONS UPHLDG OP POS AS %TOT LUC DECSNS	100	100	100	100	100	100	100	100
3. # ACRES INVOLVED IN LUC DECISIONS SPPRTG OP POSTN	1900	600	600	600	600	600	600	600
4. # RVIWS OF FED ACTIV PROPSD/CONDUCTD IN CZM AREA	35	35	35	35	35	35	35	35
5. #STATE/CNTY PROGS AIMG TO ATTN OBJ OF CZM PROG	11	11	11	11	11	11	11	11
6. #AGENCIES PARTICPTING IN STATE GIS USER GROUP	14	15	15	15	15	15	15	15
7. # OF STATE AGENCIES CONTRIB DATA	12	10	12	15	15	15	15	15
PROGRAM TARGET GROUPS								
1. STATE RESIDENT POPULATION (THOUSANDS)	1404	1420	1420	1441	1452	1464	1464	1464
2. NO. OF APPLICANTS FOR FEDERAL PERMITS & LICENSES	55	55	55	55	55	55	55	55
3. NUMBER OF APPLICANTS FOR LAND USE REVIEWS	5	6	6	6	6	6	6	6
PROGRAM ACTIVITIES								
1. # SPECIAL PLANS/PLNNG REPORTS DEVELOPED/REVIEWED	3	4	4	4	4	4	4	4
2. # OF COUNTY GENERAL & DEV PLANS/AMENDMTS REVUED	2	3	25	25	25	25	25	25
3. # LU BOUNDARY AMDT PETITIONS, OTH LUC ITEMS REVWVD	7	7	7	7	7	7	7	7
4. # STATE POSN STATEMTS PREP FOR LU BOUNDRY CHG PETS	5	6	6	6	6	6	6	6
5. NUMBER OF FEDERAL CONSISTENCY REVIEWS	90	90	90	90	90	90	90	90
6. STATE PERMITS/APPROVALS REVIEWED BY CZM PROGRAM	8	10	10	10	10	10	10	10
7. # OF NEW DATA LAYERS IN STATE GIS DB	14	10	12	15	15	15	15	15
8. # OF UPDATED LAYERS IN STATE GIS DB	23	25	40	50	50	50	50	50
9. % DATA LAYERS COMPLIANT WFED STDS	10	100	100	100	100	100	100	100
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUE FROM OTHER AGENCIES: FEDERAL	2,032	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL PROGRAM REVENUES	2,032	2,000	2,000	2,000	2,000	2,000	2,000	2,000
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	2,032	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL PROGRAM REVENUES	2,032	2,000	2,000	2,000	2,000	2,000	2,000	2,000

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

A. Statement of Program Objectives

The statutory purpose of the Office of Planning (OP) is to assist the governor and the director of the Department of Business, Economic Development, and Tourism in (1) maintaining an overall framework to guide the development of the State of Hawaii through a continuous process of comprehensive, long-range, and strategic planning to meet the physical, economic, and social needs of Hawaii's people; and (2) providing for the wise use of Hawaii's resources in a coordinated, efficient, and economical manner, including the conservation of those natural, environmental, ...and other limited and irreplaceable resources which are required for future generations. See HRS §225M-1.

B. Description of Request and Compliance with Section 37-68 (1) (A) (B)

The FB 15-17 budget request includes the following:

1. Delete Federal funds and temporary position for Planner VI position #26624.
2. Federal fund ceiling adjustment due to collective bargaining allocation in the biennium base budget --BED 144/PL FY16/ (\$8,840), FY17/(\$12,737).
3. Federal fund ceiling adjustment due to collective bargaining allocation in the biennium base budget -BED 144/PZ FY16/ (\$118,104), FY17/(\$170,157).

C. Description of Activities Performed

The statutory purpose of OP is carried out through eight statutorily defined activities: State comprehensive planning and program coordination; strategic planning; planning coordination and cooperation; statewide planning and

geographic information system (GIS); land use planning; coastal and ocean policy management; regional planning and studies; and regional, national, and international planning. See HRS §225M-2. Ongoing regulatory activities include (1) reviewing and issuing of special management area permits for projects within the Hawaii community development districts, (2) reviewing and issuing of Coastal Zone Management (CZM) Act federal consistency determinations for certain federal actions and activities, and (3) developing and presenting the position of the State in all boundary change petitions and proceedings before the Land Use Commission. Other planning and policy related activities pursued by OP are based on administration priorities and availability of staff and funding (mostly federal grant opportunities). Current initiatives include planning for transit-oriented development to optimize use of state lands around transit facilities; addressing climate change adaptation; establishing a Hawaii National Estuarine Research Reserve (NERR), implementing the Ocean Resources Management Plan, conducting coastal and marine spatial planning and implementing the GIS Program.

D. Summary of Key Policies Pursued

State Planning, HRS Chapter 225M. The purpose of this law is to "(1) Fix responsibility and accountability to successfully carry out statewide planning programs, policies, and priorities; (2) Improve the efficiency and effectiveness of the operations of the executive branch; and (3) Ensure comprehensive planning and coordination to enhance the quality of life of the people of Hawaii." See HRS §225M-1.

Hawaii State Plan, HRS Chapter 226. The purpose of this law is to "set forth the Hawaii state plan that shall serve as a guide for the future long-range development of the State; identify the goals, objectives, policies, and priorities for the State; provide a basis for determining priorities and allocating limited resources, ...improve coordination of federal, state, and county ...activities;

and to establish a system for plan formulation and program coordination..."
See HRS §226-1.

State Land Use Law, HRS Chapter 205. The purpose of this law is to "preserve, protect and encourage the development of the lands in the State for those uses to which they are best suited for the public welfare..." See L. 1961, c 187, §1.

Hawaii Coastal Zone Management Act, HRS Chapter 205A. The purpose of this law is to "provide for the effective management, beneficial use, protection, and development of the coastal zone." See L 1977, c 188, § 1.

E. Identification of Important Program Relationships

OP works closely with many federal, state and county agencies in almost every aspect of its programs including the development of policies, preparation of plans and studies and in implementation activities.

F. Major External Trends Affecting the Program

National and international economic conditions and the State's fiscal and economic condition affect demand for land, coastal and ocean use which have potential impacts on natural, cultural, recreational and other resources. Federal policies/regulations and court decisions also impact the program.

G. Discussion of Cost, Effectiveness and Program Size Data

OP has continued to focus on its core statutory functions, federally-funded programs and priority project areas of the administration and legislature. OP prepares planning and policy studies, position papers, and reports in order to provide quality information to decision-makers so that they can make

informed decisions. OP is challenged by staff and resource constraints but works diligently to maintain its productivity and efficiency.

H. Discussion of Program Revenues

Federal funds are received on an annual basis to manage Hawaii's coastal resources. OP has successfully pursued federal funding for brownfields and economic planning and will do so where the federal funding opportunities align with our mission, statutory responsibilities, and capacity.

I. Summary of Analysis Performed

A Federal funding adjustment is included to delete Federal funding and the temporary position for Planner VI position #26624. The reduction of Federal funds should only occur with the restoration of General Funds for Planner VI position #26624. The restoration of General funds for the position will provide more matching funds and allow the program to apply for more Federal grants.

J. Further Considerations

None.

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **BED103**
 PROGRAM STRUCTURE NO. **11010303**
 PROGRAM TITLE: **STATEWIDE LAND USE MANAGEMENT**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	6.00*	6.00*	6.00*	6.00*	6.0*	6.0*	6.0*	6.0*
PERSONAL SERVICES	360,316	376,528	410,991	422,419	422	422	422	422
OTHER CURRENT EXPENSES	169,550	172,167	172,167	172,167	172	172	172	172
EQUIPMENT	9,672							
TOTAL OPERATING COST	539,538	548,695	583,158	594,586	594	594	594	594
BY MEANS OF FINANCING								
GENERAL FUND	6.00*	6.00*	6.00*	6.00*	6.0*	6.0*	6.0*	6.0*
	539,538	548,695	583,158	594,586	594	594	594	594
TOTAL POSITIONS	6.00*	6.00*	6.00*	6.00*	6.00*	6.00*	6.00*	6.00*
TOTAL PROGRAM COST	539,538	548,695	583,158	594,586	594	594	594	594

PROGRAM ID: **BED103**
PROGRAM STRUCTURE: **11010303**
PROGRAM TITLE: **STATEWIDE LAND USE MANAGEMENT**

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
MEASURES OF EFFECTIVENESS								
1. NUMBER OF BOUNDARY AMENDMENT PETITIONS AND SPECIAL	5	6	6	6	6	6	6	6
2. NUMBER OF ACCEPTED BOUNDARY AMENDMENT PETITIONS AN	6	10	10	10	10	10	10	10
3. NUMBER OF ACRES REVIEWED FOR RECLASSIFICATION	2100	3000	3000	3000	3000	3000	3000	3000
4. NUMBER OF ACRES REVIEWED FOR SPECIAL PERMIT	250	250	250	250	250	250	250	250
5. NUMBER OF INDIVIDUALS, BUSINESSES OR ORGANIZATIONS	600	600	600	600	600	600	600	600
6. 6. NUMBER OF CONTESTED PROGRAM DECISIONS PROCESSED	2	2	2	2	2	2	2	2
7. NUMBER OF MOTIONS PROCESSED	20	20	20	20	20	20	20	20
8. NUMBER OF DRAFT EIS RESPONSES ISSUED	12	20	20	20	20	20	20	20
PROGRAM TARGET GROUPS								
1. NUMBER OF APPLICANTS FOR LAND USE REVIEW	40	40	40	40	40	40	40	40
2. INDIVIDUALS OR BUSINESSES/ORGANIZATIONS INTERESTED	1300	1300	1300	1300	1300	1300	1300	1300
PROGRAM ACTIVITIES								
1. LAND USE DISTRICT BOUNDARY AMENDMENT PETITIONS PRO	6	6	6	6	6	6	6	6
2. SPECIAL PERMIT APPLICATIONS PROCESSED.	150	150	150	150	150	150	150	150
3. LAND USE DISTRICT BOUNDARY INTERPRETATIONS PROCESS	1400	1400	1400	1400	1400	1400	1400	1400
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
CHARGES FOR CURRENT SERVICES	4	4	4	4	4	4	4	4
TOTAL PROGRAM REVENUES	4	4	4	4	4	4	4	4
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS	4	4	4	4	4	4	4	4
TOTAL PROGRAM REVENUES	4	4	4	4	4	4	4	4

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

A. Statement of Program Objectives

To preserve, protect, and encourage the development and preservation of lands in the State for those uses to which they are best suited in the interest of public health and welfare of the people of the State of Hawaii through the implementation of the State Land Use Law, Chapter 205, Hawaii Revised Statutes (HRS), as amended.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

None.

C. Description of Activities Performed

The major activities of the Land Use Commission (LUC) include: (1) processing and deciding on district boundary amendment petitions which involve lands over 15 acres in the State Agricultural, Rural and Urban Districts, and all district boundary amendment petitions of lands in the Conservation District; (2) processing special permit applications for lands in the Agricultural or Rural Districts which are over 15 acres; (3) processing boundary interpretation requests; (4) monitoring of past LUC approvals; (5) maintaining, updating and disseminating official State land use district boundary maps and land use statistics; and (6) providing public information.

D. Statement of Key Policies Pursued

The State Land Use Law, Chapter 205, HRS, as amended, and Chapter 15-15, Hawaii Administrative Rules (HAR), provide statutory and administrative rules and guidelines for the LUC's consideration and decision on district boundary amendment petitions and special permit applications. Chapter 205, HRS, also requires that any decision by the LUC shall comply with the goals, objectives, policies, and priorities of the Hawaii State Plan, Chapter 226,

HRS, as amended. Other policy guidelines are found in Chapter 205A, HRS, Coastal Zone Management.

E. Identification of Important Program Relationships

During its review process for district boundary amendment petitions, the LUC is required to consider the extent to which the proposed reclassification conforms to the applicable goals, objectives, and policies of the Hawaii State Plan and relates to the applicable priority guidelines and adopted functional plans, all of which are presently administered by the Office of Planning. The LUC is also bound by rules to consider, the relevant objectives, policies and guidelines of the Coastal Zone Management Program, and the General Plan of the respective county in which the land is located.

F. Description of Major External Trends Affecting the Program

Major external trends affecting the program include: (1) general economic conditions on a local and national scale; (2) population and tourism growth; (3) commercial and industrial development; and (4) federal programs and policies. Recent upticks in the economy have had a significant impact on the program workload.

G. Discussion of Cost, Effectiveness, and Program Size Data

The effectiveness of the program is measured by (1) the number of acres reviewed for reclassification; (2) the number of acres reviewed for special permit; (3) the number of boundary amendment petitions and special permit applications reviewed and processed within administrative rules guidelines; (4) the number of public persons and entities assisted by providing data and boundary interpretations; and (5) the number of program decisions, Environmental Impact Statement applications and motions processed. Program effectiveness may also be measured by the timeliness and efficiency

in which the LUC processes district boundary amendment petitions and special permit applications according to statutory requirements. As the LUC, while operating on a restricted and declining budget, has consistently approved on a timely basis, a significant amount of acreage statewide for various needed uses while protecting the State's interest in land use, the program can therefore be considered highly cost-effective. The LUC will continue to review its procedures and operations to remain as cost-effective as possible over the upcoming budget period to comply with its statutory mandate. External variances in land use pressures brought on by the resurgent economy are trending to significant neighbor island activity. This will require additional response costs impacting on budget requirements that cannot be mitigated programmatically.

H. Discussion of Program Revenues

State receipts generated by this program include: (1) \$5,000 filing fee for district boundary amendment petitions; (2) \$1,000 fees for motions to amend; and (3) a \$50 filing fee for intervention petitions pursuant to section 205-45.1, HRS, and sections 15-15-49 and 15-15-52, HAR, respectively. All fees collected are deposited to the general fund.

I. Summary of Analysis Performed

None.

J. Further Considerations

None.

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **BED130**
 PROGRAM STRUCTURE NO. **11010304**
 PROGRAM TITLE: **ECONOMIC PLANNING & RESEARCH**

PROGRAM EXPENDITURES	-IN DOLLARS-				-IN THOUSANDS-			
	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
OPERATING COST	14.00*	13.00*	13.00*	13.00*	13.0*	13.0*	13.0*	13.0*
PERSONAL SERVICES	842,163	822,828	906,275	933,945	934	934	934	934
OTHER CURRENT EXPENSES	145,355	196,145	166,145	166,145	166	166	166	166
EQUIPMENT	14,067	25,000						
TOTAL OPERATING COST	1,001,585	1,043,973	1,072,420	1,100,090	1,100	1,100	1,100	1,100
BY MEANS OF FINANCING								
GENERAL FUND	14.00*	13.00*	13.00*	13.00*	13.0*	13.0*	13.0*	13.0*
	1,001,585	1,043,973	1,072,420	1,100,090	1,100	1,100	1,100	1,100
TOTAL POSITIONS	14.00*	13.00*	13.00*	13.00*	13.00*	13.00*	13.00*	13.00*
TOTAL PROGRAM COST	1,001,585	1,043,973	1,072,420	1,100,090	1,100	1,100	1,100	1,100

PROGRAM ID: BED130
 PROGRAM STRUCTURE: 11010304
 PROGRAM TITLE: ECONOMIC PLANNING AND RESEARCH

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
<u>MEASURES OF EFFECTIVENESS</u>								
1. PROG. OUTPUTS CITED IN MAJOR MEDIA (AVE.MONTHLY#)	10	10	10	10	10	10	10	10
2. ACCURACY OF ECON FORECASTS (% ERROR)	5	5	5	5	5	5	5	5
<u>PROGRAM TARGET GROUPS</u>								
1. VISITS TO PROGRAM WEBSITE (AVE PER MONTH, THOUS.)	15	15	15	15	15.5	15.5	16	16
<u>PROGRAM ACTIVITIES</u>								
1. DATA SERIES MAINTAINED ON-LINE (X 100)	50	50	50	50	52	53	55	55
2. OTHER ECONOMIC AND STATISTICAL REPORTS ISSUED (#)	42	40	40	40	42	43	45	45

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

A. Statement of Program Objectives

To enhance and contribute to the economic planning and development of the state by providing economic data, analyses, and forecasts; conducting and reporting on basic research into the State's economy, compiling and publishing data on Hawaii's emerging industry, business activity, the economy, and demographic characteristics; and maintaining a statewide statistical reporting system.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

None.

C. Description of Activities Performed

Maintains data base for Hawaii petroleum industry and other energy data; produces the State of Hawaii Data Book, collect and report data on daily passenger count, weekly photovoltaic permit issuance, weekly unemployment claims, monthly economic indicators, monthly energy trends, quarterly statistical and economic report. Conduct studies to measure the status of project future trends of Hawaii's tourism, innovation, creative, construction, and emerging industries. Conduct studies on current economic issues such as housing demand and supply, and the impact of demographic changes. Maintain and update the State Input-Output model and the CGE model, these models are used by the state agencies and the public for economic impact analysis.

D. Statement of Key Policies Pursued

Provide data and analysis for executive branches and policy makers in an objective manner. The program does not pursue policies.

E. Identification of Important Program Relationships

Provide data and analysis for legislature and other State agencies such as Department of Taxation, Transportation, Budget and Finance, and Accounting and General Services. Provide data to Hawaii Tourism Authority to be used as control totals in its monthly visitor statistics. Participate in credit rating activities for State general obligation bond and special revenue bond sales. The programs long-range population and economic projections are used by all county economic development agencies and the Oahu Metropolitan Planning Organization for transportation planning.

F. Description of Major External Trends Affecting the Program

External changes will results in more demand on data and research, especially in the area of economics, and thus the program feels it is short of resources.

G. Discussion of Cost, Effectiveness, and Program Size Data

The program has a total budget of \$1.04 million in FY 2015, of which \$55,000 is non-recurring. The program has 13 full-time positions in FY 15.

H. Discussion of Program Revenues

All of the products are published on line for public consumption without charge. Therefore, no revenues are generated.

I. Summary of Analysis Performed

The program produced analysis on Hawaii housing supply and demand, the new business formation, the emerging industries, the creative industry, the construction industry, the manufacturing industry, the Hawaii innovation sector, the electricity generation, the photovoltaic system installation, and economic contribution of Waikiki, and the Hawaii migration patterns.

J. Further Considerations

None.



Capital Budget Details

STATE OF HAWAII
 PROGRAM ID
 PROGRAM STRUCTURE NO.
 PROGRAM TITLE

BED-105
010102
CREATIVE INDUSTRIES DIVISION

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT
IN THOUSANDS OF DOLLARS

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PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE		BUDGET PERIOD						SUCCEED YEARS			
				PROJECT TOTAL	PRIOR YRS	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19		FY 19-20	FY 20-21	
CID002			RENOVATION	HAWAII FILM STUDIO, VARIOUS IMPROVEMENTS,											
			DESIGN	805	345	460									
			CONSTRUCTION	4,380	1,380	3,000									
			TOTAL	5,185	1,725	3,460									
			G.O. BONDS	5,185	1,725	3,460									
CID003	10		NEW	CREATIVE MEDIA/FILM STUDIO FACILITY,											
			PLANS	1,000		250	750								
			TOTAL	1,000		250	750								
			G.O. BONDS	1,000		250	750								
PROGRAM TOTALS															
			PLANS	1,000		250	750								
			DESIGN	1,150	690	460									
			CONSTRUCTION	5,760	2,760	3,000									
			TOTAL	7,910	3,450	3,710	750								
			G.O. BONDS	7,910	3,450	3,710	750								

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PROGRAM STRUCTURE NO. 010103

PROGRAM TITLE FOREIGN TRADE ZONE

PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE		BUDGET PERIOD						SUCCEED YEARS
				COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	
PROGRAM TOTALS												
			PLANS		55		30		25			
			DESIGN		1,090	750	220		120			
			CONSTRUCTION		9,635	3,000	4,950		1,685			
			EQUIPMENT		340				340			
			TOTAL		11,120	3,750	5,200		2,170			
			G.O. BONDS		4,370		2,200		2,170			
			FEDERAL FUNDS		1,500	1,500						
			G.O. BONDS REP		5,250	2,250	3,000					

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PROGRAM ID **BED-142**

PROGRAM STRUCTURE NO. **010104**

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PROGRAM TITLE **GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT**

PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE	BUDGET PERIOD								SUCCEED YEARS
					PROJECT TOTAL	PRIOR YRS	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	
PROGRAM TOTALS													
				PLANS	2,200	2,200							
				TOTAL	2,200	2,200							
				G.O. BONDS	2,200	2,200							

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PROGRAM ID **BED-143**

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PROGRAM STRUCTURE NO. **010502**

PROGRAM TITLE **HIGH TECHNOLOGY DEVELOPMENT CORPORATION**

PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE		BUDGET PERIOD						SUCCEED YEARS
				PROJECT TOTAL	PRIOR YRS	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	
PROGRAM TOTALS												
			PLANS	625	625							
			DESIGN	5,469	5,469							
			CONSTRUCTION	200	200							
			EQUIPMENT	440	440							
			TOTAL	6,734	6,734							
			SPECIAL FUND	734	734							
			G.O. BONDS	6,000	6,000							

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PROGRAM STRUCTURE NO. **010504**PROGRAM TITLE **NATURAL ENERGY LAB OF HAWAII AUTHORITY**

PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE		BUDGET PERIOD						SUCCEED YEARS		
						COST ELEMENT/MOF	PROJECT TOTAL	PRIOR YRS	FY 13-14	FY 14-15	FY 15-16		FY 16-17	FY 17-18
1	1		NEW	NELHA FRONTAGE ROAD AND NEW INTERSECTION CONNECTIONS, HAWAII										
			CONSTRUCTION	9,694		9,694								
			TOTAL	9,694		9,694								
			G.O. BONDS	9,694		9,694								
2	2		NEW	NELHA SEAWATER SYSTEM UPGRADES, HAWAII										
			DESIGN	75		75								
			CONSTRUCTION	2,248		2,248								
			TOTAL	2,323		2,323								
			G.O. BONDS	2,323		2,323								
NELHA3	7		NEW	NELHA POTABLE WATER WELL, HAWAII										
			PLANS	1		1								
			DESIGN	499		499								
			CONSTRUCTION	2,000		2,000								
			TOTAL	2,500		2,500								
			G.O. BONDS	2,500		2,500								
NELHA4			RENOVATION	NELHA IMPROVEMENTS TO THE RESEARCH CAMPUS, HAWAII										
			CONSTRUCTION	330		330								
			TOTAL	330		330								
			G.O. BONDS	330		330								

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PROGRAM STRUCTURE NO. **010504**

PROGRAM TITLE **NATURAL ENERGY LAB OF HAWAII AUTHORITY**

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PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE	BUDGET PERIOD						SUCCEED YEARS		
					PROJECT TOTAL	PRIOR YRS	FY 13-14	FY 14-15	FY 15-16	FY 16-17		FY 17-18	FY 18-19
PROGRAM TOTALS													
				PLANS	478	477		1					
				DESIGN	2,446	1,872	75	499					
				CONSTRUCTION	35,127	20,855	11,942	2,000	330				
				EQUIPMENT	10,665	10,665							
				TOTAL	48,716	33,869	12,017	2,500	330				
				G.O. BONDS	47,716	32,869	12,017	2,500	330				
				G.O. BONDS REP	1,000	1,000							

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PROGRAM STRUCTURE NO. **010701**PROGRAM TITLE **HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE		BUDGET PERIOD						SUCCEED YEARS		
						PROJECT TOTAL	PRIOR YRS	FY 13-14	FY 14-15	FY 15-16	FY 16-17		FY 17-18	FY 18-19
KA010	1		NEW	KEWALO BASIN JETTY RIPRAP WALL REPAIR, KAKAAKO, OAHU										
			DESIGN	300		300								
			CONSTRUCTION	700			700							
			TOTAL	1,000		300	700							
			G.O. BONDS	1,000		300	700							
KA013			NEW	KAKAAKO MAKAI PARKING STRUCTURE, OAHU										
			PLANS	100				100						
			DESIGN	3,900				3,900						
			TOTAL	4,000				4,000						
			G.O. BONDS REP	4,000				4,000						
KLO08	2		NEW	KALAELOA ENTERPRISE ENERGY CORRIDOR, KALAELOA, OAHU										
			PLANS	1				1						
			DESIGN	699				699						
			CONSTRUCTION	6,300				6,300						
			TOTAL	7,000				7,000						
			G.O. BONDS	7,000				7,000						
HC0001			OTHER	HAWAII COMMUNITY DEVELOPMENT AUTHORITY'S		COMMUNITY DEVELOPMENT DISTRICTS, OAHU								
			PLANS	64,295	47,600	1,855	1,855	1,855	1,855	1,855	1,855	1,855	1,855	
			LAND	22,456	22,456									
			DESIGN	12,532	12,532									
			CONSTRUCTION	69,708	69,708									
			TOTAL	168,991	152,296	1,855	1,855	1,855	1,855	1,855	1,855	1,855	1,855	
			GENERAL FUND	49,752	49,752									
			G.O. BONDS	119,239	102,544	1,855	1,855	1,855	1,855	1,855	1,855	1,855	1,855	

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PROGRAM STRUCTURE NO. **010701**PROGRAM TITLE **HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE COST ELEMENT/MOF	PROJECT TITLE		BUDGET PERIOD						SUCCEED YEARS	
				PROJECT TOTAL	PRIOR YRS	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19		FY 19-20
PROGRAM TOTALS													
			PLANS	64,396	47,600	1,855	1,856	1,955	1,855	1,855	1,855	1,855	1,855
			LAND	22,456	22,456								
			DESIGN	17,431	12,532	300	699	3,900					
			CONSTRUCTION	76,708	69,708		7,000						
			TOTAL	180,991	152,296	2,155	9,555	5,855	1,855	1,855	1,855	1,855	1,855
			GENERAL FUND	49,752	49,752								
			G.O. BONDS REP	4,000				4,000					
			G.O. BONDS	127,239	102,544	2,155	9,555	1,855	1,855	1,855	1,855	1,855	1,855

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PROGRAM STRUCTURE NO. **0108**PROGRAM TITLE **HAWAII HOUSING FINANCE AND DEVELOPMENT C**

PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE		BUDGET PERIOD						SUCCEED YEARS			
						PROJECT TOTAL	PRIOR YRS	FY 13-14	FY 14-15	FY 15-16	FY 16-17		FY 17-18	FY 18-19	FY 19-20
		COST ELEMENT/MOF													
HFDC04	6		OTHER	RENTAL HOUSING TRUST FUND INFUSION, STATEWIDE											
		CONSTRUCTION		5,000			5,000								
		TOTAL		5,000			5,000								
		G.O. BONDS		5,000			5,000								
HFDC05			OTHER	DWELLING UNIT REVOLVING FUND INFUSION, STATEWIDE											
		CONSTRUCTION		44,000	30,000	7,000	7,000								
		TOTAL		44,000	30,000	7,000	7,000								
		G.O. BONDS		44,000	30,000	7,000	7,000								
HFDC07			OTHER	WAIHAOLE WATER SYSTEM IMPROVEMENTS, OAHU											
		DESIGN		750		750									
		CONSTRUCTION		7,050		550	6,500								
		TOTAL		7,800		1,300	6,500								
		G.O. BONDS		7,800		1,300	6,500								
P11003			OTHER	LOW INCOME HOUSING TAX CREDIT LOANS, STATEWIDE											
		CONSTRUCTION		7,832			7,832								
		TOTAL		7,832			7,832								
		G.O. BONDS		7,832			7,832								

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PROGRAM TITLE HAWAII HOUSING FINANCE AND DEVELOPMENT C

PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE		BUDGET PERIOD						SUCCEED YEARS		
				PROJECT TOTAL	PRIOR YRS	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19		FY 19-20	FY 20-21
P15010			NEW	HALE MAHAOLU EWALU, INC., MAUI										
			CONSTRUCTION	4,000			4,000							
			TOTAL	4,000			4,000							
			G.O. BONDS	4,000			4,000							
PROGRAM TOTALS														
			DESIGN	750			750							
			CONSTRUCTION	93,882	56,000		7,550							
			TOTAL	94,632	56,000		8,300							
			G.O. BONDS	94,632	56,000		8,300							

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PROGRAM STRUCTURE NO. **0109**

PROGRAM TITLE **OFFICE OF AEROSPACE**

PROJECT NUMBER	PRIORITY NUMBER	LOC	SCOPE	PROJECT TITLE		BUDGET PERIOD						SUCCEED YEARS
				PROJECT TOTAL	PRIOR YRS	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	
PROGRAM TOTALS												
TOTAL												