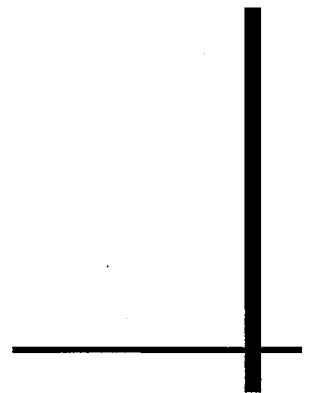
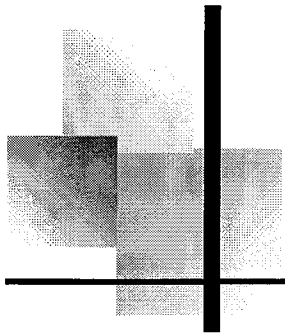


## DETAILS OF VARIANCES





## ECONOMIC DEVELOPMENT



VARIANCE REPORT

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	402.00	318.00	- 84.00	21	423.50	323.00	- 100.50	24	423.50	409.00	- 14.50	3
EXPENDITURES (\$1000's)	287,690	256,367	- 31,323	11	87,389	23,151	- 64,238	74	193,867	211,562	+ 17,695	9
TOTAL COSTS												
POSITIONS	402.00	318.00	- 84.00	21	423.50	323.00	- 100.50	24	423.50	409.00	- 14.50	3
EXPENDITURES (\$1000's)	287,690	256,367	- 31,323	11	87,389	23,151	- 64,238	74	193,867	211,562	+ 17,695	9
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. GROSS STATE PRODUCT (2005 CONSTANT \$ IN MILLIONS)	62033	58441	- 3592	6	63317	59612	- 3705	6				
2. REAL PERSONAL INCOME (2000 CONSTANT \$ IN MILLIONS)	42638	43081	+ 443	1	43201	43965	+ 764	2				
3. UNEMPLOYMENT RATE (% TENTHS)	6.0	6.6	+ 0.6	10	5.0	5.7	+ 0.7	14				
4. TOTAL EMPLOYMENT (THOUSANDS)	605	604	- 1	0	615	614	- 1	0				
5. GROSS STATE PRODUCT (CURRENT \$ IN MILLIONS)	71148	68548	- 2600	4	73892	71772	- 2120	3				
6. REAL PERSONAL INCOME (CURRENT \$ IN MILLIONS)	58757	60283	+ 1526	3	60904	63029	+ 2125	3				

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

**PROGRAM TITLE: ECONOMIC DEVELOPMENT**

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**01**

### **PART I - EXPENDITURES AND POSITIONS**

The variance in the position count is generally attributed to vacancies due to budget constraints, personnel turnovers, and pending recruitment and filling. The variance for expenditures is generally attributed to personnel expenditures being less than planned due to position vacancies. Details of the position and expenditure variances are best examined at the lowest program level.

### **PART II - MEASURES OF EFFECTIVENESS**

See Lowest Level Programs for additional information.

VARIANCE REPORT

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	58.00	56.00	- 2.00	3	61.00	61.00	+ 0.00	0	61.00	61.00	+ 0.00	0
EXPENDITURES (\$1000's)	7,834	5,227	- 2,607	33	1,265	1,085	- 180	14	6,238	6,330	+ 92	1
TOTAL COSTS												
POSITIONS	58.00	56.00	- 2.00	3	61.00	61.00	+ 0.00	0	61.00	61.00	+ 0.00	0
EXPENDITURES (\$1000's)	7,834	5,227	- 2,607	33	1,265	1,085	- 180	14	6,238	6,330	+ 92	1
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. ANNUAL PERCENTAGE INCREASE IN GROSS STATE PRODUCT	1.9	0.7	- 1.2	63	2.1	2.0	- 0.1	5				
2. NUMBER OF NEW JOBS CREATED PER ANNUM	7002	7041	+ 39	1	7657	10450	+ 2793	36				

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

PROGRAM TITLE: STRATEGIC MARKETING & SUPPORT  
 PROGRAM-ID: BED-100  
 PROGRAM STRUCTURE NO: 010101

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	12.00	10.00	- 2.00	17	10.00	10.00	+ 0.00	0	10.00	10.00	+ 0.00	0
EXPENDITURES (\$1000's)	3,418	1,582	- 1,836	54	194	194	+ 0	0	2,712	2,712	+ 0	0
TOTAL COSTS												
POSITIONS	12.00	10.00	- 2.00	17	10.00	10.00	+ 0.00	0	10.00	10.00	+ 0.00	0
EXPENDITURES (\$1000's)	3,418	1,582	- 1,836	54	194	194	+ 0	0	2,712	2,712	+ 0	0
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. INVESTMENT GEN BY BUS DEV & PROMO ACT \$M	10	NO DATA	- 10	100	10	NO DATA	- 10	100				
2. NUMBER OF TRADE & INVESTMENT LEADS GENERATED	100	460	+ 360	360	200	700	+ 500	250				
3. # NEW FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM	20	22	+ 2	10	20	20	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. #COMM-BASED ORGS & CO-OPS ASSISTED	200	199	- 1	1	200	200	+ 0	0				
2. # SMALL BUS REQUESTING REGULATORY RELIEF/LEGIS	10	NO DATA	- 10	100	10	NO DATA	- 10	100				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # INT'L BUSINESS DEVELOPMENT ACTIVITIES	50	45	- 5	10	75	50	- 25	33				
2. # LOCAL FOCUSED EDUC & PROMO, BUS DEV ACTIVS	20	15	- 5	25	20	15	- 5	25				
3. # PRINT, ELECTRONIC PUBLICATIONS, MKTG COLLATERAL	10	13	+ 3	30	10	15	+ 5	50				
4. #FIRMS GVN INFO/ASST FOR PARTIC IN ENTERPRSE ZONES	300	325	+ 25	8	300	300	+ 0	0				
5. # CBED APPLICATIONS RECEIVED & REVIEWED	15	2	- 13	87	15	4	- 11	73				
6. # NEW/AMENDED RULES REVIEWD BY BUS ADV & SBRRB	55	NO DATA	- 55	100	55	NO DATA	- 55	100				

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

**PROGRAM TITLE: STRATEGIC MARKETING & SUPPORT**

**01 01 01  
BED 100**

### **PART I - EXPENDITURES AND POSITIONS**

The position variance is due to mandated cuts to personnel and the operating budget.

Expenditure variance due to ceiling amounts for Community-Based Economic Development (CBED) Revolving Loan and Disaster Loan Funds not being reached.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1. No data. This measure of effectiveness was deleted.

Item 2. Increase due to a U.S. Small Business Administration (SBA) State Trade Export Promotion (STEP) grant award which allowed the division to organize trade missions abroad to promote Hawaii products and services.

Item 3. It's difficult to estimate the number of new firms that will be enrolling in the Enterprise Zone Program.

### **PART III - PROGRAM TARGET GROUPS**

Item 2. No data. Program was transferred to BED 142 - General Administration.

### **PART IV - PROGRAM ACTIVITIES**

Item 1. Decrease in the number of international business development activities due in part to the reduction in staff and program resources.

Item 2. Decrease in the number of locally focused education and promotion business development activities due in part to the reduction in staff and program budget.

Item 3. Increase in the number of print, electronic publications and marketing collateral material due to increased trade-focused activities funded by the SBA STEP grant.

Item 5. The CBED Revolving Fund temporarily halted grant giving to concentrate on its microloan program. Also, due to personnel restrictions, an agreement with the State Department of Agriculture Loan Division needed to be completed to service CBED loans.

Item 6. No data. Program was transferred to BED 142 - General Administration.



PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION  
 PROGRAM-ID: BED-105  
 PROGRAM STRUCTURE NO: 010102

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	8.00	8.00	+ 0.00	0	11.00	11.00	+ 0.00	0	11.00	11.00	+ 0.00	0
EXPENDITURES (\$1000's)	814	734	- 80	10	205	197	- 8	4	774	782	+ 8	1
TOTAL COSTS												
POSITIONS	8.00	8.00	+ 0.00	0	11.00	11.00	+ 0.00	0	11.00	11.00	+ 0.00	0
EXPENDITURES (\$1000's)	814	734	- 80	10	205	197	- 8	4	774	782	+ 8	1
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. AMT OF DIRECT EXPEND. FROM FILM PROD IN HI (MIL)	150	298	+ 148	99	150	200	+ 50	33				
2. IMPACT ON STATE ECON BY FILM PROD DIRECT EXP (MIL)	200	482	+ 282	141	200	324	+ 124	62				
3. TAX REV GEN BY DIRECT EXPEND FRM FILM PROD (MIL)	15	27	+ 12	80	15	18	+ 3	20				
4. FILM PROJ THAT APPL FOR & QUAL FOR ACT 88 TAX CRED	25	35	+ 10	40	25	30	+ 5	20				
5. AMT OF DIR EXPEND FROM QUAL ACT 88 PROJECTS (MIL)	135	240	+ 105	78	135	135	+ 0	0				
6. CREATIVE SECTOR SHARE OF HAWAII GDP (BIL)	4	6	+ 2	50	4	6	+ 2	50				
7. # OF COMPUTER AND DIGITAL MEDIA JOBS (THOUS)	4	4	+ 0	0	4	4	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. # OF CONTR TO LOCAL EDUC INST FR ACT 88 PROJ	24	22	- 2	8	24	24	+ 0	0				
2. LOCAL FILM FESTIVALS	23	34	+ 11	48	23	34	+ 11	48				
3. ARTS/CULT ORGS/BUSINESS DEVELOPMENT ACTIVITY	150	150	+ 0	0	160	160	+ 0	0				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. #FILM/TV/COMMERCIAL PROJS FILMING IN STATE YEARLY	140	165	+ 25	18	140	160	+ 20	14				
2. # OF FILM PERMITS PROCESSED ANNUALLY	1500	1891	+ 391	26	1500	1800	+ 300	20				
3. # LOCALLY FOCUSED EDUCATIONAL & PROMOTNL EVENTS	12	6	- 6	50	12	12	+ 0	0				
4. #OVERSEAS SALES/MKTG/PROMO ATTND/SPON/SPPT BY CID	4	2	- 2	50	4	4	+ 0	0				
5. # OF ARTS, CULTURE AND FILM INQUIRIES	3604	3500	- 104	3	3604	3500	- 104	3				

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

01 01 02  
BED 105

**PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION**

### **PART I - EXPENDITURES AND POSITIONS**

Expenditure variance due to position vacancy and expenditure restrictions.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1. The higher actual is due to Hawaii's film industry having a record year in FY 12.

Item 2. The higher actual is due to having a higher direct expenditures from film productions.

Item 3. The higher tax revenue collected is due to having higher direct expenditures from film productions.

Item 4. The higher actual is due to the increased amount of projects which shot in Hawaii in FY 12 and also applied for the Act 88 tax credit.

Item 5. The higher actual is due to having a number of larger productions (feature films and TV series) filming in Hawaii in FY 12.

Item 6. The higher actual is due to the higher than expected market value of all final goods and services within Hawaii's creative industries.

### **PART III - PROGRAM TARGET GROUPS**

Item 1. The actual is lower due to the fact that not all of the tax credit projects have filed their reports for FY 12.

Item 2. The number of local film festivals is higher due to increased programs/better tracking.

### **PART IV - PROGRAM ACTIVITIES**

Item 1. The higher actual is due to having more film/tv/commercial projects filming in Hawaii in FY 12.

Item 2. The higher actual is due to an increase in the number of projects

filming in the State, more so than projected.

Item 3. The lower actual is due to remaining staff being reassigned to do film permits and processing of Act 88 tax credit applications due to the reduction in force and retirements.

Item 4. The lower actual is due to remaining staff being reassigned to do film permits and processing of Act 88 tax credit applications due to the reduction in force and retirements.

STATE OF HAWAII

PROGRAM TITLE: FOREIGN TRADE ZONE  
 PROGRAM-ID: BED-107  
 PROGRAM STRUCTURE NO: 010103

VARIANCE REPORT

REPORT V61  
 12/14/12

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	17.00	17.00	+ 0.00	0	17.00	17.00	+ 0.00	0	17.00	17.00	+ 0.00	0
EXPENDITURES (\$1000's)	2,066	1,567	- 499	24	506	354	- 152	30	1,517	1,669	+ 152	10
TOTAL COSTS												
POSITIONS	17.00	17.00	+ 0.00	0	17.00	17.00	+ 0.00	0	17.00	17.00	+ 0.00	0
EXPENDITURES (\$1000's)	2,066	1,567	- 499	24	506	354	- 152	30	1,517	1,669	+ 152	10
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)	3	39	+ 36	1200	3	15	+ 12	400				
2. % INCR VALUE CARGO IN/OUT OF ALL SUBZONES	3	51	+ 48	1600	3	15	+ 12	400				
3. % INCR IN VALUE OF CARGO IN/OUT OF PIER 2 FACIL	6	-23	- 29	483	6	6	+ 0	0				
4. # OF NEW FIRMS USING FTZ PROGRAM	30	21	- 9	30	30	25	- 5	17				
5. % INCR IN VALUE OF EXPORTS FROM ALL FTZ FACILITIES	5	47	+ 42	840	5	15	+ 10	200				
6. INCR IN USERS' EMPLMT ATTRIB TO PARTIC IN FTZ PROG	60	NO DATA	- 60	100	60	60	+ 0	0				
7. SATIS RATING BY FTZ USERS (1-5 SCALE)	4	NO DATA	- 4	100	4	NO DATA	- 4	100				
8. YEARLY SPECIAL FUND BAL (TOT REV LESS TOT EXP)	0	-91924	- 91924	0	0	0	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. FIRMS USING FTZ PROGRAM (NO.)	250	245	- 5	2	250	250	+ 0	0				
2. COMPANIES THAT IMPORT/EXPORT DUTIABLE MERCHANDISE	500	500	+ 0	0	500	500	+ 0	0				
3. COMPANIES THAT MANUF USING DUTIABLE COMPONENTS	70	70	+ 0	0	70	70	+ 0	0				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. VALUE OF CARGO IN/OUT OF FTZ (EXCL SUBZONES) (MIL)	1750	2393	+ 643	37	1750	1750	+ 0	0				
2. VALUE OF CARGO IN/OUT OF SUBZONES (MIL)	7600	12457	+ 4857	64	7600	7600	+ 0	0				
3. VALUE OF CARGO IN/OUT OF PIER 2 FACILITY (MIL)	60	37	- 23	38	60	55	- 5	8				
4. VALUE OF CARGO HANDLD FOR DEPT OF HOMELAND SEC	0	0	+ 0	0	0	0	+ 0	0				
5. ADVERTISING/MARKETING EXPEND ZONE PROMOTION	50	13	- 37	74	50	50	+ 0	0				

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

01 01 03  
BED 107

**PROGRAM TITLE: FOREIGN TRADE ZONE**

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### **PART I - EXPENDITURES AND POSITIONS**

The expenditure variance in FY 12 was the result of the program trying to constrain operational expenditures to maintain parity with program revenue.

### **PART II - MEASURES OF EFFECTIVENESS**

Items 1, 3, and 5. Variance was the result of the continuing increase of worldwide oil prices and the slight economic improvement in some sectors and not in others.

Item 2. Variance was the direct result of increasing oil prices worldwide.

Items 6 and 7. Data from Foreign Trade Zone (FTZ) operators statewide was not available.

Items 4 and 8. Variance was due to sustained downturn in the economy which directly impacted the number of users and services provided by the program.

### **PART III - PROGRAM TARGET GROUPS**

Item 1. Variance due to the worldwide downturn in the economy which directly impacted the number of companies utilizing the FTZ's resources and facilities during the reporting period.

### **PART IV - PROGRAM ACTIVITIES**

Item 1. Variance is a result of the increase in the price of worldwide aircraft turbine fuel prices.

Item 2. Variance is a direct result of the increase in worldwide fuel prices.

Item 3. Variance is a result of the sustained economic downturn.

Item 5. Program reduced its projected marketing budget spending to maintain parity with program revenues.

VARIANCE REPORT

PROGRAM TITLE: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT  
 PROGRAM-ID: BED-142  
 PROGRAM STRUCTURE NO: 010104

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	21.00	21.00	+ 0.00	0	23.00	23.00	+ 0.00	0	23.00	23.00	+ 0.00	0
EXPENDITURES (\$1000's)	1,536	1,344	- 192	13	360	340	- 20	6	1,235	1,167	- 68	6
TOTAL COSTS												
POSITIONS	21.00	21.00	+ 0.00	0	23.00	23.00	+ 0.00	0	23.00	23.00	+ 0.00	0
EXPENDITURES (\$1000's)	1,536	1,344	- 192	13	360	340	- 20	6	1,235	1,167	- 68	6
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. # OF PROCUREMENT VIOLATIONS	0	5	+ 5	0	0	10	+ 10	0	0	10	+ 10	0
2. % ERROR-FREE SUMMARY WARRANT VOUCHERS PROCESSED	95	99	+ 4	4	95	95	+ 0	0	95	95	+ 0	0
3. SERVER DOWNTIME AS % TOTAL OPERATIONAL TIME (<)	2.0	2.0	+ 0	0	2.0	2.0	+ 0	0	2.0	2.0	+ 0	0
4. % DBEDT EMPLOYEES WORKING W/OUT FORMAL GRIEVANCE	98	98	+ 0	0	98	98	+ 0	0	98	98	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. NUMBER OF DBEDT POSNS (PERMANENT & TEMPORARY)	297	275	- 22	7	297	275	- 22	7	297	275	- 22	7
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # OF REQUESTS FOR ALLOTMENT (A19) PREPARED	240	199	- 41	17	240	240	+ 0	0	240	240	+ 0	0
2. # OF IFBS & RFPS ADVERTISED OVER DELEGATED AMOUNT	2	2	+ 0	0	2	2	+ 0	0	2	2	+ 0	0
3. # OF CONTRACTS EXECUTED OVER DELEGATED AMOUNT	50	5	- 45	90	50	5	- 45	90	50	5	- 45	90
4. # OF SUMMARY WARRANT VOUCHERS PROCESSED	1500	1141	- 359	24	1500	1200	- 300	20	1500	1200	- 300	20
5. # OF FORMAL GRIEVANCES FILED ANNUALLY	5	1	- 4	80	5	5	+ 0	0	5	5	+ 0	0
6. # OF HR/PERSONNEL TRANSACTIONS PROCESSED ANNUALLY	1050	1569	+ 519	49	1050	2600	+ 1550	148	1050	2600	+ 1550	148

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

**PROGRAM TITLE: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT**

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**01 01 04  
BED 142**

### **PART I - EXPENDITURES AND POSITIONS**

Actual expenditures were less than the original budget primarily due to the transfer of labor savings to Department of Budget and Finance, adjustment for furlough savings lag, and restrictions mandated by the Governor.

### **PART II - MEASURES OF EFFECTIVENESS**

No significant variances.

### **PART III - PROGRAM TARGET GROUPS**

No significant variances.

### **PART IV - PROGRAM ACTIVITIES**

Item 1. The variance is due to the Budget Execution Policy change to allow for allotments for the full year vs. on a quarterly basis.

Item 3. The variance is due to an error in the planned amount which should have been 5 instead of 50.

Item 4. The decrease in vouchers processed was due to the increase in the amount of expenditures paid through the P-Card Program.

Item 5. The variance is due to over estimation of planned amount.

Item 6. The variance is due to increase in transactions related to the Favored Nations.

STATE OF HAWAII  
PROGRAM TITLE: TOURISM  
PROGRAM-ID: BED-113  
PROGRAM STRUCTURE NO: 0102

VARIANCE REPORT

REPORT V61  
12/14/12

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	6.00	6.00	+ 0.00	0	6.00	6.00	+ 0.00	0	6.00	5.00	- 1.00	17
EXPENDITURES (\$1000's)	141,162	120,157	- 21,005	15	35,394	4,411	- 30,983	88	105,680	110,792	+ 5,112	5
TOTAL COSTS												
POSITIONS	6.00	6.00	+ 0.00	0	6.00	6.00	+ 0.00	0	6.00	5.00	- 1.00	17
EXPENDITURES (\$1000's)	141,162	120,157	- 21,005	15	35,394	4,411	- 30,983	88	105,680	110,792	+ 5,112	5
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)	11.8	13.3	+ 1.5	13	12.6	14.4	+ 1.8	14				
2. TOTAL VISITOR DAYS (MILLIONS)	68.3	72.2	+ 3.9	6	70.9	75.4	+ 4.5	6				
3. TOTAL VISITOR ARRIVALS (MILLIONS)	7.1	7.7	+ 0.6	8	7.4	8.0	+ 0.6	8				
4. TOTAL SCHEDULED AIR SEATS ( MILLIONS)	9.179	9.618	+ 0.439	5	9.179	9.986	+ 0.807	9				
5. HAWAII CONVENTION CENTER ROOM NIGHTS	700000	524083	- 175917	25	700000	480000	- 220000	31				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. JAPANESE TRAVELERS TO THE US (MILLION)	3.6	3.4	- 0.2	6	3.71	3.7	- 0.01	0				
2. US AIR TRAFFIC TO OVERSEAS REGIONS (MILLIONS)	38.84	37.34	- 1.5	4	38.84	37.32	- 1.52	4				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # SPORTING EVENTS ACTUALLY FUNDED	26	21	- 5	19	26	21	- 5	19				
2. # PRODUCT ENRICHMT PROJECTS ACTUALLY FUNDED	125	103	- 22	18	125	103	- 22	18				
3. # OF HAWAIIAN AND MAJOR FESTIVALS ACTUALLY FUNDED	15	12	- 3	20	15	12	- 3	20				
4. # SPEECHES/PRESENTATIONS TO TOURISM STAKEHOLDERS	50	55	+ 5	10	50	55	+ 5	10				
5. # OF TOURISM RESEARCH PUBLICATIONS ISSUED	364	358	- 6	2	364	362	- 2	1				
6. NATURAL RESOURCES PROJECTS FUNDED (\$MILLIONS)	3	2	- 1	33	3	2	- 1	33				
7. MAJOR MARKETING CONTRACTORS FUNDED (\$MILLIONS)	52	46	- 6	12	52	43	- 9	17				
8. # OF LIVING HAWAIIAN CULTURAL PROGRAMS	30	7	- 23	77	30	15	- 15	50				

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

01 02  
BED 113

**PROGRAM TITLE: TOURISM**

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### **PART I - EXPENDITURES AND POSITIONS**

The expenditure variance is primarily due to the implementation of Act 103, SLH 2011, which capped TAT revenues into the Tourism Special Fund at \$69M. Act 171, SLH 2012, increased the cap to \$71M through FY 2015.

The decrease in position count reflects a conversion of one permanent position to an SRNA position (Position No. 28287).

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1. Variances for measures of effectiveness are largely positive and reflect the recovery and strengthening of the Hawai'i tourism industry.

Item 5. The 700,000 room night Convention Center figure may be too high a number to achieve based on a number of factors, and the HTA is analyzing statistics to determine revised targets.

### **PART III - PROGRAM TARGET GROUPS**

No significant variances.

### **PART IV - PROGRAM ACTIVITIES**

The number of program activities decreased primarily with the effort to fund more quality projects and less projects at smaller amounts. In some instances, multiple planned activities were grouped together for purposes of efficiency and effectiveness. Variances for expenditures result from a reduced funding from TAT revenues.

Items 1-4 and 8. The number of program activities decreased primarily with the effort to fund more quality projects and less projects at smaller amounts. In some instances, multiple planned activities were grouped together for purposes of efficiency and effectiveness.

Items 6-7. Variances for expenditures result from a reduced funding from TAT revenues.



STATE OF HAWAII  
PROGRAM TITLE: AGRICULTURE  
PROGRAM-ID:  
PROGRAM STRUCTURE NO: 0103

VARIANCE REPORT

REPORT V61  
12/14/12

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	274.00	206.00	- 68.00	25	295.00	211.00	- 84.00	28	295.00	291.00	- 4.00	1
EXPENDITURES (\$1000's)	45,981	31,322	- 14,659	32	10,993	11,402	+ 409	4	33,011	32,602	- 409	1
TOTAL COSTS												
POSITIONS	274.00	206.00	- 68.00	25	295.00	211.00	- 84.00	28	295.00	291.00	- 4.00	1
EXPENDITURES (\$1000's)	45,981	31,322	- 14,659	32	10,993	11,402	+ 409	4	33,011	32,602	- 409	1
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. TOTAL AGR FARM VALUE/OTHR FARM REL ACTIVITIES (\$M)	666.1	719	+ 52.9	8	719	725	+ 6	1				
2. # INTERCEPTED INSECT SPECIES NOT OCCURRING IN HI	450	354	- 96	21	455	455	+ 0	0				
3. % OF AG PARK & NON-AG PARK LANDS IN PRODUCTIVE USE	88	87	- 1	1	88	88	+ 0	0				

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

VARIANCE REPORT

PROGRAM TITLE: FINANCIAL ASSISTANCE FOR AGRICULTURE  
PROGRAM-ID: AGR-101  
PROGRAM STRUCTURE NO: 010301

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	9.00	7.00	- 2.00	22	9.00	7.00	- 2.00	22	9.00	9.00	+ 0.00	0
EXPENDITURES (\$1000's)	6,090	3,589	- 2,501	41	1,516	1,516	+ 0	0	4,549	4,549	+ 0	0
TOTAL COSTS												
POSITIONS	9.00	7.00	- 2.00	22	9.00	7.00	- 2.00	22	9.00	9.00	+ 0.00	0
EXPENDITURES (\$1000's)	6,090	3,589	- 2,501	41	1,516	1,516	+ 0	0	4,549	4,549	+ 0	0
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. NUMBER OF LOANS APPROVED	25	22	- 3	12	25	25	+ 0	0				
2. TOTAL DOLLAR AMOUNT OF LOANS APPROVED (000'S)	4500	4370	- 130	3	4500	4500	+ 0	0				
3. ANNUAL ACREAGE CULTIVATED BY BORROWERS	40000	41357	+ 1357	3	40000	40000	+ 0	0				
4. AMT OF EMPLOYEES OR LABORERS UTILIZED BY BORROWER	1000	1308	+ 308	31	1000	1000	+ 0	0				
5. AMT OF AG OR AQUA FIN PROVIDED BY OTHR CRED SOURCS	1000	272	- 728	73	1000	1000	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. POTENTIAL QUALIFIED FARMERS/NEW FARMERS	7500	7521	+ 21	0	7500	7500	+ 0	0				
2. POTENTIAL QUALIFIED AQUACULTURISTS	70	74	+ 4	6	70	70	+ 0	0				
3. AGRICULTURE/AQUACULTURE COOPERATIVES	25	25	+ 0	0	25	25	+ 0	0				
4. COMMERCIAL BANKS	5	5	+ 0	0	5	5	+ 0	0				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. NUMBER OF PUBLIC RELATIONS CONTACTS	75	27	- 48	64	75	75	+ 0	0				
2. NO. OF SERVICING CONTACTS WITH EXISTING BORROWERS	1200	605	- 595	50	1200	1200	+ 0	0				
3. NUMBER OF LOAN INQUIRIES RECEIVED BY THE DIVISION	175	120	- 55	31	175	175	+ 0	0				
4. AMOUNT COLLECTED BY PROGRAM (000'S)	2.25	2.36	+ 0.11	5	2.25	2.25	+ 0	0				

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

01 03 01  
AGR 101

**PROGRAM TITLE: FINANCIAL ASSISTANCE FOR AGRICULTURE**

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### **PART I - EXPENDITURES AND POSITIONS**

Variances in FY 12 expenditures were due to position vacancies and the lower dollar amount in loans granted.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1 - Number of loans approved: The number of loans approved was below the planned total by 12% or by 3 loans. The slow recovery is affecting the number of loans approved but there was improvement from the prior year as well as an increase in the total dollar amount of loans.

Item 4 - Amount of employees or laborers utilized by borrowers: Farm employees exceeded the planned amount by 308 employees or 31% more than the planned amount of 1000 employees. The increase is attributed to the increased number of loans in the portfolio and the gradually improving economic conditions.

Item 5 - Amount of agriculture or aquaculture financing provided by other credit sources: The amount of financing provided by other credit sources in cooperation with the State Agricultural loan program continues to be a challenge due to reluctance on the part of commercial lenders to fund agricultural and aquacultural operations. The amount of credit provided by other credit sources totaled \$272,000, well below the planned amount but a significant increase from the prior year's \$31,250.

### **PART III - PROGRAM TARGET GROUPS**

No Significant Variances.

### **PART IV - PROGRAM ACTIVITIES**

Item 1 - Number of public relations contacts: The number of public relations contacts is well below the planned amount of 75 contacts. The main reason for the decline is the lack of available personnel to conduct outreach. The Division has two (2) vacant loan officer positions, leaving the four remaining loan officer positions to complete all of the required functions and servicing of loans.

Item 2 - Number of servicing contacts with existing borrowers: The number of servicing contact with existing borrowers was below the planned amount. The number of contacts averaged out to three contacts per borrower which meets the two visits procedurally required. The Division has been tracking contacts with borrowers via its loan computer system. While the current system is efficient, it is not able to fully track all of the servicing contacts and is under reporting the actual number of contacts per borrower. The program is continuing to assess how to accurately track the number of contacts.

Item 3 - Number of loan inquiries received by the Division: The number of loan inquiries were lower by 55 contacts or by 31% from the planned amount. The Division is seeing an increase in the number of inquiries from the prior year but the number of inquiries appears to be affected by the still recovering economy.

**VARIANCE REPORT**

PROGRAM TITLE: PRODCTVTY IMPRVMT & MGT ASSTNCE FOR AGR  
PROGRAM-ID:  
PROGRAM STRUCTURE NO: 010302

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	171.00	131.00	- 40.00	23	180.00	129.00	- 51.00	28	180.00	180.00	+ 0.00	0
EXPENDITURES (\$1000's)	21,308	14,252	- 7,056	33	5,119	5,119	+ 0	0	15,361	15,361	+ 0	0
TOTAL COSTS												
POSITIONS	171.00	131.00	- 40.00	23	180.00	129.00	- 51.00	28	180.00	180.00	+ 0.00	0
EXPENDITURES (\$1000's)	21,308	14,252	- 7,056	33	5,119	5,119	+ 0	0	15,361	15,361	+ 0	0
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. % OF TTL PARCELS INSP INTERCEPTED AS PROHIB/RESTRI	.002	.002	+ 0	0	.002	.002	+ 0	0				
2. # INTERCEPTED INSECT SPECIES NOT OCCURRING IN HI	450	354	- 96	21	455	455	+ 0	0				

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

PROGRAM TITLE: PLANT PEST AND DISEASE CONTROL  
PROGRAM-ID: AGR-122  
PROGRAM STRUCTURE NO: 01030201

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	121.00	90.00	- 31.00	26	130.00	86.00	- 44.00	34	130.00	130.00	+ 0.00	0
EXPENDITURES (\$1000's)	16,204	9,988	- 6,216	38	3,868	3,868	+ 0	0	11,605	11,605	+ 0	0
TOTAL COSTS												
POSITIONS	121.00	90.00	- 31.00	26	130.00	86.00	- 44.00	34	130.00	130.00	+ 0.00	0
EXPENDITURES (\$1000's)	16,204	9,988	- 6,216	38	3,868	3,868	+ 0	0	11,605	11,605	+ 0	0

	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>								
1. % TTL PARCELS INSP INTERCEPTED AS PROHIB/RESTRICT	.002	.002	+ 0	0	.002	.002	+ 0	0
2. NUMBER OF INSECT INTERCEPTIONS	2045	1667	- 378	18	2086	2086	+ 0	0
3. # INTERCEPTED INSECT SPECIES NOT OCCURRING IN HI	450	354	- 96	21	455	455	+ 0	0
4. # OF PROHIBITED ANIMALS INTERCEPTED OR CONFISCATED	100	200	+ 100	100	100	100	+ 0	0
5. % OF CHEM/MECH CNTRL PROJ UNDER HI LEVEL OF CNTRL	20	18	- 2	10	20	20	+ 0	0
6. % BIO CONTROL PROJECTS UNDER A HIGH LEVEL OF CNTRL	40	40	+ 0	0	45	45	+ 0	0
7. COMPLIANCE RATE CERT NURS & PT OF ORIGIN INSP	40	0	- 40	100	42	42	+ 0	0

<b>PART III: PROGRAM TARGET GROUP</b>								
1. NUMBER OF AIRCRAFT AND SHIP ARRIVALS (THOUSANDS)	41.751	41.8	+ 0.049	0	42.586	42.586	+ 0	0
2. NUMBER PASSENGER ARRIVALS BY AIR AND SEA (THOUS)	6074.1	6100	+ 25.9	0	6195.5	6195	- 0.5	0
3. NO. OF REGULATED BAGGAGE, CARGO AND MAIL (THOUS)	.13	NO DATA	- 0.13	100	.135	.135	+ 0	0
4. NUMBER OF IMPORT PERMIT REQUESTS	930	950	+ 20	2	949	950	+ 1	0
5. NUMBER OF SITES REQUIRING POST-ENTRY INSPECTIONS	0	0	+ 0	0	0	0	+ 0	0
6. NUMBER OF CERTIFIED NURSERIES	300	230	- 70	23	300	300	+ 0	0
7. NUMBER OF NEW NOXIOUS WEED INFESTATIONS	1	1	+ 0	0	1	1	+ 0	0
8. NUMBER OF WIDESPREAD NOXIOUS WEED INFESTATIONS	40	45	+ 5	13	40	40	+ 0	0
9. NO. OF NEW INFESTATIONS OF INSECTS AND OTHER PESTS	10	9	- 1	10	10	10	+ 0	0
10. NO. OF WIDESPREAD INFEST OF INSECTS AND OTHER PEST	5	5	+ 0	0	5	5	+ 0	0

<b>PART IV: PROGRAM ACTIVITY</b>								
1. NUMBER OF AIRCRAFT AND SHIPS MONITORED (THOUSANDS)	41751	25.0	- 41726	100	42586	42586	+ 0	0
2. NUMBER OF AIR AND SEA PASSENGERS MONITORED (THOUS)	6000	3800	- 2200	37	6000	6000	+ 0	0
3. NO. OF BAGGAGE, CARGO, AND MAIL INSPECTED (THOUS)	15624	15600	- 24	0	15936	15936	+ 0	0
4. NUMBER OF POST-ENTRY INSPECTIONS CONDUCTED	0	0	+ 0	0	0	0	+ 0	0
5. NUMBER OF CERTIFIED NURSERY INSPECTIONS	400	250	- 150	38	400	400	+ 0	0
6. NUMBER OF CHEM/MECH CNTRL AND ERADICATION PROJECTS	10	9	- 1	10	10	10	+ 0	0
7. BIOLOGICAL CONTROL OF PEST SPECIES (# OF PROJECTS)	10	9	- 1	10	10	10	+ 0	0
8. SEED TEST AND ANALYSIS (NUMBER OF LOTS)	250	245	- 5	2	250	250	+ 0	0

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

01 03 02 01  
AGR 122

**PROGRAM TITLE: PLANT PEST AND DISEASE CONTROL**

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### **PART I - EXPENDITURES AND POSITIONS**

Variances were due to position vacancies and less than expected special and federal fund expenditures.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 2, 3 - Decrease due to staff shortages. Amount of cargo requiring inspection has not declined; therefore, effectiveness levels are directly impacted by loss of manpower.

Item 4 - Increase in pest hot line and amnesty referrals. Of concern, is that interception of prohibited animals has decreased at ports of entry, while an increase of prohibited animals were found in the community.

Items 5 - Compliance programs were discontinued after the reduction-in-force and have not yet resumed. Program unable to properly maintain/monitor projects due to staff shortages.

Item 7 - Compliance programs were discontinued after layoffs and have not yet resumed.

### **PART III - PROGRAM TARGET GROUPS**

Item 3 - No data available.

Item 6 - Number of certified nurseries has decreased as some businesses have chosen to discontinue operations.

Item 8 - Personnel shortages reduced ability to control infestations.

Item 9 - Measure is difficult to predict; however, it is possible that there are infestations that have not yet been discovered due to lack of staff.

### **PART IV - PROGRAM ACTIVITIES**

Items 1, 2 - Planned data reported in error. Due to loss of staff, inspection hours were reduced.

Item 5 - Inspectors on Oahu, Kauai and Kona no longer conduct certified nursery inspections. Hilo inspectors cover these ports as time allows.

Items 6, 7 - Number of projects has decreased due to personnel shortages.



VARIANCE REPORT

PROGRAM TITLE: ANIMAL PEST AND DISEASE CONTROL

PROGRAM-ID:

PROGRAM STRUCTURE NO: 01030202

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	50.00	41.00	- 9.00	18	50.00	43.00	- 7.00	14	50.00	50.00	+ 0.00	0
EXPENDITURES (\$1000's)	5,104	4,264	- 840	16	1,251	1,251	+ 0	0	3,756	3,756	+ 0	0
TOTAL COSTS												
POSITIONS	50.00	41.00	- 9.00	18	50.00	43.00	- 7.00	14	50.00	50.00	+ 0.00	0
EXPENDITURES (\$1000's)	5,104	4,264	- 840	16	1,251	1,251	+ 0	0	3,756	3,756	+ 0	0
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. NUMBER OF RABIES CASES IN THE COMMUNITY	0	0	+ 0	0	0	0	+ 0	0	0	0	+ 0	0
2. NO. OF DISEASE-FREE STATUS OBTAINED & MAINTAINED	4	5	+ 1	25	4	5	+ 1	25	4	5	+ 1	25
3. NO.OF DISEASE CNTRL PROG W/ PUBLIC HEALTH IMPACT	6	6	+ 0	0	6	6	+ 0	0	6	6	+ 0	0

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

STATE OF HAWAII  
PROGRAM TITLE: RABIES QUARANTINE  
PROGRAM-ID: AGR-131  
PROGRAM STRUCTURE NO: 0103020201

VARIANCE REPORT

REPORT V61  
12/14/12

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	36.32	29.32	- 7.00	19	36.32	30.32	- 6.00	17	36.32	36.32	+ 0.00	0
EXPENDITURES (\$1000's)	3,282	2,808	- 474	14	802	802	+ 0	0	2,407	2,407	+ 0	0
<b>TOTAL COSTS</b>												
POSITIONS	36.32	29.32	- 7.00	19	36.32	30.32	- 6.00	17	36.32	36.32	+ 0.00	0
EXPENDITURES (\$1000's)	3,282	2,808	- 474	14	802	802	+ 0	0	2,407	2,407	+ 0	0
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. NUMBER OF RABIES CASES IN THE COMMUNITY	0	0	+ 0	0	0	0	+ 0	0	0	0	+ 0	0
2. NUMBER OF ALIEN PESTS DETECTED	1	0	- 1	100	1	0	- 1	100	1	0	- 1	100
<b>PART III: PROGRAM TARGET GROUP</b>												
1. DOGS AND CATS QUARANTINED	1600	1404	- 196	12	1600	1600	+ 0					
2. POPULATION OF HAWAII	1285000	1360000	+ 75000	6	1285000	1360000	+ 75000	6				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. NUMBER OF DOGS AND CATS QUARANTINED - 120 DAYS	585	407	- 178	30	585	550	- 35	6				
2. NO. OF DOGS & CATS QUARANTINED- LESS THAN 120 DAYS	1000	997	- 3	0	1000	1000	+ 0	0				
3. NO. QUAL DOGS & CATS RELEASD AFTER INSP UPON ARRVL	7840	10797	+ 2957	38	7850	10700	+ 2850	36				
4. NUMBER OF DOGS AND CATS QUARANTINED - TRANSIT	320	231	- 89	28	320	300	- 20	6				
5. NO. OF SATELLITE & APPROVED VET FACILITY MONITORED	33	35	+ 2	6	33	36	+ 3	9				
6. NO. OF DOGS & CATS SAMPLED FOR EXTERNAL PARASITES	2	3	+ 1	50	2	2	+ 0	0				
7. NO. OF DOGS & CATS SAMPLED FOR INTERNAL PARASITES	2308	2319	+ 11	0	2308	2300	- 8	0				
8. NO. SVC DOGS & ELIGIBLE GUIDE DOG ENTRIES PROCESSED	270	409	+ 139	51	280	475	+ 195	70				

**VARIANCE REPORT NARRATIVE  
FY 2012 AND FY 2013**

01 03 02 02 01  
AGR 131

**PROGRAM TITLE: RABIES QUARANTINE**

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**PART I - EXPENDITURES AND POSITIONS**

Variances in expenditures due to vacancies.

**PART II - MEASURES OF EFFECTIVENESS**

Item 2 - No data available.

**PART III - PROGRAM TARGET GROUPS**

Item 1 - Increased amount of animals qualifying for direct airport release decreases amount of animals requiring quarantine.

**PART IV - PROGRAM ACTIVITIES**

Item 1 - Increased amount of animals qualifying for direct airport release decreases amount of animals requiring quarantine.

Items 3,4,6,8 - The increase in the number of dogs and cats entering the State accounts for the increases in program activity values. Factors for the increase cannot be determined.

STATE OF HAWAII  
PROGRAM TITLE: ANIMAL DISEASE CONTROL  
PROGRAM-ID: AGR-132  
PROGRAM STRUCTURE NO: 0103020202

VARIANCE REPORT

REPORT V61  
12/14/12

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	13.68	11.68	- 2.00	15	13.68	12.68	- 1.00	7	13.68	13.68	+ 0.00	0
EXPENDITURES (\$1000's)	1,822	1,456	- 366	20	449	449	+ 0	0	1,349	1,349	+ 0	0
TOTAL COSTS												
POSITIONS	13.68	11.68	- 2.00	15	13.68	12.68	- 1.00	7	13.68	13.68	+ 0.00	0
EXPENDITURES (\$1000's)	1,822	1,456	- 366	20	449	449	+ 0	0	1,349	1,349	+ 0	0
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. NO. OF DISEASE-FREE STATUS OBTAINED & MAINTAINED	4	5	+ 1	25	4	5	+ 1	25				
2. NO. OF OIE DISEASES OF LVSTK & POLTRY NOT IN STATE	75	111	+ 36	48	75	100	+ 25	33				
3. NO. DISEASE CNTRL & ERAD PRG & VOL DIS STATUS PROG	8	8	+ 0	0	8	8	+ 0	0				
4. NO. OF DISEASE CNTRL PROG W/ PUBLIC HEALTH IMPACT	6	6	+ 0	0	6	6	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. LIVESTOCK PRODUCERS	1250	2826	+ 1576	126	1250	2800	+ 1550	124				
2. POULTRY PRODUCERS	80	75	- 5	6	80	75	- 5	6				
3. HUMAN POPULATION	1310000	1375000	+ 65000	5	1320000	1400000	+ 80000	6				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. NO. LVSTK & EXOTIC ANMLS INSP/TEST ON ENTRY	17000	12315	- 4685	28	17000	12500	- 4500	26				
2. NO. DAY-OLD CHICKS AND HATCHED EGGS INSP ON ENTRY	500000	624765	+ 124765	25	500000	600000	+ 100000	20				
3. NUMBER OF DOGS AND CATS INSPECTED ON ENTRY	12000	10726	- 1274	11	12000	11000	- 1000	8				
4. NO. POLTRY, OTH BRDS, NON-DMSTC ANMLS INSP ON ENTRY	16000	18458	+ 2458	15	16000	18000	+ 2000	13				
5. NO. SMPLS COLLECTD & ANMLS FIELD TSTD: ENTRY, SURV	12500	5317	- 7183	57	12500	5000	- 7500	60				
6. NUMBER OF DISEASE/EPI INVESTIGATIONS CONDUCTED	10	15	+ 5	50	10	10	+ 0	0				
7. NO. SMPLS COLL/PRCSD FOR FED-ST DISEAS SURV PROGS	7500	4161	- 3339	45	7500	7000	- 500	7				
8. NO. LAB TESTS FOR LVSTK/POLTRY DIEASE SURVEILLANCE	20000	7099	- 12901	65	20000	7000	- 13000	65				
9. NO. LAB TESTS FOR LVSTK/POLTRY IMPORT/EXPORT	1200	2093	+ 893	74	1200	2000	+ 800	67				
10. NO. TESTS FOR IMPORTED ANMLS INCL DOGS AND CATS	6000	4218	- 1782	30	6000	4000	- 2000	33				

**VARIANCE REPORT NARRATIVE  
FY 2012 AND FY 2013**

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**PROGRAM TITLE: ANIMAL DISEASE CONTROL**

**PART I - EXPENDITURES AND POSITIONS**

Variances in expenditures were due to vacancies and less than expected expenditures.

**PART II - MEASURES OF EFFECTIVENESS**

Item 1: Variance due to addition of disease-free status animals.

Item 2: Variance due to addition of all the OIE diseases now being monitored and not present in the State.

**PART III - PROGRAM TARGET GROUPS**

Item 1: Variance due to an increase in the number of cattle, sheep and goat producers detected by the last Ag census.

**PART IV - PROGRAM ACTIVITIES**

Item 1: Variance due to the reduction in market hogs imported into the State.

Item 2: Variance due to the increase in the number of day-old chicken chicks imported into the State.

Item 3: Variance due to the reduction of the number of dogs/cats imported from rabies-free countries and the number of cats imported into the State.

Item 4: Variance not significant in any one species of animal imported.

Item 5: Variance the result of the discontinuation of testing cows and bulls at slaughter for brucellosis.

Item 6: Variance due to the detection of eight beef cattle herds infected with Trichomonas.

Item 7: Variance the result of the discontinuation of testing cows and

bulls at slaughter for brucellosis.

Item 8: The USDA discontinued the bovine Brucellosis testing program, thereby reducing the numbers of lab samples submitted. The Anaplasmosis surveillance program collection is tied to that of the Brucellosis program, resulting in a similar reduction in those numbers. Number reported also now includes necropsy/histology/ancillary testing for livestock.

Item 9: Variance was due to increased number of imported birds submitted for testing (variable, depending on shipping conditions and unpredictable events). There is also increased level of histologic surveillance to screen for disease conditions in addition to Avian Influenza. Number reported also now includes necropsy/histology/ancillary testing for livestock as well.

Item 10: The variance is due to the previously discussed increase in imported bird samples.

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	47.00	34.00	- 13.00	28	50.00	32.00	- 18.00	36	50.00	46.00	- 4.00	8
EXPENDITURES (\$1000's)	8,902	7,104	- 1,798	20	2,149	2,558	+ 409	19	6,475	6,066	- 409	6
TOTAL COSTS												
POSITIONS	47.00	34.00	- 13.00	28	50.00	32.00	- 18.00	36	50.00	46.00	- 4.00	8
EXPENDITURES (\$1000's)	8,902	7,104	- 1,798	20	2,149	2,558	+ 409	19	6,475	6,066	- 409	6
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. PERCENTAGE OF REQUESTS FOR INFORMATION FULFILLED	99	99	+ 0	0	99	99	+ 0	0				
2. RETURN ON INVESTMENT RATE ON TRADE SHOWS	15	15	+ 0	0	15	15	+ 0	0				
3. NUMBER OF TRADE LEADS GENERATED	400	400	+ 0	0	400	400	+ 0	0				

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)



PROGRAM TITLE: FORESTRY - RESOURCE MANAGEMENT & DEVELOPMENT  
 PROGRAM-ID: LNR-172  
 PROGRAM STRUCTURE NO: 01030301

12/14/12

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	18.00	15.00	- 3.00	17	19.00	13.00	- 6.00	32	19.00	19.00	+ 0.00	0
EXPENDITURES (\$1000's)	5,456	4,277	- 1,179	22	1,278	1,687	+ 409	32	3,862	3,453	- 409	11
<b>TOTAL COSTS</b>												
POSITIONS	18.00	15.00	- 3.00	17	19.00	13.00	- 6.00	32	19.00	19.00	+ 0.00	0
EXPENDITURES (\$1000's)	5,456	4,277	- 1,179	22	1,278	1,687	+ 409	32	3,862	3,453	- 409	11
	<b>FISCAL YEAR 2011-12</b>				<b>FISCAL YEAR 2012-13</b>							
	<b>PLANNED</b>	<b>ACTUAL</b>	<b>± CHANGE</b>	<b>%</b>	<b>PLANNED</b>	<b>ESTIMATED</b>	<b>± CHANGE</b>	<b>%</b>				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. % SEEDLINGS DISTRIBUTED OR SOLD COMPARED TO GOAL	100	100	+ 0	0	100	100	+ 0	0				
2. % ACRES TREE PLANTING/REFORSTTN COMPARED TO GOAL	100	100	+ 0	0	100	100	+ 0	0				
3. % BOARD FEET TIMBER HARVESTED COMP TO GOAL	100	100	+ 0	0	100	100	+ 0	0				
4. % LNDOWNRS/ORGS/COMM ASSISTED COMPARED TO GOAL	100	100	+ 0	0	100	100	+ 0	0				
5. % FUNDS LEVERAGED COMPARED TO GOAL	100	100	+ 0	0	100	100	+ 0	0				
6. % ACRES ACQ/SECURD FOR CONSERVTN COMPRD TO GOAL	100	100	+ 0	0	100	100	+ 0	0				
7. % DEPTL LANDS UNDR COMM TIMBER MGMT COMP TO GOAL	100	100	+ 0	0	100	100	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. FOREST PRODCR PROCESSRS, RELTD BUSNSS/INVSTRS (#)	150	150	+ 0	0	150	150	+ 0	0				
2. FOREST AND OTHER LANDOWNERS (NUMBER)	50	50	+ 0	0	50	50	+ 0	0				
3. WATERSHED PARTNERS (NUMBER)	50	50	+ 0	0	50	50	+ 0	0				
4. COMMUNITY VOLUNTEER ORGANIZATIONS (NUMBER)	100	100	+ 0	0	100	100	+ 0	0				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. PRODUCE & DISTRIBUTE OR SELL 60,000 TREE SEEDLINGS	60000	60000	+ 0	0	60000	60000	+ 0	0				
2. PLANT OR REFOREST 150 ACRES OF DEPARTMENTAL LANDS	150	150	+ 0	0	150	150	+ 0	0				
3. PROMOTE HARVST 50,000 BD FT OF TIMBER FRM DEPTL LND	100000	100000	+ 0	0	100000	100000	+ 0	0				
4. PROVDE TECH FORSTRY ASSIST TO LNDOWNRS/ORG/COMM	1000	1000	+ 0	0	1000	1000	+ 0	0				
5. LEVERAGE ADDL FUNDS/ASSOC SVCS (\$2MIL) THRU PRGM	2	2	+ 0	0	2	2	+ 0	0				
6. ACQUIRE/SECURE 2,000 ACRES ADDTN TO FOREST RES SYS	2000	2000	+ 0	0	2000	2000	+ 0	0				
7. PLACE 6,000 ACRES DEPTL LNDS UNDER COMM TIMBR MGT	6000	6000	+ 0	0	6000	6000	+ 0	0				

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

01 03 03 01  
LNR 172

**PROGRAM TITLE: FORESTRY - RESOURCE MANAGEMENT & DEVELOPMENT**

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### **PART I - EXPENDITURES AND POSITIONS**

FY 12: The number of positions filled was less than budgeted due to vacancies attributed to resignations, attritions, and retirements.

Expenditures were less than budgeted due to vacancy savings.

FY 13: Currently the LNR172 program has 9 vacancies, of which 6 are permanent. The vacancies were caused by attrition due to retirements, attrition, or demotion, and the addition of 1 position through conversion from temporary to permanent status in the 2012 Legislative Session, which was also vacant due to an internal promotion. The Division expects to fill the permanent vacancies by 6/30/2013, with the remaining 3 temporary positions, currently being redescribed, to be filled at least by the beginning of FY2014, pending Departmental approval and recruitment process to begin thereafter.

Expenditures were less than budgeted due to vacancy savings.

### **PART II - MEASURES OF EFFECTIVENESS**

There are no major changes to measures of effectiveness to report at this time.

### **PART III - PROGRAM TARGET GROUPS**

There are no major changes to the indicators in this section to report at this time.

### **PART IV - PROGRAM ACTIVITIES**

There are no major changes to program activities to report at this time.

PROGRAM TITLE: QUALITY AND PRICE ASSURANCE

PROGRAM-ID: AGR-151

PROGRAM STRUCTURE NO: 01030302

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	17.00	11.00	- 6.00	35	19.00	11.00	- 8.00	42	19.00	19.00	+ 0.00	0
EXPENDITURES (\$1000's)	2,246	1,324	- 922	41	577	577	+ 0	0	1,730	1,730	+ 0	0
TOTAL COSTS												
POSITIONS	17.00	11.00	- 6.00	35	19.00	11.00	- 8.00	42	19.00	19.00	+ 0.00	0
EXPENDITURES (\$1000's)	2,246	1,324	- 922	41	577	577	+ 0	0	1,730	1,730	+ 0	0
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. % OF ENFORCEMENT INSP THAT COMPLY W/ LAWS AND RULE	99	0	- 99	100	99	99	+ 0	0	99	99	+ 0	0
2. % CERTIFICATION REQUESTS FULFILLED	100	100	+ 0	0	100	100	+ 0	0	100	100	+ 0	0
3. AVERAGE TURN AROUND TIME IN DAYS FOR COFFEE CERT	2	7	+ 5	250	2	5	+ 3	150	2	5	+ 3	150
4. PERCENTAGE OF FEED AND PESTICIDE SAMPLES ANALYZED	0	0	+ 0	0	0	0	+ 0	0	0	0	+ 0	0
5. % OF MIN CLASS ONE MILK PRICE RECEIVED BY PRODUCER	100	100	+ 0	0	100	100	+ 0	0	100	100	+ 0	0
6. PERCENTAGE OF MILK QUOTA PRODUCED	15	20	+ 5	33	20	20	+ 0	0	20	20	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS	5500	5500	+ 0	0	5500	5500	+ 0	0	5500	5500	+ 0	0
2. WHOLESALERS AND RETAILERS OF AGRICULTURAL PRODUCTS	540	540	+ 0	0	540	540	+ 0	0	540	540	+ 0	0
3. PRODUCERS, PROD-DISTRIB & DISTRIBUTORS OF MILK	1000	1000	+ 0	0	1000	1000	+ 0	0	1000	1000	+ 0	0
4. PRODUCERS AND DISTRIBUTORS OF ANIMAL FEED PRODUCTS	15	21	+ 6	40	15	20	+ 5	33	15	20	+ 5	33
5. GOVERNMENT, UNIVERSITIES, AND AG INPUT SUPPLIERS	5	5	+ 0	0	5	5	+ 0	0	5	5	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # OF CERT ISSUED FOR GRADE AND COND OF AG COMM	1600	1468	- 132	8	1600	1500	- 100	6	1600	1500	- 100	6
2. # OF LOTS OF AG COMM INSP FOR COMP W/ LAWS & RULES	29000	11018	- 17982	62	29000	1100	- 27900	96	29000	1100	- 27900	96
3. NUMBER OF DEALERS IN AG PRODUCTS LICENSED	600	800	+ 200	33	600	800	+ 200	33	600	800	+ 200	33
4. # PRODUCERS, PROD-DIST, AND DIST OF MILK LICENSED	24	24	+ 0	0	24	24	+ 0	0	24	24	+ 0	0
5. NUMBER OF MONTHLY MILK PAYROLLS CALCULATED	24	24	+ 0	0	24	24	+ 0	0	24	24	+ 0	0
6. # OF TIMES MIN PRICE TO MILK PRODUCERS IS ADJUSTED	12	12	+ 0	0	12	12	+ 0	0	12	12	+ 0	0
7. # OF HRS EDUC SESSIONS TO IMP COMP W/ LAWS & RULE	10	10	+ 0	0	10	10	+ 0	0	10	10	+ 0	0

**VARIANCE REPORT NARRATIVE  
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**PROGRAM TITLE: QUALITY AND PRICE ASSURANCE**

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**PART I - EXPENDITURES AND POSITIONS**

Variances due to position vacancies and less than expected revolving and federal fund expenditures.

**PART II - MEASURES OF EFFECTIVENESS**

Item 1 - No enforcement activities conducted due to lack of staff.

Item 3 - Lack of staff increased coffee certification turn-around time.

Item 6 - Variance due to increased milk production.

**PART III - PROGRAM TARGET GROUPS**

Item 4 - Planned data was underestimated. Actual data based on Hawaii Agricultural Statistics information.

**PART IV - PROGRAM ACTIVITIES**

Item 2 - Decreased amount of inspections performed due to lack of staff on the neighbor islands.

Item 3 - Increased amounts of licenses issued due to an increased number of businesses selling agricultural products.

PROGRAM TITLE: AGRICULTURAL DEVELOPMENT & MARKETING  
PROGRAM-ID: AGR-171  
PROGRAM STRUCTURE NO: 01030303

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
<b>PART I: EXPENDITURES &amp; POSITIONS</b>															
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>															
<b>POSITIONS</b>															
<b>EXPENDITURES (\$1,000's)</b>															
<b>OPERATING COSTS</b>															
<b>POSITIONS</b>	12.00	8.00	-	4.00	33	12.00	8.00	-	4.00	33	12.00	8.00	-	4.00	33
<b>EXPENDITURES (\$1000's)</b>	1,200	1,503	+	303	25	294	294	+	0	0	883	883	+	0	0
<b>TOTAL COSTS</b>															
<b>POSITIONS</b>	12.00	8.00	-	4.00	33	12.00	8.00	-	4.00	33	12.00	8.00	-	4.00	33
<b>EXPENDITURES (\$1000's)</b>	1,200	1,503	+	303	25	294	294	+	0	0	883	883	+	0	0
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
<b>PART II: MEASURES OF EFFECTIVENESS</b>															
1. PERCENTAGE OF REQUESTS FOR INFORMATION FULFILLED.	99	99	+	0	0	99	99	+	0	0	99	99	+	0	0
2. % SCHED REL TIME MET FOR PRE-SPECIFIED PUBLICATION	99	99	+	0	0	99	99	+	0	0	99	99	+	0	0
3. RETURN ON INVEST RATE ON TRADE SHOWS (RATIO)	15	15	+	0	0	15	15	+	0	0	15	15	+	0	0
4. NUMBER OF TRADE LEADS GENERATED	400	400	+	0	0	400	400	+	0	0	400	400	+	0	0
<b>PART III: PROGRAM TARGET GROUP</b>															
1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS	7500	7500	+	0	0	7500	7500	+	0	0	7500	7500	+	0	0
2. GOVERNMENT, UNIV AND AGRICULTURAL INPUT SUPPLIERS	200	200	+	0	0	200	200	+	0	0	200	200	+	0	0
3. WHOLESALERS AND RETAILERS OF AGRICULTURAL PRODUCTS	700	700	+	0	0	700	700	+	0	0	700	700	+	0	0
<b>PART IV: PROGRAM ACTIVITY</b>															
1. COLLECT, COMPILER & PUBLISH CROP AND LVSTK REPORTS	40000	40000	+	0	0	40000	40000	+	0	0	40000	40000	+	0	0
2. TEL AND MAIL SURV INTERVIEWS AND PUB OF STAT RPTS	15000	15000	+	0	0	15000	15000	+	0	0	15000	15000	+	0	0
3. DISSEMINATE CROP AND LIVESTOCK INFORMATION	1500	1500	+	0	0	1500	1500	+	0	0	1500	1500	+	0	0
4. COLLECT, COMPILER, PUBLISH AND DISSEMINATE MKT INFO	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0
5. CONDUCT ECON AND MKT STUDIES AND PROG EVALUATION	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0
6. PROPOSAL ASSES & OUTREACH AG COMM AND RES & DEV	15	15	+	0	0	15	15	+	0	0	15	15	+	0	0

**VARIANCE REPORT NARRATIVE  
FY 2012 AND FY 2013**

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**PROGRAM TITLE: AGRICULTURAL DEVELOPMENT & MARKETING**

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**PART I - EXPENDITURES AND POSITIONS**

Variances due to position vacancies and less than expected expenditures.

**PART II - MEASURES OF EFFECTIVENESS**

No significant variances.

**PART III - PROGRAM TARGET GROUPS**

No significant variances.

**PART IV - PROGRAM ACTIVITIES**

No significant variances.

PROGRAM TITLE: GENERAL SUPPORT FOR AGR  
PROGRAM-ID:  
PROGRAM STRUCTURE NO: 010304

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	47.00	34.00	- 13.00	28	56.00	43.00	- 13.00	23	56.00	56.00	+ 0.00	0
EXPENDITURES (\$1000's)	9,681	6,377	- 3,304	34	2,209	2,209	+ 0	0	6,626	6,626	+ 0	0
TOTAL COSTS												
POSITIONS	47.00	34.00	- 13.00	28	56.00	43.00	- 13.00	23	56.00	56.00	+ 0.00	0
EXPENDITURES (\$1000's)	9,681	6,377	- 3,304	34	2,209	2,209	+ 0	0	6,626	6,626	+ 0	0
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. % CHANGE OF TOTAL VALUE OF CROPS AND LIVESTOCK	1	7	+ 6	600	1	2	+ 1	100				
2. # OF ACRES RECLASSIFIED FROM AGR TO URBAN USE	150	3000	+ 2850	1900	150	500	+ 350	233				
3. LANDS IRRIGATED BY STATE SYSTEMS	11300	11432	+ 132	1	11300	11300	+ 0	0				
4. PLANTATION LANDS CONVERT/PROTECT FOR DIV AGR PROT	NO DATA	NO DATA	+ 0	0	NO DATA	NO DATA	+ 0	0				

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)



VARIANCE REPORT

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	23.00	17.00	- 6.00	26	32.00	24.00	- 8.00	25	32.00	32.00	+ 0.00	0
EXPENDITURES (\$1000's)	3,957	2,400	- 1,557	39	808	808	+ 0	0	2,424	2,424	+ 0	0
<b>TOTAL COSTS</b>												
POSITIONS	23.00	17.00	- 6.00	26	32.00	24.00	- 8.00	25	32.00	32.00	+ 0.00	0
EXPENDITURES (\$1000's)	3,957	2,400	- 1,557	39	808	808	+ 0	0	2,424	2,424	+ 0	0
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)	11300	11432	+ 132	1	11300	11300	+ 0	0				
2. LANDS LEASED IN AG PARK & NON-AG PARK LNDS (ACRES)	7500	7415	- 85	1	7500	7500	+ 0	0				
3. % OF AG PARK & NON-AG PARK LANDS IN PRODUCTIVE USE	88	87	- 1	1	88	88	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. FARMS SERVED BY DEPT OF AG IRRIG SYSTEMS	595	552	- 43	7	595	575	- 20	3				
2. FARMS LEASED ON DEPT OF AG LANDS	310	324	+ 14	5	310	324	+ 14	5				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. NO. AG WATER DEV STUDIES/INVESTIGATION & IMP PROJ	35	35	+ 0	0	35	35	+ 0	0				
2. AG LAND AWARDS ADMINISTERED (# OF TRANSACTIONS)	325	324	- 1	0	325	325	+ 0	0				
3. NUMBER OF NEW WATER SERVICES INSTALLED	10	8	- 2	20	10	10	+ 0	0				
4. PIPELINE AND DITCHES MAINTAINED (MILES)	94	94	+ 0	0	94	94	+ 0	0				
5. PROCESSING FACILITIES MANAGED	2	2	+ 0	0	2	2	+ 0	0				
6. NO. OF AG LAND FIELD INSPECTIONS CONDUCTED	170	200	+ 30	18	170	200	+ 30	18				

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

01 03 04 01  
AGR 141

**PROGRAM TITLE: AGRICULTURAL RESOURCE MANAGEMENT**

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### **PART I - EXPENDITURES AND POSITIONS**

Variances were due to vacant positions and less than expected expenditures from the Irrigation System revolving fund and Agricultural Park special fund.

### **PART II - MEASURES OF EFFECTIVENESS**

No significant variances.

### **PART III - PROGRAM TARGET GROUPS**

No significant variances.

### **PART IV - PROGRAM ACTIVITIES**

Item 3 - Decreased number of new agricultural operations requesting water service from program than anticipated.

Item 6 - Increased inspections were conducted with additional property manager on staff.

PROGRAM TITLE: AGRIBUSINESS DEVELOPMENT AND RESEARCH  
 PROGRAM-ID: AGR-161  
 PROGRAM STRUCTURE NO: 01030402

12/14/12

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)	4,003	2,786	- 1,217	30	981	981	+ 0	0	2,942	2,942	+ 0	0
TOTAL COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)	4,003	2,786	- 1,217	30	981	981	+ 0	0	2,942	2,942	+ 0	0
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. AGRICULTURAL LANDS DIRECTLY MANAGED BY ADC (ACRES)	18960	18500	- 460	2	20160	19700	- 460	2				
2. AG LANDS SRVED BY ADC IRRIG SYS & INFRSTRC (ACRES)	37646	17646	- 20000	53	37646	18846	- 18800	50				
3. IRRIG SYS AND INFRASTRUCTURE PROJ MANAGED BY ADC	3	2	- 1	33	3	3	+ 0	0				
4. AGRICULTURE RELATED FACILITIES MANAGED BY ADC	1	1	+ 0	0	1	1	+ 0	0				
5. ADC PROJECTS THAT BENEFIT DIVERSIFIED AGRICULTURE	9	9	+ 0	0	9	9	+ 0	0				
6. LAND IN AGRIC CONSERV EASEMNTS ADC HOLDS TITLE TO	108	108	+ 0	0	108	108	+ 0	0				
7. AGRIC RELATED PROJ NEEDING ADC EVAL & INVOLVEMENT	1	1	+ 0	0	1	1	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. ACRES FRMR SUGAR & PINE LND AVAIL FOR CONT AG USE	72000	72000	+ 0	0	72000	72000	+ 0	0				
2. MAJOR AGRICULTURAL IRRIGATION SYS & INFRASTRUCTURE	8	8	+ 0	0	8	9	+ 1	13				
3. AG PROCESSING, MRSHALLING, PACKING, WAREHSING FACIL	1	1	+ 0	0	1	0	- 1	100				
4. PRDCRS AND RELATED AGRIBUSINESS IN ADC PROJ AREAS	148	113	- 35	24	148	116	- 32	22				
5. AGRICULTURAL COOPERATIVES	5	6	+ 1	20	5	5	+ 0	0				
6. LNDOWNRS INTRESTD IN PRSERVING AG LAND OR INFRASTR	1	1	+ 0	0	1	2	+ 1	100				
7. PRVT GRPS, GOV AGENCIES WRKING AG OR LND/WTR ISSUES	4	8	+ 4	100	4	9	+ 5	125				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. AGRICULTURAL LANDS MANAGED BY ADC (ACRES)	18960	18500	- 460	2	20160	19700	- 460	2				
2. # OF ONGOING IRRIG SYS AND INFRASTRUCTURE PROJECTS	6	7	+ 1	17	7	8	+ 1	14				
3. # OF TECH ASSIST/CONSULT/PROJ/STUDIES INITI BY ADC	2	1	- 1	50	2	3	+ 1	50				
4. # OF GRANTS AND CONTRACTS AWRDED OR MANAGED BY ADC	1	1	+ 0	0	1	2	+ 1	100				
5. # OF ONGOING CAPITAL IMP PROJ FOR ADC ASSETS	1	1	+ 0	0	1	2	+ 1	100				
6. # PRDCRS BENEFIT FR ADC LAND, IRRIG, INFRSTR & FAC	115	113	- 2	2	115	116	+ 1	1				
7. # ACRES COVRD BY AG CONS EASMNT TITLES HELD BY ADC	108	108	+ 0	0	108	108	+ 0	0				
8. AGRICULTURE RELATED PROJ BEING EVALUATED BY ADC	2	1	- 1	50	2	3	+ 1	50				

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

01 03 04 02  
AGR 161

**PROGRAM TITLE: AGRIBUSINESS DEVELOPMENT AND RESEARCH**

### **PART I - EXPENDITURES AND POSITIONS**

Item 8- Program evaluating additional project for FY 13.

Variances due to less than anticipated revolving fund expenditures.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 2- Planned acreage included Kau, which is not projected to be acquired by ADC at this time.

Item 3- Planned Kau water source is not projected to be acquired by the ADC at this time.

### **PART III - PROGRAM TARGET GROUPS**

Item 2- Program initiating additional project in FY 13.

Item 3- Program will discontinue management of processing facility.

Item 4- Planned number producers included anticipated Kau farmers (see above)

Item 5- Planned number of cooperatives reported in error.

Item 6- Program working with additional landowner interested in preserving infrastructure for agriculture.

Item 7- More accurate accounting of agencies was performed.

### **PART IV - PROGRAM ACTIVITIES**

Item 2- Planned data included generator project that has been delayed.

Item 3- Planned leucaena project was not started.

Item 4- Planned leucaena project was not started.

Item 5- Program initiating additional project in FY 13.

PROGRAM TITLE: GENERAL ADMINISTRATION FOR AGRICULTURE  
 PROGRAM-ID: AGR-192  
 PROGRAM STRUCTURE NO: 01030403

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	24.00	17.00	- 7.00	29	24.00	19.00	- 5.00	21	24.00	24.00	+ 0.00	0
EXPENDITURES (\$1000's)	1,721	1,191	- 530	31	420	420	+ 0	0	1,260	1,260	+ 0	0
TOTAL COSTS												
POSITIONS	24.00	17.00	- 7.00	29	24.00	19.00	- 5.00	21	24.00	24.00	+ 0.00	0
EXPENDITURES (\$1000's)	1,721	1,191	- 530	31	420	420	+ 0	0	1,260	1,260	+ 0	0
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. % CHANGE OF TOTAL VALUE OF CROPS AND LIVESTOCK	1	7	+ 6	600	1	2	+ 1	100				
2. # OF ACRES RECLASSIFIED FROM AG TO URBAN USE	150	3000	+ 2850	1900	150	500	+ 350	233				
3. % PERSONNEL ACTIONS PROCESSED WITHIN PAYROLL CYCLE	95	99	+ 4	4	95	99	+ 4	4				
4. % OF VENDOR PAYMENTS MADE WITHIN 30 DAYS	95	100	+ 5	5	95	100	+ 5	5				
5. % OF DATA PROCESSING REQUESTS COMPLETED	85	82	- 3	4	85	82	- 3	4				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. TOTAL ACRES IN DIVERSIFIED CROPS AND LIVESTOCK	1240000	1067000	- 173000	14	1240000	1070000	- 170000	14				
2. DIVERSIFIED FARM OPERATORS AND FARM WORKERS (#)	7150	13100	+ 5950	83	7200	13200	+ 6000	83				
3. INVENTORY OF IMPORTANT AG LANDS (ACRES)	NO DATA	89859	+ 89859	0	NO DATA	92000	+ 92000	0				
4. EMPLOYEES (NUMBER)	338	353	+ 15	4	338	353	+ 15	4				
5. DIVISIONS (NUMBER)	6	6	+ 0	0	6	6	+ 0	0				
6. BRANCHES (NUMBER)	12	12	+ 0	0	12	12	+ 0	0				
7. ATTACHED AGENCIES (NUMBER)	1	1	+ 0	0	1	1	+ 0	0				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # LAND USE PERMIT APPL REVIEWED AFFECTING AG LANDS	25	25	+ 0	0	25	25	+ 0	0				
2. NUMBER OF PERSONNEL ACTIONS PROCESSED	2000	1900	- 100	5	2000	2000	+ 0	0				
3. NUMBER OF PURCHASE ORDERS PROCESSED	2000	3001	+ 1001	50	2000	3000	+ 1000	50				
4. NUMBER OF PETTY CASH CHECKS PROCESSED	300	285	- 15	5	300	300	+ 0	0				
5. NUMBER OF DATA PROCESSING REQUESTS RECEIVED	600	620	+ 20	3	600	630	+ 30	5				

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

01 03 04 03  
AGR 192

**PROGRAM TITLE: GENERAL ADMINISTRATION FOR AGRICULTURE**

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### **PART I - EXPENDITURES AND POSITIONS**

Variances are due to position vacancies.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1 - Increase in 11-12 due to across-the-board increases in value of sales of commodity groups, except for flower and nursery products

Item 2 - The significant increase amount of reclassifications of agricultural lands in 11-12 is investment in residential housing due in part to the continued strengthening of the State's economy.

### **PART III - PROGRAM TARGET GROUPS**

Item 1 - The 3,000-acre decrease in actual acreage is, in part, a misprint of the planned acreage for 11-12 which should have been 1,070,000. A small increase in crop acreage was primarily attributable to vegetables/melons, fruits, and seed crops.

Item 2 - As of 11-12, AGR is using a different method to calculate farm operators and workers. The resulting figure is not comparable to earlier figures. This measure is now the sum of the total number of farms (minus one sugarcane and two pineapple farms), hired workers, and unpaid workers.

### **PART IV - PROGRAM ACTIVITIES**

Item 3 - Variance due to increased activity by programs resulting in increased expenditures.

PROGRAM TITLE: FISHERIES AND AQUACULTURE

12/14/12

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0104

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	11.00	7.00	- 4.00	36	15.00	11.00	- 4.00	27	15.00	15.00	+ 0.00	0
EXPENDITURES (\$1000's)	2,052	1,330	- 722	35	960	740	- 220	23	1,048	1,268	+ 220	21
TOTAL COSTS												
POSITIONS	11.00	7.00	- 4.00	36	15.00	11.00	- 4.00	27	15.00	15.00	+ 0.00	0
EXPENDITURES (\$1000's)	2,052	1,330	- 722	35	960	740	- 220	23	1,048	1,268	+ 220	21
					FISCAL YEAR 2011-12				FISCAL YEAR 2012-13			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. FISHERY PRODUCTION - OCEAN (MILLIONS OF POUNDS)	30	30	+ 0	0	30	30	+ 0	0				
2. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)	1500	287	- 1213	81	2000	300	- 1700	85				
3. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)	37500	29970	- 7530	20	40000	30000	- 10000	25				
4. TOTAL AQUACULTURE EMPLOYMENT	334	341	+ 7	2	342	342	+ 0	0				

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)



PROGRAM TITLE: COMMERCIAL FISHERIES & RESOURCE ENHANCEMENT  
 PROGRAM-ID: LNR-153  
 PROGRAM STRUCTURE NO: 010402

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	7.00	5.00	- 2.00	29	11.00	9.00	- 2.00	18	11.00	11.00	+ 0.00	0
EXPENDITURES (\$1000's)	1,635	1,106	- 529	32	857	637	- 220	26	741	961	+ 220	30
<b>TOTAL COSTS</b>												
POSITIONS	7.00	5.00	- 2.00	29	11.00	9.00	- 2.00	18	11.00	11.00	+ 0.00	0
EXPENDITURES (\$1000's)	1,635	1,106	- 529	32	857	637	- 220	26	741	961	+ 220	30
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. FISHERY PRODUCTION-OCEAN (MILL. LBS)	30	30	+ 0	0	30	30	+ 0	0				
2. PRIMARY VALUE OF FISHERY PRODUCTION (\$000)	75	103	+ 28	37	75	110	+ 35	47				
3. FISHING REPTS COLL & PROCESSD AS % TOTAL REPTS DUE	95	96	+ 1	1	95	95	+ 0	0				
4. TOTAL CATCH MHI BOTTOMFISH/TOTAL ALLOWABLE CATCH	1	0.7	- 0.3	30	1	0.7	- 0.3	30				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. LICENSED COMMERCIAL FISHERMEN (1000)	3.3	4.0	+ 0.7	21	3.3	4.0	+ 0.7	21				
2. COMMERCIAL MARINE DEALERS (HUNDREDS)	3	2.6	- 0.4	13	3	2.6	- 0.4	13				
3. FISHG-ASSOCIATED COMMERCIAL ENTERPRISES (100'S)	5	5	+ 0	0	5	5	+ 0	0				
4. PUBLIC CONSUMERS OR USERS OF FISHERY PRDTS (000'S)	6	6	+ 0	0	6	6	+ 0	0				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. COMMERCIAL FISHING LICENSES & PERMITS ISSUED (000)	4	4.8	+ 0.8	20	4	4	+ 0	0				
2. FISH DATA COLL - CATCH REPTS PROCESSED (000'S)	520	588	+ 68	13	520	590	+ 70	13				
3. FISH DATA COLL - PORT MONITORING VISITS (00'S)	0	0	+ 0	0	0	0	+ 0	0				
4. FISH DATA COLL - INTERNAL & EXTERN. DATA REQUESTS	200	200	+ 0	0	200	200	+ 0	0				
5. NO. OF MTGS & CONTACTS W/OTHER MGT AGENCIES	13	13	+ 0	0	13	13	+ 0	0				

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

01 04 02  
LNR 153

### PROGRAM TITLE: COMMERCIAL FISHERIES & RESOURCE ENHANCEMENT

#### PART I - EXPENDITURES AND POSITIONS

FY 12: A program manager position was vacant as the Department plans reorganization of the Division. A fishery aide position was vacant due to a lack of federal funding. In addition, actual expenditures reflect a scale down on spending for Federal-funded projects requiring state matching funds.

FY 13: A program manager position remains vacant as the Department plans reorganization of the Division and fishery aide position is vacant due to a lack of federal funding. Also, actual expenditures in the first quarter were significantly lower (26%) than previously estimated. This is a result of less activity at the Anuenue Fisheries Research Center, and reduced manpower.

#### PART II - MEASURES OF EFFECTIVENESS

Item 2: The 37.3% increase in FY12 was due higher prices for yellowfin and bigeye tuna, mahimahi and ono .

Item 4: Total catch for bottomfish was 30% lower than the current bottomfish federally-set quota or 325,000 pounds. The lower catch was attributed to poor weather and rough sea conditions.

#### PART III - PROGRAM TARGET GROUPS

Item 1: License sales increased by 21.2% than projected. This is due to high unemployment rates and the labor force resorting to fishing, attracted by high pelagic fish prices.

Item 2: Decreased by 14% as many small primary dealers closed their business due to the current recession.

#### PART IV - PROGRAM ACTIVITIES

Item 1: The 20% increase in the number of commercial licenses and permits is attributed to increased commercial marine license sales (see Part II, Item 2 and Part III, Item 1).

Item 2: The number of fishing and dealer report records processed increased by 13%. This was also caused by the increase in commercial marine license sales and a higher adoption rate of online fish catch reporting.

VARIANCE REPORT

PROGRAM TITLE: AQUACULTURE DEVELOPMENT PROGRAM  
 PROGRAM-ID: AGR-153  
 PROGRAM STRUCTURE NO: 010403

12/14/12

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	4.00	2.00	- 2.00	50	4.00	2.00	- 2.00	50	4.00	4.00	+ 0.00	0
EXPENDITURES (\$1000's)	417	224	- 193	46	103	103	+ 0	0	307	307	+ 0	0
TOTAL COSTS												
POSITIONS	4.00	2.00	- 2.00	50	4.00	2.00	- 2.00	50	4.00	4.00	+ 0.00	0
EXPENDITURES (\$1000's)	417	224	- 193	46	103	103	+ 0	0	307	307	+ 0	0
					FISCAL YEAR 2011-12				FISCAL YEAR 2012-13			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)					1500	287	- 1213	81	2000	300	- 1700	85
2. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)					37500	29970	- 7530	20	40000	30000	- 10000	25
3. TOTAL AQUACULTURE EMPLOYMENT					334	341	+ 7	2	342	342	+ 0	0
PART III: PROGRAM TARGET GROUP												
1. AQUACULTURE OPERATIONS STATEWIDE					80	80	+ 0	0	85	80	- 5	6
PART IV: PROGRAM ACTIVITY												
1. INFORMATION SENT (NUMBER)					250	250	+ 0	0	300	300	+ 0	0
2. PERMIT ASSISTANCE (NUMBER)					225	200	- 25	11	250	200	- 50	20
3. DISEASE ASSISTANCE (NUMBER OF CASES)					200	205	+ 5	3	225	210	- 15	7
4. PROMOTIONAL EVENTS AND PRESENTATIONS (NUMBER)					4	4	+ 0	0	4	4	+ 0	0

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

01 04 03  
AGR 153

**PROGRAM TITLE: AQUACULTURE DEVELOPMENT PROGRAM**

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### **PART I - EXPENDITURES AND POSITIONS**

Variances were due to position vacancies, lack of federal funds, and less than anticipated expenditures from the Aquaculture Development special fund.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1 and 2- The production numbers were adjusted to reflect the loss of production in the open ocean aquaculture cages. Additionally, estimates have been adjusted for subsequent years as production increased with these two companies, additional freshwater operations come online and an additional open ocean operation begins production.

### **PART III - PROGRAM TARGET GROUPS**

No significant variance.

### **PART IV - PROGRAM ACTIVITIES**

Item 2- Staff has been cut by 75% due to the 2009 Reduction-in-Force (RIF) initiative, severely hampering public/industry interaction and support.

STATE OF HAWAII  
PROGRAM TITLE: TECHNOLOGY  
PROGRAM-ID:  
PROGRAM STRUCTURE NO: 0105

VARIANCE REPORT

REPORT V61  
12/14/12

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	16.00	15.00	- 1.00	6	8.00	8.00	+ 0.00	0	8.00	8.00	+ 0.00	0
EXPENDITURES (\$1000's)	50,255	32,106	- 18,149	36	9,716	3,940	- 5,776	59	36,432	21,660	- 14,772	41
TOTAL COSTS												
POSITIONS	16.00	15.00	- 1.00	6	8.00	8.00	+ 0.00	0	8.00	8.00	+ 0.00	0
EXPENDITURES (\$1000's)	50,255	32,106	- 18,149	36	9,716	3,940	- 5,776	59	36,432	21,660	- 14,772	41
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. INCR IN LEVERAGING PUBLIC INV W/PRIV CAPITAL	5000000	3000000	- 2000000	40	5000000	5000000	+ 0	0				
2. INCR IN # OF VENTURE CAPITAL PARTNERSHIPS ESTAB	1	1	+ 0	0	1	1	+ 0	0				
3. # OF COMPANIES ASSISTED (HTDC)	140	209	+ 69	49	140	250	+ 110	79				
4. AMOUNT OF NELHA TENANT SALES (\$M)	99.9	NO DATA	- 99.9	100	109.9	NO DATA	- 109.9	100				
5. INCREASE IN NELHA REVENUES (\$K)	899	NO DATA	- 899	100	20	NO DATA	- 20	100				

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

## VARIANCE REPORT

PROGRAM TITLE: PROGRAM ON ENVIRONMENT & ENERGY DEVELOPMENT  
 PROGRAM-ID: BED-120  
 PROGRAM STRUCTURE NO: 010501

12/14/12

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	13.00	12.00	- 1.00	8	5.00	5.00	+ 0.00	0	5.00	5.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	14,002	16,774	+ 2,772	20	1,100	1,064	- 36	3	8,880	8,880	+ 0	0
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	13.00	12.00	- 1.00	8	5.00	5.00	+ 0.00	0	5.00	5.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	14,002	16,774	+ 2,772	20	1,100	1,064	- 36	3	8,880	8,880	+ 0	0
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. EXTERNAL FUNDS OBLIGATED TO STATE MATCH	18.90	6.00	- 12.9	68	1.26	4.30	+ 3.04	241				
2. MWH OF RE PRODUCED FROM RPS	1421415	1223814	- 197601	14	1557138	1295920	- 261218	17				
3. MWH SAVED FROM EEPS	1296137	1180000	- 116137	9	1464635	1200000	- 264635	18				
4. ENERGY INTENSITY (BTU/\$GSP)	4542	4542	+ 0	0	4465	4465	+ 0	0				
5. \$ (IN THOUSANDS) SPENT ON ENERGY TRANSFORMATION	1385267	738599	- 646668	47	1662320	1470992	- 191328	12				
6. # ELECTRIC AND HYDROGEN VEHICLES	4719	508	- 4211	89	8390	456	- 7934	95				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. ENERGY CONSUMERS STATEWIDE	1332732	1374810	+ 42078	3	1342061	1351061	+ 9000	1				
2. ENERGY PRODUCERS STATEWIDE	4680	8970	+ 4290	92	5985	20295	+ 14310	239				
3. COMMUNITY ORGANIZATIONS WITH INTERESTS IN ENERGY	250	50	- 200	80	300	50	- 250	83				
4. INDEPENDENT POWER PRODUCERS	32	22	- 10	31	39	29	- 10	26				
5. RE FACILITY DEVELOPERS	75	58	- 17	23	100	78	- 22	22				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. MW CAPACITY OF RE PROJECTS FACILITATED	190	125	- 65	34	330	266	- 64	19				
2. MWH SAVED ON EE PROJECTS COMPLETED	17895	60009	+ 42114	235	17537	225120	+ 207583	1184				
3. # RE PROJECTS FACILITATED	6	10	+ 4	67	7	31	+ 24	343				
4. # RE AND EE CONTRACTS EXECUTED	29	18	- 11	38	29	12	- 17	59				
5. # REGULATORY POLICY CHANGES	2	1	- 1	50	1	1	+ 0	0				

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

01 05 01  
BED 120

**PROGRAM TITLE: PROGRAM ON ENVIRONMENT & ENERGY DEVELOPMENT**

### **PART I - EXPENDITURES AND POSITIONS**

Item 2. Expenditures exceeded budgeted amount because of expenditure of non-appropriated funds.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1. Variance is due to less external (federal) funds received than estimated.

Item 2. RPS values based on current plus additional (newly developed) RE projects. It is difficult to predict when new RE projects will come online.

Item 3. FY 12 actual should be 118,000,000,000,000. FY 13 estimated should be 120,000,000,000,000. New methodology based on Hawaii Energy savings and not utilities which are no longer doing end use efficiency programs.

Item 5. Variance due to change in methodology. Whereas previous methodology was based on industry survey, current methodology relies on permit data.

Item 6. FY 12 based on new registered vehicles. FY 13 based on historical monthly average of 38 EVs/month for the months of January 2011 (introduction of EV) to present data available (September 2012).

### **PART III - PROGRAM TARGET GROUPS**

Item 2. Revised methodology for determining FY growth rate based on historical cumulative average growth rate. Also, previous reports used a straight line growth rate and only counted new NEM systems -- we are counting aggregate NEM systems which should be a more accurate target group count.

Item 3. Level of interest in energy remained the same from FY 11.

Item 4. Several projects that would have been added to the number of

IPPs in the State have been delayed due to regulatory approval process and/or individual project complications.

Item 5. Several developers are developing or have developed multiple facilities. Some developers are no longer considering Hawaii market and/or have not contacted HSEO recently to indicate continued interest in Hawaii. Given upcoming HECO 200 MW RFP, HSEO expects more developers for FY 13 with identifications presently unknown.

### **PART IV - PROGRAM ACTIVITIES**

Item 1. Revised methodology to determine HSEO assistance to include all projects in which HSEO provided assistance in permitting and/or siting. Several projects that would have been added to the number of IPPs in the State have been delayed due to regulatory approval process and/or individual project complications. FY 13 includes projects needing assistance in response to upcoming HECO 200 MW RFP.

Item 2. Includes ARRA-funded projects as well as performance contracting (DAGS I and II, PSD, UHCC, C&C) estimated energy savings for FY 12. FY 13 includes only performance contracting and, with expending of most ARRA funds, estimates include some ARRA programs still operating, such as loan loss reserve.

Item 3. Revised methodology to determine HSEO assistance to include all projects in which HSEO provided assistance in permitting and/or siting. Several projects that would have been added to the number of IPPs in the State have been delayed due to regulatory approval process and/or individual project complications. FY 13 includes projects needing assistance in response to upcoming HECO 200 MW RFP.

Item 4. Fewer contracts executed is because ARRA stimulus funding had already been contracted and primary source of funding was federal grants and Energy Security Special Funds (ESSF).

Item 5. HSEO focused FY 12 efforts on a key issue for the State (S.B. No. 2785), which was successfully passed as Act 165 to establish the



**VARIANCE REPORT NARRATIVE  
FY 2012 AND FY 2013**

**PROGRAM TITLE: PROGRAM ON ENVIRONMENT & ENERGY DEVELOPMENT**

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regulatory structure for the installation and implementation of an interisland high-voltage electric transmission cable system and for the construction of on-island transmission infrastructure.

STATE OF HAWAII

VARIANCE REPORT

REPORT V61  
12/14/12

PROGRAM TITLE: HIGH TECHNOLOGY DEVELOPMENT CORPORATION  
PROGRAM-ID: BED-143  
PROGRAM STRUCTURE NO: 010502

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	11,827	8,783	- 3,044	26	2,483	1,846	- 637	26	9,283	6,885	- 2,398	26
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0	3.00	3.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	11,827	8,783	- 3,044	26	2,483	1,846	- 637	26	9,283	6,885	- 2,398	26
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS	140	209	+ 69	49	140	250	+ 110	79				
2. MKTG.# OF INDIVIDUALS OR COMPANIES ASSISTED	32200	34363	+ 2163	7	32200	35300	+ 3100	10				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. # OF POTENTIAL TECH-BASED COMPANIES	1850	1241	- 609	33	1850	1300	- 550	30				
2. # OF COMPANIES APPLYING FOR INCUBATION SERVICES	15	15	+ 0	0	15	20	+ 5	33				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # OF CONTACTS AND RESPONSES	128500	50039	- 78461	61	128500	50100	- 78400	61				

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

01 05 02  
BED 143

**PROGRAM TITLE: HIGH TECHNOLOGY DEVELOPMENT CORPORATION**

### **PART I - EXPENDITURES AND POSITIONS**

The expenditure variances for FY 12 was primarily due to: 1) vacancy savings, 2) a hold on pursuing new technology opportunities and/or to develop new technology centers, and 3) a hold on activities in the technology loan program as the program focused on core programs and services during this slow economic time. Expenditures for FY 13 are projected to be below the appropriation for the reasons stated above along with a spending restriction of approx. \$55,600 placed on the general fund.

Notes: High Technology Development Corporation (HTDC) received the Governor's approval to increase the spending ceiling for the federally funded HCAT program to \$21 million due to additional funding received from the U.S. Air Force and National Park Service. Per instructions, only expenditures up to the amount of the appropriation is being reflected in this report. Also, expenditures include disbursements by the asset management contractor for common area maintenance costs of HTDC's technology centers.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1. FY 12 and FY 13 activities are projected to be higher than planned due to the filling of positions which are directly involved in assisting and providing outreach to tech companies. The addition of networking events coordinated by HTDC has broadened the circle of tech companies participating and thus added interest in HTDC's tech centers, virtual program and services.

Item 2. HTDC's websites were totally upgraded and the method in which the websites track activity varies from the previous system. The increase in statistical count is primary due to the new methodology of tracking activity on the websites.

### **PART III - PROGRAM TARGET GROUPS**

Item 1. The Manufacturing Extension Partnership (MEP) program had a change in leadership after the "planned" statistic was calculated. The new

leadership reviewed and revised the program to focus on a smaller target group that would benefit from the program the most.

Item 2. Interest in occupancy at MRTC is anticipated to slightly increase in FY 13.

### **PART IV - PROGRAM ACTIVITIES**

Item 1. As mentioned in Part II, Item 2, the method of tracking and compiling statistics for activity on the websites has changed. As an example, the old system could not distinguish whether a visit to the website was by a first-time inquirer or by someone that had previously entered the site, while the new system can make this distinction and tabulates it statistics differently. The change in methodology of tracking activity on the websites is the primary reason for the lower statistics.

PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORPORATION  
 PROGRAM-ID: BED-145  
 PROGRAM STRUCTURE NO: 010503

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)	6,827	1,362	- 5,465	80	1,723	44	- 1,679	97	5,170	216	- 4,954	96
TOTAL COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)	6,827	1,362	- 5,465	80	1,723	44	- 1,679	97	5,170	216	- 4,954	96
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. INCR IN LEVERAGING PUBLIC INV W/PRIVATE CAPITAL	5000000	3000000	- 2000000	40	5000000	5000000	+ 0	0				
2. INCR IN NUMBER OF VENTURE CAP PARTNERSHIPS ESTAB	1	1	+ 0	0	1	1	+ 0	0				
3. INCREASE IN NUMBER OF COMPANIES FUNDED	2	3	+ 1	50	2	2	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. ENTREPRENEURIAL START-UP COMPANIES	50	50	+ 0	0	50	50	+ 0	0				
2. POTENTIAL INVEST ORG,INCL HIGH NET WORTH INDIVIDS	20	20	+ 0	0	20	20	+ 0	0				
3. SUPPORT ORGS INCLUDING LEGAL & ACCT FIRMS	5	5	+ 0	0	5	5	+ 0	0				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. REINVEST INVEST DISTRIB IN NEW VENTURE PARTNERSHIP	500000	250000	- 250000	50	1000000	0	- 1000000	100				
2. ORGANIZE AND SPONSOR VENTURE CAPITAL CONF	4	1	- 3	75	4	2	- 2	50				
3. ENTREPRENEURIAL TRAINING PROGRAMS	1	1	+ 0	0	1	1	+ 0	0				

**VARIANCE REPORT NARRATIVE  
FY 2012 AND FY 2013**

**01 05 03  
BED 145**

**PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORPORATION**

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**PART I - EXPENDITURES AND POSITIONS**

Item 1. One new position will be added in the 2nd quarter of FY 13, bringing the total position count to 2. Expenditures reported reflect the increase in position count.

**PART II - MEASURES OF EFFECTIVENESS**

Items 1-3. Investment transactions expected for the 1st quarter did not close.

**PART III - PROGRAM TARGET GROUPS**

No significant variances.

**PART IV - PROGRAM ACTIVITIES**

Item 1. No large distributions expected.

Item 2. The Venture Capital Summit was held in October 2011. The Best Practices Symposium normally held in December was held in August 2012 to coincide with the launch of the venture accelerator program. These were titled "Accelerating Hawaii's Innovation Conference and "Venture Accelerator Workshop."

Item 3. Several information sessions were held to promote the LAVA program.

STATE OF HAWAII

VARIANCE REPORT

REPORT V61  
12/14/12

PROGRAM TITLE: NATURAL ENERGY LAB OF HAWAII AUTHORITY  
PROGRAM-ID: BED-146  
PROGRAM STRUCTURE NO: 010504

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)	17,599	5,187	- 12,412	71	4,410	986	- 3,424	78	13,099	5,679	- 7,420	57
TOTAL COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES (\$1000's)	17,599	5,187	- 12,412	71	4,410	986	- 3,424	78	13,099	5,679	- 7,420	57
					FISCAL YEAR 2011-12				FISCAL YEAR 2012-13			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. NELHA REVENUES (INCL REIMBURSABLES) (\$M)					7.2	4.6	- 2.6	36	8.7	6.3	- 2.4	28
2. ENERGY PRODUCED FROM RENEWABLE RESOURCES (MWH/YR)					2121	1188	- 933	44	2227	1143	- 1084	49
3. TOTAL TENANT REVENUE (\$M)					50.3	52.3	+ 2	4	51.8	53	+ 1.2	2
4. ANNUAL TENANT CAPITAL IMPROVEMENT (\$M)					10	2.5	- 7.5	75	5	10	+ 5	100
5. SEAWATER SYSTEM DELIVERY RELIABILITY (%)					99.999	99.999	+ 0	0	99.999	99.999	+ 0	0
6. # OF CEROS OUTREACH AND INTERFACE PARTICIPANTS					400	100	- 300	75	400	0	- 400	100
7. VALUE OF CEROS PROJECTS FUNDED (\$M)					8	0	- 8	100	NO DATA	0	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. COMMERCIAL TENANTS					28	23	- 5	18	30	25	- 5	17
2. PRE-COMMERCIAL TENANTS					7	4	- 3	43	8	7	- 1	13
3. RESEARCH/EDUCATION/OTHER TENANTS					14	15	+ 1	7	15	16	+ 1	7
4. PUBLIC OUTREACH PARTICIPANTS					3200	5030	+ 1830	57	3500	5100	+ 1600	46
5. CEROS # OF ORGANIZATIONS COMMERCIALIZING					80	60	- 20	25	80	0	- 80	100
6. CEROS # OF ORGANIZATION IN OCEAN TECHNOLOGY					600	500	- 100	17	600	0	- 600	100
<b>PART IV: PROGRAM ACTIVITY</b>												
1. TOTAL EMPLOYMENT AT NELHA (PUBLIC & PRIVATE)					380	583	+ 203	53	400	583	+ 183	46
2. TOTAL VOLUME OF SEAWATER PUMPED (MGALS)					7.69	10.23	+ 2.54	33	8.08	10.93	+ 2.85	35
3. TOTAL NUMBER OF NELHA TENANTS					49	42	- 7	14	53	48	- 5	9
4. PERCENTAGE OF NELHA LAND IN USE					36.7	35	- 1.7	5	37.8	35.5	- 2.3	6
5. TOTAL CUMULATIVE CIP; TENANT, STATE, FEDERAL (\$M)					235	82.5	- 152.5	65	240	100	- 140	58
6. BEACH PARK USE (# OF ATTENDEES)					112300	125280	+ 12980	12	112300	125300	+ 13000	12
7. CEMP (# OF REGULATORY AGENCIES)					7	7	+ 0	0	7	7	+ 0	0
8. VALUE OF CEROS FUNDING (\$M)					9	0	- 9	100	NO DATA	0	+ 0	0
9. # OF CEROS OUTREACH INTERFACE EVENTS					18	10	- 8	44	18	0	- 18	100

**VARIANCE REPORT NARRATIVE  
FY 2012 AND FY 2013**

01 05 04  
BED 146

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

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**PART I - EXPENDITURES AND POSITIONS**

CEROS (S-245) Variance of \$9,013,954 is due to CEROS not receiving any further appropriations past FY 10 and congressionally mandated to end program by 1st quarter of FY 13.

NELHA (S-345) variance of \$3,398,307 is mostly due to cost of pumping seawater. Tenant projections of seawater use much lower than their actual use. Tenant projections for electrical and freshwater use were also significantly lower than given. Vacancies and furloughs also contributed to lower than projected expenditures.

FY 13 first quarter variance also due to CEROS cut back in funding and NELHA's tenant projections for use of seawater, freshwater and electrical use.

**PART II - MEASURES OF EFFECTIVENESS**

Item 1. Variance due to tenant projections for use of seawater, freshwater, and electrical use.

Item 2. Variance due to one tenant's output being over estimated.

Item 4. Variance due to delays in tenant capital investments related to the slow down of the economy.

Item 6 & 7. Variance due to close-out of CEROS program.

**PART III - PROGRAM TARGET GROUPS**

Item 1. Variance due to delays in new tenant projects, i.e., delays in receiving permits, capital funding, and lease negotiations.

Item 2. Variance due to loss of two tenants and delays of others locating at NELHA in this time frame.

Item 4. Variance due to participation in various energy/ocean related conferences and increased interest in weekly public tours.

Item 5 & 6. Variance due to close-out of CEROS program.

**PART IV - PROGRAM ACTIVITIES**

Item 1. Variance due to completed impact study done by UH HERO.

Item 2. Variance due to tenant expansion. Note: Item description should be in billions of gallons annually.

Item 3. Variance due to loss of two tenants and delays in new tenant projects.

Item 5. Variance due to delays in new tenants coming on-board and delays in existing tenant expansions. Note: Amount does not include previous years tenant improvement investments.

Item 6. Variance due to beach park use increasing.

Item 8 & 9. Variance due to close-out of CEROS program.

VARIANCE REPORT

PROGRAM TITLE: WATER AND LAND DEVELOPMENT  
PROGRAM-ID: LNR-141  
PROGRAM STRUCTURE NO: 0106

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
<b>PART I: EXPENDITURES &amp; POSITIONS</b>															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	4.00	1.00	-	3.00	75	5.50	1.00	-	4.50	82	5.50	4.00	-	1.50	27
EXPENDITURES (\$1000's)	764	541	-	223	29	244	83	-	161	66	744	905	+	161	22
TOTAL COSTS															
POSITIONS	4.00	1.00	-	3.00	75	5.50	1.00	-	4.50	82	5.50	4.00	-	1.50	27
EXPENDITURES (\$1000's)	764	541	-	223	29	244	83	-	161	66	744	905	+	161	22
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
<b>PART II: MEASURES OF EFFECTIVENESS</b>															
1. SURFACE WATER SUPPLY DEVELOPED (MGD)	0	0	+	0	0	0	+	0	0	0	+	0	0	0	0
2. GROUNDWATER SUPPLY DEVELOPED (MGD)	1	0	-	1	100	1	1	+	0	0	0	0	0	0	0
3. WATER CREDITS PROVID TO STATE AGENCIES (1000 GALS)	500	0	-	500	100	500	500	+	0	0	0	0	0	0	0
4. STATE LANDS DEVELOPED (ACRES)	20	10	-	10	50	20	20	+	0	0	0	0	0	0	0
<b>PART III: PROGRAM TARGET GROUP</b>															
1. DEFACTO POPULTN BENEFITNG FR IMPRVMENTS (NO. IN MIL)	1.4	1.4	+	0	0	1.4	1.4	+	0	0	0	0	0	0	0
<b>PART IV: PROGRAM ACTIVITY</b>															
1. PLANNING AND PROGRAMMING (NUMBER OF PROJECTS)	10	20	+	10	100	25	25	+	0	0	0	0	0	0	0
2. PROJECTS DESIGNED (NUMBER OF PROJECTS)	10	10	+	0	0	25	25	+	0	0	0	0	0	0	0
3. ENGINEERING CONSULTANT CONTRACTS ADMINISTERED	4	10	+	6	150	10	10	+	0	0	0	0	0	0	0
4. ENGIN SVCS PROVIDD TO OTHER DLNR OFFICES (MAN HRS)	20000	20000	+	0	0	20000	20000	+	0	0	0	0	0	0	0
5. CIP EXPENDITURES (\$1,000)	20000	34594	+	14594	73	10000	30000	+	20000	200	0	0	+	0	0
6. ALTERNATE WATER DEVLPM PROJECTS INVESTIGATED (NO.)	0	0	+	0	0	0	0	+	0	0	0	0	+	0	0



## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

01 06  
LNR 141

**PROGRAM TITLE: WATER AND LAND DEVELOPMENT**

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### **PART I - EXPENDITURES AND POSITIONS**

Position variance due to vacancies under recruitment.

Differences in budgeted amount and actual expenditures are primarily due to staff vacancies and unused accrued vacation/sick leave fund for capital improvements program (CIP) staff.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 2: Reflects authorized water projects and their completion; there has been a downturn in funding for such projects.

Item 3: Reflects downturn in requests for credits by State agencies.

Item 4: Reflects authorized land development projects and their completions; there has been a downturn in requests for program to execute such projects.

### **PART III - PROGRAM TARGET GROUPS**

No significant variance.

### **PART IV - PROGRAM ACTIVITIES**

Items 1 and 3: FY12 actuals reflect greater number of projects authorized than initially projected; FY 13 estimates reflect continued level of project funding.

Item 5: FY12 reflects actual expenditures based on contractor invoicing and payment processing; an additional \$48 million is encumbered in consultant and/or construction contracts for expenditure in FY13 and beyond. Some projects have been delayed due to permitting requirements.

VARIANCE REPORT

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	2.00	2.00	+ 0.00	0	2.00	2.00	+ 0.00	0	2.00	2.00	+ 0.00	0
EXPENDITURES (\$1000's)	1,087	930	- 157	14	343	196	- 147	43	729	840	+ 111	15
TOTAL COSTS												
POSITIONS	2.00	2.00	+ 0.00	0	2.00	2.00	+ 0.00	0	2.00	2.00	+ 0.00	0
EXPENDITURES (\$1000's)	1,087	930	- 157	14	343	196	- 147	43	729	840	+ 111	15
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
PART II: MEASURES OF EFFECTIVENESS												
1. NEW PRIVATE DEVELOPMENT IN KAKAAKO COMM DEV (\$M)	82.9	40.7	- 42.2	51	90	147	+ 57	63				
2. NEW PRIVATE DEVELOPMENT W/IN KALAELOA (\$M)	59.75	59.75	+ 0	0	15	15	+ 0	0				

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

PROGRAM TITLE: HAWAII COMMUNITY DEVELOPMENT AUTHORITY  
 PROGRAM-ID: BED-150  
 PROGRAM STRUCTURE NO: 010701

12/14/12

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	2.00	2.00	+ 0.00	0	2.00	2.00	+ 0.00	0	2.00	2.00	+ 0.00	0
EXPENDITURES (\$1000's)	1,087	930	- 157	14	343	196	- 147	43	729	840	+ 111	15
TOTAL COSTS												
POSITIONS	2.00	2.00	+ 0.00	0	2.00	2.00	+ 0.00	0	2.00	2.00	+ 0.00	0
EXPENDITURES (\$1000's)	1,087	930	- 157	14	343	196	- 147	43	729	840	+ 111	15
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)	82.9	40.7	- 42.2	51	90	147	+ 57	63				
2. NEW BLDG FLOOR SPACE IN KAKAAKO (1000 SF)	768	553	- 215	28	83	101.2	+ 18.2	22				
3. # OF NEW HOUSING UNITS IN KAKAAKO	693	489	- 204	29	0	NO DATA	- 0	0				
4. # OF NEW PUBLIC FACILITIES IN KAKAAKO	0	NO DATA	- 0	0	0	NO DATA	- 0	0				
5. # ACTIVELY-USED PARCELS IN KALAELOA CDD	57	57	+ 0	0	57	57	+ 0	0				
6. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)	59.75	59.75	+ 0	0	15	15	+ 0	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. # OF RESIDENTS IN KAKAAKO	9579	9579	+ 0	0	10328	10328	+ 0	0				
2. # OF EMPLOYEES IN KAKAAKO	25877	25877	+ 0	0	26387	25882	- 505	2				
3. # OF BUSINESSES IN KAKAAKO	1656	1656	+ 0	0	1656	1656	+ 0	0				
4. # OF LANDUSERS WITHIN KALAELOA	14	15	+ 1	7	14	15	+ 1	7				
5. # RESIDENTS WITHIN KALAELOA & SURROUNDING AREAS	5100	5100	+ 0	0	5100	5100	+ 0	0				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. DEVELOPMENT PERMITS ISSUED IN KAKAAKO	160	127	- 33	21	160	160	+ 0	0				
2. # INFRASTRUCTURE IMPROV PROJS BEGUN IN KAKAAKO	0	NO DATA	- 0	0	0	NO DATA	- 0	0				
3. NEW PUBLIC IMPROVEMENTS IN KAKAAKO (\$M)	0	NO DATA	- 0	0	0	NO DATA	- 0	0				
4. # PARCELS IN KALAELOA COVERED BY ECON DEV PLAN	83	84	+ 1	1	83	84	+ 1	1				
5. NEW PLANNING IN KALAELOA (\$M)	0	NO DATA	- 0	0	0	NO DATA	- 0	0				
6. # PARCELS, INFRASTRUCTURE SYS CONVEYED IN KALAELOA	83	84	+ 1	1	83	84	+ 1	1				
7. # PROJS FACILITATED & COMPLETED IN KALAELOA	5	5	+ 0	0	5	5	+ 0	0				

## VARIANCE REPORT NARRATIVE FY 2012 AND FY 2013

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**PROGRAM TITLE: HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

### **PART I - EXPENDITURES AND POSITIONS**

FY 12: The variance is due to: 1) The HCDA Kakaako revolving fund expenditure being \$35.5 million less than budget; 2) Kalaeloa revolving fund expenditure \$121.2 million less than budget.

1st Quarter of FY 12: 1) Q1 actual expenditure for Category 10 of Kakaako District was \$6.3 million lower than allotment; 2) Q1 actual expenditure Category 20 of Kakaako District was \$69.2 million lower than allotment; 3) Q1 actual expenditure for Category 10 of Kalaeloa District was \$1.5 million lower than allotment; 4) actual expenditure for Category 20 of Kalaeloa District was \$31.5 million lower than allotment.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1. FY 12: The negative \$42.2 million variance is due to: i) \$35.2 million negative change for Halekauwili Place Project, a public-private partnership project to provide for rental housing units; and ii) \$7.0 million variance of Ocean Investment project that is behind original schedule. FY 13: The positive \$57.0 million variance is due to schedule change of Ocean Investment project that was shifted from FY 12 to FY 13, and \$50.0 million of Symphony Honolulu, a new project estimated to start in FY 13.

Item 2. FY 12: The negative 214.8 (1,000 s.f.) variance is due to: i) 196.6 (1,000 s.f.) negative change for Halekauwili Place Project, a public-private partnership project to provide for rent housing units; and ii) 18.2 (1,000 s.f.) variance of Ocean Investment project that is behind original schedule. FY 13: The positive 18.2 (1,000 s.f.) variance is also due to schedule change of Ocean Investment project that was shifted from FY 12 to FY 13.

Item 3. FY 12: The negative 204 is for Halekauwili Place Project that is expected to be completed in FY 15.

### **PART III - PROGRAM TARGET GROUPS**

Item 4. FY 12/FY 13: the positive 1 variance is because Penrose/Walsh

became land user.

### **PART IV - PROGRAM ACTIVITIES**

Item 1. FY 12: negative 33 variance is due to slow economic recovery that has negatively impacted development projects.

Item 3. FY 12: positive \$0.63 million variance is due to actual expenditures for: 1) \$0.05 million effect of Kolowalu Park project; 2) \$0.263 million effect of Kewalo Basin Harbor Improvement project; 3) \$0.314 million effect of traffic signal at Queen and Kamakee intersection project.

Items 4 and 6. FY 12/FY 13: the positive 1 variance is because Penrose/Walsh became land user.

VARIANCE REPORT

PROGRAM TITLE: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP  
 PROGRAM-ID: BED-160  
 PROGRAM STRUCTURE NO: 0108

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	31.00	25.00	- 6.00	19	31.00	23.00	- 8.00	26	31.00	23.00	- 8.00	26
EXPENDITURES (\$1000's)	38,476	64,679	+ 26,203	68	28,437	1,273	- 27,164	96	9,864	37,028	+ 27,164	275
<b>TOTAL COSTS</b>												
POSITIONS	31.00	25.00	- 6.00	19	31.00	23.00	- 8.00	26	31.00	23.00	- 8.00	26
EXPENDITURES (\$1000's)	38,476	64,679	+ 26,203	68	28,437	1,273	- 27,164	96	9,864	37,028	+ 27,164	275
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13							
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%				
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. # OF HOMEBUYERS ASSISTED	716	691	- 25	3	565	685	+ 120	21				
2. # OF NEW RENTAL UNITS	542	216	- 326	60	435	320	- 115	26				
3. # OF EXISTING AFFORD RENTAL HOUSING UNITS PRESERV	190	325	+ 135	71	190	190	+ 0	0				
4. # OF LEASE RENTS RENEGOTIATED	0	5	+ 5	0	0	0	+ 0	0				
5. # OF SINGLE FAM LEASHLD LOTS CONVERT TO FEE SIMPLE	0	5	+ 5	0	0	2	+ 2	0				
<b>PART III: PROGRAM TARGET GROUP</b>												
1. HSEHLDS EARN UP 140% OF MED INC EST BY USDHUD	2700	NO DATA	- 2700	100	2700	NO DATA	- 2700	100				
2. EMPLOYEES OF TARGETED IND IDENTIFIED BY DBEDT	0	NO DATA	- 0	0	0	NO DATA	- 0	0				
<b>PART IV: PROGRAM ACTIVITY</b>												
1. ORIGINATE LOANS/GRANTS FOR ACQ/REHAB OR DEV OF HSE	525	786	+ 261	50	525	729	+ 204	39				
2. ALLOCATE TAX CRDT FOR ACQ/REHAB OR DEV OF HOUSING	0	243	+ 243	0	300	300	+ 0	0				
3. ISSUE TAX-EXEMPT REVENUE BONDS (\$M)	75	84	+ 9	12	75	75	+ 0	0				
4. UTILIZE CH 201H TO FAC ST & CNTY LAND APP FOR HSNG	450	301	- 149	33	450	0	- 450	100				
5. ACQUIRE/DISPOSE OF REAL PROPERTY	3	2	- 1	33	1	2	+ 1	100				
6. ASSIST FIRST-TIME HOMEBUYERS	266	691	+ 425	160	115	685	+ 570	496				
7. PROCESS APP FOR ARBITRATION OF LEASE RENT RENEGO	0	0	+ 0	0	0	0	+ 0	0				
8. PROCESS APPLICATIONS FOR LEASEHOLD CONVERSION	0	0	+ 0	0	0	1	+ 1	0				

**VARIANCE REPORT NARRATIVE  
FY 2012 AND FY 2013**

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**PROGRAM TITLE: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP**

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**PART I - EXPENDITURES AND POSITIONS**

The position variance is primarily due to a delay in filling of positions.

The expenditure variance is the result of increased expenditures authorized by a ceiling increase over the appropriated amount for Rental Housing Trust Fund.

Item 6. The planned counts for FY 12 and FY 13 were underestimated, causing favorable variances.

**PART II - MEASURES OF EFFECTIVENESS**

Item 1. There were no significant variances.

Item 2. Delays due to construction and financing challenges caused lower actual production of new rental units in FY 12 and FY 13.

Item 3. An increase in applicants competing for resources caused a higher than planned number of units preserved.

**PART III - PROGRAM TARGET GROUPS**

No data provided for this program measure.

**PART IV - PROGRAM ACTIVITIES**

Item 1. Changes in the timing of approvals and loan closings resulted in variances in loan originations in FY 12 and FY 13.

Item 2. There were no tax credit allocations previously planned for FY 12.

Item 3. In FY 12, there was a higher than anticipated utilization of the Hula Mae multi-family program, which is funded with tax-exempt revenue bonds.

Item 4. Variances were primarily caused by project delays and reduction of estimated number of units requiring approvals.

Item 5. This is not considered a significant variance.

VARIANCE REPORT

PROGRAM TITLE: OFFICE OF AEROSPACE  
 PROGRAM-ID: BED-128  
 PROGRAM STRUCTURE NO: 0109

	FISCAL YEAR 2011-12				THREE MONTHS ENDED 09-30-12				NINE MONTHS ENDING 06-30-13						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
<b>PART I: EXPENDITURES &amp; POSITIONS</b>															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	79	75	-	4	5	37	21	-	16	43	121	137	+	16	13
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	79	75	-	4	5	37	21	-	16	43	121	137	+	16	13
	FISCAL YEAR 2011-12				FISCAL YEAR 2012-13										
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%							
<b>PART II: MEASURES OF EFFECTIVENESS</b>															
1. NEW PROGRAM ESTABLISHED BY 2011 LEGISLATURE	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0					



**VARIANCE REPORT NARRATIVE  
FY 2012 AND FY 2013**

**PROGRAM TITLE: OFFICE OF AEROSPACE**

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**PART I - EXPENDITURES AND POSITIONS**

The variances are due to the expenditures being allocated for the 1st quarter based on 25% of the total allocation. It is anticipated that the remaining funds will be expended during the remaining quarters.

**PART II - MEASURES OF EFFECTIVENESS**

**PART III - PROGRAM TARGET GROUPS**

**PART IV - PROGRAM ACTIVITIES**